

OTP Percentage Rate	Manassas Line	Fredericksburg Line
96.0% and higher	\$30,000	\$30,000
94.0% - 95.9%	\$25,000	\$25,000
92.0% - 93.9%	\$20,000	\$20,000
90.0% - 91.9%	\$15,000	\$15,000

- C. VRE’s Chief Executive Officer (CEO) reserves the right to develop spot incentive programs to motivate specific improvements.

2.4 LIQUIDATED DAMAGES

2.4.1 MAINTENANCE LIQUIDATED DAMAGES

The following liquidated damages shall be assessed following a three (3) month grace period from the Commencement Date:

- A. HEP failure (longer than 15 minutes or 3 occurrences) during service day - \$1,000/locomotive/day.
- B. Door failure rendering railcar unavailable during service day - \$500/railcar/day.
- C. Prime mover failure (longer than 15 minutes or 3 occurrences) during service day - \$1,500/locomotive/day.
- D. Toilet inoperable (or entire consist without a toilet) - \$250/toilet/trip.

2.4.2 OTHER MAINTENANCE LIQUIDATED DAMAGES

- A. Operating a train set short of railcars as a result of mechanical failures - \$250/railcar/day.
- B. Flat spots on wheels caused by hand brakes left applied during movement - \$1,000/incident.
- C. Heavy cleaning overdue in excess of 15 calendar days - \$200/day/train set.
- D. HVAC system not operating - \$250/railcar/trip.
- E. Failure to comply with any of the requirements of the Maintenance Policies in VRE yards - \$500/incident.



SECTION 2. SPECIAL TERMS AND CONDITIONS

2.4.3 TRAIN OPERATIONS LIQUIDATED DAMAGES

- A. Blanked Jobs (due to vacancy, illness, vacation, training, etc.) - \$500/day/position.
- B. Failure to accommodate ADA Passenger - \$1,000 per occurrence.
- C. Failure to report delays - \$250 per incident.
- D. Failure to issue FRCs at the time of the delay - \$250 per incident.

2.4.4 OTHER LIQUIDATED DAMAGES

- A. Incomplete Mobilization - \$10,000 per day.
- B. Late Reports or Failure to Report - \$250/day for each day until report filed.
- C. Cancelled train due to mechanical failure - \$2,500 per train cancelled.
- D. In the event that the Contractor is found to be in violation of any FRA regulation which results in a fine being assessed by the FRA, the Contractor shall be responsible for correction of the violation as well as paying the assessed liquidated damages at no additional charge to VRE.
- E. Non-compliance with VRE standards, policies, or procedures if witnessed by a VRE employee – \$250 - \$1000/incident. Violations will be submitted to the VRE Chief Executive Officer for action. The Contractor will receive a copy of the complaint in writing.

2.5 SERVICE CHANGES

2.5.1 GENERAL AUTHORITY

- A. VRE may, at any time during the Term of this Contract, make any permanent changes to the Schedule of Services provided under this Contract and direct the Contractor to implement those changes. Changes could include those to timetables, schedules, service levels and/or the service territory. The changes and the cost impact thereof shall then be integrated into the Contract pursuant to **SECTION 66. CHANGES** of the General Terms and Conditions.
- B. VRE reserves the right, at any time, by written notice to the Contractor, to require the Contractor to stop any specific work or all work included in the Contract services. VRE may at any time transfer any or all Contract services work to a party other than the Contractor.

