Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 • Mather, CA 95655 • Phone (916) 859-4300 • Fax (916) 859-3702

ADAM A. HOUSE
Fire Chief

DATE: October 8, 2026

TO: Board of Directors

SUBJECT: **REVISED STAFF REPORT** Contract Award – RFB 26-06 Fire Station 67 Construction

TOPIC

Request to adopt a resolution to award a contract pursuant to Request for Bids (RFB) 26-06 Fire Station 67 Construction.

BACKGROUND

On May 22, 2025, the Sacramento Metropolitan Fire District's (District) Board of Directors (Board) adopted Resolution 25-025 to establish a Qualified Bidders List of seventeen (17) firms who successfully completed the District's pre-qualification process pursuant to Public Contract Code Section 20101 *et seq.* and were determined as eligible to bid on the Station 67 project.

DISCUSSION

On July 17, 2026, the District issued RFB 26-06, soliciting bids from its Qualified Bidders List for the construction of Fire Station 67 (Project). A mandatory pre-bid job walk was conducted on July 22, 2026 and was attended by fourteen (14) Qualified Bidders. A public bid opening was conducted on August 14, 2026 and seven (7) bids were received, all of which came in below the engineer's estimate for the Project.

DL Falk Construction Inc.	$11,614,050
D.G. Granade, Inc.	$11,840,920
Bobo Construction, Inc.	$12,381,928
Diede Construction Inc.	$12,470,850
Lathrop Construction Associates, Inc.	$12,659,325
F&H Construction	$12,809,882
John F. Otto, Inc.	$12,822,600

After review, bids received from D.G. Granade, Inc., Bobo Construction, Inc., and F&H Construction were deemed non-responsive for failure to meet the RFB requirements, including failure to ensure all listed subcontractors were eligible to be listed in a bid proposal for a public works project (D.G. Granade, Inc.), failure to provide a physical copy of the required bid bond (Bobo Construction, Inc.), and failure to submit the proper Bid Form 5 as amended (F&H Construction).

Subsequently, DL Falk Construction Inc., the apparent low bidder, voluntarily requested that its bid be rejected as non-responsive based on alternative administrative grounds.

The District conducted a responsibility evaluation to determine whether the next lowest responsive bidder, Diede Construction Inc. (Diede), has demonstrated the trustworthiness, quality, fitness, capacity, and experience necessary to satisfactorily perform the Project. The evaluation included a review of Diede's public works performance history, claims and disputes,

litigation and settlements, current and completed projects, financial statements, and information obtained from project owners and other available sources.

Based on the totality of the information reviewed, the District did not identify a pattern of significant performance deficiencies that would indicate Diede lacks the attributes necessary to satisfactorily perform the Project. Diede's documented performance record demonstrates the attributes of trustworthiness, quality, fitness, capacity, and experience to satisfactorily perform the Project.

Based on this evaluation, the District issued a Notice of Intent to Award a contract to Diede Construction Inc. on October 5, 2026. Following issuance of the Notice of Intent to Award, the District received a notice from D.G. Granade, Inc. (Granade) formally protesting the disqualification of their bid and the intended award to Diede Construction Inc. They requested reconsideration of their disqualification and deferral of the award, pending review of the protest. Their bid protest is attached hereto for the Board's consideration.

The District provided a response to Granade on October 6, 2026, which outlined the basis for their disqualification; namely, that its bid was determined nonresponsive and ineligible for award because it listed a subcontractor that was not lawfully qualified to be listed in a bid proposal and failed to satisfy the RFB's explicit requirements for Department of Industrial Relation Public Works Contractor registration at the time of bid. The District's determination is based on the requirements expressly stated in the RFB, Public Contract Code Section 4101, and Labor Code Sections 1725.5 and 1771.1(a). These requirements applied equally to all bidders and were included to ensure compliance with the public works requirements applicable to the Project. The deficiency in Granade's bid is material and has the effect of giving them an unfair advantage over other bidders who fully complied with the RFB and legal requirements in submitting public contracting bids.

The District received further correspondence from Granade on October 7, 2026, claiming inadvertent error in listing the ineligible subcontractor and requesting: (1) subcontractor substitution under Section 1771(c)(3) of the Labor Code, and (2) District's consent to allow substitution under Section 1771.1(d) of the Labor Code, both pursuant to Section 4107 of the Public Contract Code. Granade again requested reconsideration of its disqualification and deferral of the award.

The District provided written response to Granade on October 7, 2027, explaining that while section 4107 of the Public Contract Code permits an awarding authority to consent to a substitution request on the basis of inadvertent error, that process is subject to the requirements in section 4107.5 of the Code which explicitly provides, as a condition to asserting a claim of inadvertent error in listing a subcontractor, the prime contractor must give written notice to the awarding agency within two working days after bid opening. As the bid opening occurred on August 14, 2026 and the letter from Granade claiming inadvertent error in listing an unregistered subcontractor was dated October 7, 2026, the remedy for the District to consider substituting a subcontractor due to inadvertent error is not available to Granade.

Therefore, staff recommends that the Board deny Granade's protest based on a finding that their bid is nonresponsive, deny Granade's request for consent to permit subcontractor substitution, and award a contract to the lowest responsive and responsible bidder, Diede Construction Inc.

FISCAL IMPACT

The total proposed contract value is $12,470,850, which includes a 5% contingency. This cost has already been included in the total project cost of $16,610,000, authorized through adoption of the District's Capital Improvement Program Plan (CIP), and is currently budgeted in the District's FY 2026/27 Final Budget. The project will be funded through a combination of development impact fee revenues (I Fund) and general obligation bond revenues (O Fund).

RECOMMENDATION

Staff recommends that the Board take the following actions:

1. Deny the bid protest from D.G. Granade, Inc. and deny its request for consent to substitute an ineligible contractor with a different subcontractor.
2. Make a finding that the bids received from D.G. Granade, Inc., Bobo Construction, Inc., and F&H Construction are non-responsive due to failure to meet the requirements of the RFB and reject those bids.
3. Accept DL Falk Construction Inc.'s request that its bid be rejected as non-responsive on the basis of alternative administrative grounds.
4. Make a finding that the lowest responsive and responsible bidder for the Fire Station 67 project is Diede Construction Inc.
5. Authorize the Fire Chief, or his designee, to execute and administer a contract pursuant to RFB 26-06 Fire Station 67 Construction with the lowest responsive and responsible bidder, Diede Construction Inc.
6. Authorize the Fire Chief, or his designee, to execute, and administer a contract pursuant to RFB 26-06 Fire Station 67 Construction with the next lowest responsive and responsible bidder if, after ten (10) calendar days of the District's issuance of a Notice of Award, the lowest responsive and responsible bidder has failed to satisfy the conditions of award pursuant to the RFB.

Submitted by:

Erin Castleberry
Administrative Analyst

Approved by:

Jeff Frye
Chief Development Officer

Attachments:

Attachment 1: Bidder Responsibility Evaluation – Diede Construction Inc.

Attachment 2: Correspondence from DL Falk Construction Inc.

Attachment 3: Correspondence from D.G. Granade, Inc. dated 10/5/26

Attachment 4: District Response to Correspondence from D.G. Granade, Inc. dated 10/5/26

Attachment 5: Correspondence from D.G. Granade, Inc. dated 10/7/26

Attachment 6: District Response to Correspondence from D.G. Granade, Inc. dated 10/7/26

Attachment 7: Resolution Approving a Contract Award Pursuant to Request for Bids 26-06 Fire Station 67 Construction

BIDDER RESPONSIBILITY EVALUATION

DATE: **October 5, 2026**

BIDDER: **Diede Construction Inc.**

BID NO.: **Request for Bids (RFB) 26-06 Fire Station 67 Construction**

1. PURPOSE

This document summarizes the information reviewed by the Sacramento Metropolitan Fire District ("District") in evaluating the responsibility of Diede Construction Inc. ("Diede") for RFB 26-06 Fire Station 67 Construction.

This evaluation was conducted to determine whether Diede has demonstrated the attributes of trustworthiness, quality, fitness, capacity, and experience to satisfactory perform the contract (Public Contract Code Section 1103), and to support the Board's ultimate determination of whether or not Diede should be considered a responsible bidder for the purposes of this procurement.

2. EVALUATION APPROACH

The District's evaluation considered the attributes of a responsible bidder, as defined in Public Contract Code Section 1103, and applied a five-question test:

Attribute	Question
Trustworthiness	Does the performance record demonstrate that the District can reasonably rely on the contractor to fulfill its contractual commitments and manage contractual issues in a professional and reliable manner?
Quality	Does the performance record demonstrate that the contractor can consistently deliver work that meets contract requirements and expected standard of workmanship?
Fitness	Does the performance record demonstrate that the contractor is suitably qualified and capable of performing the particular work required under the contract?
Capacity	Does the performance record demonstrate that the contractor has the people, resources, organization and financial ability to perform the work successfully on time and on budget?
Experience	Does the performance record demonstrate that the contractor has a history of successfully performing comparable work?

The District reviewed information concerning Diede's performance on public works projects, including records and information provided by Diede during the pre-qualification process and the subsequent bid process; publicly available records from public agency owners; and direct correspondence with public agency owners of projects performed by Diede.

3. SUMMARY OF PERFORMANCE RECORD

3.1 Contractor-Provided Information

Documents submitted by Diede during the prequalification process and subsequent bid process provide information on ten (10) separate public works projects completed between 2020-2026. The District reached out to owner contacts associated with the projects via phone and/or email with the following questions:

1. How would you characterize the contractor's overall performance on the project, including their ability to perform the work in accordance with the contract documents, meet schedule requirements, and provide adequate staffing and supervision?
2. Did the contractor experience or cause any significant issues related to schedule, quality of work, safety, subcontractor management, responsiveness, contract compliance, or other aspects of project performance? If so, were the issues resolved satisfactorily?
3. Were any formal claims, demands, or disputes filed or asserted by the contractor or the owner in connection with the project, including claims related to additional compensation, delays, time extensions, differing site conditions, defective work, or other contract matters? If so, please briefly describe the nature of the claim, which party asserted it, and the outcome or current status.
4. Based on your experience with the contractor, do you have any concerns regarding their ability to successfully complete another public works project of similar size and complexity? If so, please explain.

The responses are summarized below.

Year	Public Agency / Project	Feedback
2020	Lodi Unified School District / Maintenance and Operations Center	The contractor's overall performance on the project was positive. Demonstrated ability to perform the work in accordance with the contract documents, maintained the project schedule, and provided adequate staffing and supervision throughout the project. Contractor was responsive to project needs and worked cooperatively with the District and project team to address issues as they arose. There was one issue related to the quality of work performed by the epoxy subcontractor. The contractor was made aware of the concern and a resolution was found between contractor and the District. No other significant issues related to schedule, safety, subcontractor management, responsiveness, or contract compliance were encountered. No claims or disputes. No significant concerns regarding their ability to successfully complete another public works project of similar size and complexity. Contractor demonstrated appropriate staffing, supervision, responsiveness, and the ability to address and resolve issues in a timely manner.
2021	Monterey-Salinas Transit District / Operations and Maintenance Building	Great to work with, collaborative and responsive. The project was a design-build project.

Year	Public Agency / Project	Feedback
2022	University of California, Davis / Engineering Student Design Center	Design-build project. Design team took over at 60% design but discovered multiple stakeholders did not provide their input up to that point. Diede was instrumental in making the project a success despite this challenge.
2024	Merced Union High School District / Atwater and Merced HS Pool Facilities Replacement	Excellent contractor. The project was a design-bid-build project. No issues with the new buildings since completion of the project.
2025	Mountain House Station 2	No response received.
2025	Lodi Unified School District / Lodi MS Modernization	Similar to other project. Job went well. No issues. They should have no issues completing a similar project.
2025	City of Merced / COM Stephen Leonard Building Rehab	No response received.
2026	River Delta Unified School District / Isleton ES Admin Addition and Modernization	Overall performance was excellent. No issues with project performance. No claims or disputes. They completed two multi-million dollar projects for RDUSD – excellent job on both.
2026	City of Manteca / Manteca-WQCF Breakroom Remodel	Overall performance was excellent. They were able to perform all work as well as additional work not in scope. They complied with schedule and meetings. Staff was great and had an onsite superintendent. No issued to report, they were always ahead of the curve. No claims or disputes. They were a turnkey GC and went above and beyond in every respect. They would be on shortlist for future projects.
2026	Sacramento Metropolitan Fire District / Zinfandel First Responder Training Facility Phase 3 Buildout	Documented performance reviews completed by owner and third-party owner advisor demonstrated superior performance throughout all stages of the project.

3.2 Supplemental Information

In order to further aid the District's evaluation, the District conducted additional research into Diede's past performance, including reviewing public records associated with past projects and reaching out to public agency owners of identified projects. In total, the District's review included twenty (20) public agency projects completed between 2020-2026, and two (2) projects with unknown completion dates.

The District was able to identify two (2) public works projects with a claims history. It's unclear which projects these claims are related to, or when the projects were completed, but it appears claims were filed in 2020, so they were included in this evaluation. The matters reviewed are summarized below.

Year	Public Agency / Project	Key Findings
2020	Southgate Recreation and Park District / Unknown Project	District records document multiple claims related to an unnamed project. It's unclear when the project was completed, but records document claims filed by both the owner and the contractor, as well as by several subcontractors.
2020	University of California, Davis / Unknown Project	Online records document a breach of contract claim filed by a subcontractor against the contractor. A post on an attorney's website claims that the complaint was related to a public works project for UCD, that Diede filed a cross claim, and that the matter settled for $375,000 payable to the subcontractor.

4. SUMMARY OF FINDINGS

4.1 Schedule and Delays

Of the twenty-two (22) completed public works projects reviewed, records provided by Diede document schedule delays on three (3) projects, ranging from two to three months, due to added scope. Owner contacts for two (2) of those projects did not report any performance issues related to delays in their responses to the District; the other owner provided no response.

Based on the information available to the District, the documented schedule extensions do not appear to reflect delays attributable to Diede's performance. The relatively limited duration of the extensions, the stated owner-driven cause, and the project owners' confirmation of satisfactory performance are relevant to the District's evaluation of Diede's demonstrated capacity to manage project schedules and complete work in accordance with contractual requirements.

4.2 Quality, Completion, and Contract Administration

Of the twenty-two (22) completed public works projects reviewed, the District did not identify documented quality, completion, or contract administration issues on any of the projects, based on the information available to the District.

Based on the information available to the District, Diede's record demonstrates a consistent history of satisfactory quality, completion, and contract administration across the public works projects reviewed. This record supports the District's evaluation of Diede's demonstrated quality of work, capacity to complete work in accordance with contractual requirements, and ability to honor its contractual obligations.

4.3 Claims and Disputes

Of the twenty-two (22) completed public works projects reviewed, available records specifically document claims or disputes on two (2) projects completed during or prior to 2020 (exact completion dates unknown).

Records document one (1) claim filed by Diede against a project owner, followed by a cross-complaint filed by the project owner, but the nature of the complaint is unknown. There were also several subcontractor complaints filed in relation to this project.

Records also document one (1) subcontractor complaint for breach of contract filed against Diede related to a separate project.

Eighteen (18) of the twenty-two (22) completed public works projects reviewed did not appear to have any record of claims or disputes based on the information available to the District.

Based on the information available to the District, the identified claims and disputes do not appear to establish a pattern of recurring claims or disputes across Diede's public works project history. This record supports the District's evaluation of the bidder's demonstrated trustworthiness and ability to successfully manage contractual relationships.

4.4 Arbitration, Litigation, and Settlements

Of the twenty-two (22) completed public works projects reviewed, available records specifically document litigation related to two (2) projects and settlements related to two (2) projects completed during or prior to 2020 (exact completion dates unknown).

The two litigation matters include one (1) complaint filed by Diede against a project owner, followed by a cross-complaint filed by the project owner, and one (1) subcontractor complaint for breach of contract against Diede related to a separate project. The nature of the litigation matters is not disclosed.

Records indicate a settlement was reached in both cases, with one case reporting a $375,000 settlement payable to a subcontractor, while the other project documented a settlement between Diede and a project owner for an undisclosed amount payable to Diede.

Eighteen (18) of the twenty-two (22) completed public works projects reviewed did not appear to have any record of arbitration, litigation, or settlements based on the information available to the District.

Based on the information available to the District, the identified arbitration, litigation, and settlement activity is limited to a small number of projects and does not appear to establish a pattern of recurring disputes or litigation across Diede's public works project history. This record supports the District's evaluation of Diede's demonstrated trustworthiness, ability to manage contractual relationships and disputes, and experience performing public works projects.

5. EVALUATION OF FINDINGS

The District evaluated Diede's performance history as described herein against the attributes relevant to bidder responsibility: trustworthiness, quality, fitness, capacity, and experience. The District did not consider any single claim, settlement, delay, or dispute to be determinative. Rather, the evaluation considered the cumulative record, including the frequency, nature, and magnitude of documented performance issues across the projects reviewed and their relevance to Diede's ability to satisfactorily perform the District's contract.

5.1 Trustworthiness

Does the performance record demonstrate that the District can reasonably rely on the contractor to fulfill its contractual commitments and manage contractual issues in a professional and reliable manner?

The performance record generally demonstrates satisfactory performance and does not identify a pattern of recurring disputes or issues with public agency owners. Of the twenty-two (22)

completed public works projects reviewed, eighteen (18) did not appear to have any record of claims or disputes based on the information available to the District. The District also did not identify documented concerns regarding Diede's ability to fulfill contractual obligations or manage project issues.

The District recognizes that construction claims and disputes can occur on complex public works projects and that negotiated settlements do not, by themselves, establish fault or wrongdoing. The two (2) projects involving claims, litigation and settlements were considered as part of the overall performance record, but do not, based on the information available, establish a pattern of recurring or significant disputes across Diede's public works projects.

5.2 Quality

Does the performance record demonstrate that the contractor can consistently deliver work that meets contract requirements and expected standard of workmanship?

Available project records and information provided by project owners did not identify concerns regarding incomplete, defective, or non-conforming work; project management, coordination, or supervision; termination actions or demands to sureties; or failure to meet contractual obligations.

The District also did not identify project owner concerns regarding Diede's quality of work or completion of contracted work.

This record supports the District's evaluation of Diede's demonstrated quality of work, ability to complete work in accordance with contractual requirements, and ability to honor its contractual obligations. Based on the information available to the District, the record demonstrates that Diede can consistently deliver work that meets contract requirements and expected standard of workmanship.

5.3 Fitness

Does the performance record demonstrate that the contractor is suitably qualified and capable of performing the particular work required under the contract?

Diede has substantial experience performing public works construction, including projects for public agencies and projects involving complex facilities. The District considered Diede's relevant project experience together with the performance information obtained from project owners.

The projects reviewed generally reflect satisfactory performance. The District did not identify documented quality, completion, or contract administration concerns, and project owners contacted by the District did not identify performance issues with the projects reviewed. Three projects included schedule extensions of approximately two to three months; however, the bidder reported that these extensions resulted from owner-added scope, and the project owners confirmed that the extensions were associated with owner-requested changes or additional scope and did not identify performance issues with Diede.

This record supports the District's evaluation of Diede's demonstrated fitness and ability to successfully perform the type of work contemplated by the District's contract. Based on the information available to the District, the record demonstrates that Diede is suitably qualified and capable of performing public works projects comparable to the District's contract.

5.4 Capacity

Does the performance record demonstrate that the contractor has the people, resources, organization and financial ability to perform the work successfully on time and on budget?

The District considered Diede's recent and completed project history in evaluating its capacity to perform the District's contract. The twenty-two (22) completed public works projects reviewed provide evidence of Diede's ability to undertake and complete public works projects for public agency owners.

The District identified three (3) projects with schedule extensions of approximately two to three months. Based on information provided by Diede and confirmed by the project owners, these extensions were associated with owner-added scope and were not attributed to Diede's performance. The District did not identify a pattern of contractor-caused schedule delays, quality issues, completion issues, or contract administration problems. The District also considered Diede's current project obligations and other available information concerning its ability to perform the District's contract.

This record supports the District's evaluation of Diede's demonstrated capacity to manage public works projects, allocate resources, and complete work in accordance with contractual requirements. Based on the information reviewed, the District did not identify information indicating that Diede lacks the organizational or operational capacity to satisfactorily perform the contract.

5.5 Experience

Does the performance record demonstrate that the contractor has a history of successfully performing comparable work?

Diede has extensive experience performing public works construction and has completed projects for numerous public agencies. The District considered this experience as part of the responsibility determination. At the same time, experience is not evaluated solely by the number or dollar value of projects completed. The District also considered the performance record associated with that experience.

The available information did not identify documented quality, completion, or contract administration issues on the projects reviewed. Additionally, eighteen (18) of the twenty-two (22) completed projects did not appear to have any record of claims or disputes. The District identified a limited number of claims, disputes, litigation matters, and settlements. However, based on the information available, these matters do not appear to represent a recurring pattern of performance issues. Similarly, the three (3) identified schedule extensions were confirmed by project owners as being associated with owner-added scope rather than Diede's performance.

This record supports the District's evaluation of Diede's demonstrated experience successfully performing public works projects and its ability to apply that experience to the District's contract.

6. RECOMMENDED DETERMINATION

Based on the totality of the information reviewed, the District did not identify a pattern of significant performance deficiencies that would indicate Diede lacks the attributes necessary to satisfactorily perform the District's contract.

The District's recommended determination is not based on any single project or attribute. Rather, the determination is based on the cumulative record across the five responsibility attributes, including the frequency and magnitude of the documented issues relative to the body of projects reviewed. The relevant consideration is whether the documented performance record demonstrates that Diede possesses the level of trustworthiness, quality, fitness, capacity, and experience necessary to satisfactorily perform the District's contract.

The District finds that Diede's documented performance record demonstrates the attributes of trustworthiness, quality, fitness, capacity, and experience reasonably necessary to satisfactorily perform the District's contract.

Accordingly, it is recommended that the Board determine Diede Construction Inc. to be a responsible bidder for purposes of this procurement.

7. SUPPORTING DOCUMENTATION

The recommended determination is supported by performance records comprised of the following:

- RFQ 25-03 Prequalification Questionnaire (submitted by Diede)
- RFB 26-06 Supplemental Questionnaire (submitted by Diede)
- Audited financial reports (submitted by Diede)
- Governing body meeting minutes
- Litigation records
- Phone and/or email feedback from project owners

D.L. Falk Construction Inc.

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Phone 510-887-6500 • Fax: 510-887-6501

State License #683837

October 1, 2026

VIA EMAIL AND MAIL — purchasing@metrofire.ca.gov
Sacramento Metropolitan Fire District, Attn: Purchasing Division
3012 Gold Canal Drive, Rancho Cordova, CA 95670

Re: Fire Station 67 Construction — RFB 26-06
Dispute of Proposed Non-Responsibility Finding and Request for Reclassification

Dear Purchasing Division and Members of the Board of Directors:

DL Falk Construction Inc. disputes the proposed non-responsibility finding in the District's September 30, 2026 notice and requests withdrawal of that recommendation. We were included on the District's Qualified Bidders List for this project and submitted the apparent low bid, as the District's evaluation acknowledges. The evaluation does not adequately distinguish disputed allegations, owner-caused impacts, and negotiated resolutions from established contractor failures demonstrating an inability to perform Fire Station 67.

Prequalification and the applicable standard

The District's May 27, 2025 notice identifies Falk as qualified under RFQ 25-03 and states that the Board approved the list on May 22, 2025. Public Contract Code section 20101(b) requires a uniform prequalification rating system based on objective criteria. Although prequalification does not guarantee award or foreclose a later responsibility review, the District should explain how its present recommendation is reconciled with its prior qualification decision, including the applicable qualification period, any renewal, and the material information that changed the assessment.

The evaluation does not establish the proposed conclusion

Public Contract Code section 1103 addresses trustworthiness, quality, fitness, capacity, and experience to satisfactorily perform the public works contract. In City of Inglewood–Los Angeles County Civic Center Authority v. Superior Court (1972) 7 Cal.3d 861, 867–868, the California Supreme Court explained that responsibility concerns qualification to perform the particular work; preference for a comparatively superior bidder is insufficient under the lowest-responsible-bidder rule. We recognize the District's discretion to assess actual performance concerns, but dispute the inference that the cumulative existence of disputes establishes our inability to perform this contract.

The District itself acknowledges in sections 5.3 and 5.5 of Exhibit A that Falk has substantial experience on comparable public works projects. Its capacity discussion identifies historical disputes and delays but does not identify a specific deficiency in our proposed Fire Station 67 personnel, resources, organization, or financial ability. Please identify the project-specific evidence supporting each adverse conclusion and the criteria applied.

The evaluation relies heavily on claims, litigation, and settlements. Public Contract Code section 9204 expressly provides procedures for public works contractors to seek time extensions and disputed compensation, including mediation. Section 9204(d)(3) specifically states that a claim deemed rejected because an agency fails to respond within the required time is not an adverse finding on the merits or the claimant's responsibility or qualifications. We do not contend that section 9204 prevents review of underlying performance. We do contend that using authorized claim procedures, without establishing the underlying fault, should not itself be treated as evidence of untrustworthiness or unfitness.

Your own summaries show why context matters. Vacaville's resolution included a 112-day time extension, and the Cedro resolution included a 123-day extension and waiver of liquidated damages. The San Leandro summary identifies unforeseen conditions, owner-requested changes, design changes, and utility delays alongside contractor delays. These descriptions require an allocation of responsibility and comparison against adjusted contractual completion dates, rather than an inference of contractor fault from elapsed time alone.

The evaluation also describes substantial settlement payments to Falk. We do not assert that those payments establish owner liability; equally, they do not establish Falk's liability. The September 29, 2026 Dublin reference expressly describes the settlement as a compromise without admission of fault or liability by either party. Owner allegations of termination, defective work, or deficient supervision warrant examination, but disputed allegations and settlements must be identified as such rather than treated as adjudicated facts.

Likewise, a reference's failure or refusal to respond supplies no affirmative evidence of poor performance. The San Jose reference provides original dates and temporary occupancy dates but declines official comment because the projects remain ongoing. Those dates alone do not establish responsibility for the intervening time. We request the complete records and an opportunity to address the unfavorable references and underlying allegations on their merits.

Proposed resolution and five day response deadline

To resolve this matter without further escalation, we will accept rejection of our bid as non-responsive in lieu of a finding that Falk is non-responsible. We request that the District withdraw the proposed non-responsibility finding, refrain from adopting it, and confirm in writing that our bid will be rejected as non-responsive. Any resulting staff recommendation, Board action, and procurement record should accurately reflect that withdrawal and the separate basis for rejection. This proposal is a compromise, not an admission that our bid was defective or that the adverse performance allegations are correct. Please confirm the District's agreement to these terms in writing.

Please provide your written response within five calendar days of this letter, no later than 5:00 p.m. Pacific Time on October 6, 2026. If the District does not respond by that deadline or declines to resolve the matter on the terms above, we will need to involve counsel to protect Falk's rights and evaluate available legal remedies.

We ask that this dispute and proposed resolution be provided to the Board before it considers the October 8 recommendation.

Sincerely,

Dave T. Falk
President
DL Falk Construction Inc.

GRANADE INC

Sacramento Metropolitan Fire District
3012 Gold Canal Drive
Rancho Cordova, CA 95670

October 5, 2026

Attn: Ms. Courtney Moore

RE: RFB 26-06 – Fire Station 67 Construction

Subject: Formal Protest and Bid Disqualification and Intended Award

Dear Ms. Courtney Moore:
D. G. Granade, Inc. formally protests the disqualification of its bid and the intended award to Diede Construction, Inc., announced in the District's October 5, 2026 Notice of Intent to Award. We request reconsideration of our disqualification and deferral of the award recommendation scheduled for the October 8, 2026 Board meeting pending review of this protest.

Grounds for Protest
D. G. Granade, Inc. was prequalified by the District for this project and submitted a bid lower than Diede Construction, Inc. Based on the bid results available to us, Diede was the fourth-lowest bidder.

We were advised that our bid was disqualified because we lacked a certification. However, the District has not identified the certification allegedly missing, the provision establishing that requirement, or the specific deficiency in our bid submission. The Notice of Intent to Award likewise provides no explanation for our disqualification.

Our bid submission included the completed and signed Form 1: Prime Contractor Certification, dated August 14, 2026. That form identifies:

- California contractor's license No. 581408, classifications A and B, with a stated expiration date of May 31, 2027.
- DIR Public Works Contractor registration No. 1000004110, with a stated expiration date of June 30, 2029.
- Certification signed by Robert Granade, Vice President, on behalf of D. G. Granade, Inc.

A copy of the signed forms is attached. Given our prequalification and submitted certification, the explanation provided to date does not establish why our bid was excluded from consideration.

The RFB states that the District intends to award the contract to the lowest responsive and responsible bidder. We request that the District review our original submission against the

actual bid requirements and provide the specific factual and documentary basis for its determination.

Requested Records and Explanation
Please provide the following promptly:

1. The exact certification or document the District contends was missing or deficient, including whether the alleged deficiency concerns D. G. Granade, Inc. or a listed subcontractor.
2. The specific RFB, addendum, specification, or other provision requiring that certification, including when and how it was required to be submitted.
3. The written determination of our disqualification and the supporting evaluation records.
4. The complete bid tabulation and the written determinations and supporting records explaining why each bidder with a bid lower than Diede's was excluded from award consideration.
5. The applicable protest and appeal procedures, filing requirements, deadlines, and designated decision-maker.

Requested Action
D. G. Granade, Inc. requests that the District:

1. Defer the October 8 award recommendation and subsequent contract execution until this protest has been reviewed and a written determination issued.
2. Reconsider our disqualification and restore our bid to consideration if the asserted deficiency is unsupported by the bid requirements or the original submission.
3. Provide this protest to the Board of Directors before consideration of the proposed award.
4. Promptly acknowledge receipt and confirm the process and schedule for resolving this protest.

This protest challenges the District's disqualification decision and its application of the bid requirements to our submission. We reserve the right to supplement the grounds for protest upon receipt of the specific reasons for disqualification and supporting records. Nothing in this letter waives any rights or remedies available to D. G. Granade, Inc.

Please provide a written response before the scheduled October 8, 2026 Board action.

Bob Granade

Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 • Mather, CA 95655 • Phone (916) 859-4300 • Fax (916) 859-3702

ADAM A. HOUSE
Fire Chief

October 6, 2026

SENT VIA ELECTRONIC MAIL
D.G. Granade, Inc.
Attn: Bob Granade, Vice President
4420 Business Drive
Shingle Springs, CA 95682

RE: Response to Formal Protest and Bid Disqualification
RFB 26-06 Fire Station 67 Construction

Dear Mr. Granade,

The Sacramento Metropolitan Fire District ("District") has received and reviewed D.G. Granade, Inc.'s ("Granade") October 5, 2026 formal protest concerning the District's determination that Granade's bid was not eligible for award under RFB 26-06 Fire Station 67 Construction ("RFB"). The District appreciates the opportunity to clarify the basis for its determination.

The disqualification of Granade's bid was not based on a deficiency in Granade's own certifications and licenses, rather the determination was based on Granade's listing on an ineligible subcontractor that did not satisfy the requirements of the RFB.

Basis for Disqualification
Section 8.0 of the RFB expressly provides that the project is subject to Department of Industrial Relations ("DIR") compliance requirements and states:

"No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the DIR pursuant to California Labor Code Section 1725.5."

The same section further provides that, by submitting a bid, the bidder confirms that both the bidder and all potential subcontractors are registered with the DIR as Public Works Contractors ("PWC"). Section 8.0 further states that:

"Any bidder that is required to register as a PWC and submits a bid prior to being registered or prior to all subcontractors being registered will be excluded from contract award consideration."

Additionally, Section 10.0 of the RFB expressly requires all listed subcontractors to be registered with the DIR as a PWC prior to bid submission. It states:

"All subcontractors must possess a current and valid California State contractors' license as required by their trade and shall be registered with the DIR as a PWC prior to bid submission."

Finally, Section 11.0 of the RFB expressly prohibits acceptance of any bid that lists an ineligible contractor or subcontractor and states:

"Bids received from any contractor who is ineligible to bid on public works projects or who is otherwise not in compliance with all applicable licensing and registration requirements, or proposals listing any subcontractor who is ineligible or otherwise not in compliance with all applicable licensing and registration requirements, will be rejected."

Bid Responsiveness Evaluation

Section 34.0 of the RFB provides that any bid that does not meet the requirements of the RFB may be considered nonresponsive and rejected, and expressly authorizes the District to reject bids that do not comply with the RFB or applicable licensing and eligibility requirements.

In the District review of Granade's bid, Cool Mechanical Inc. was listed as a subcontractor; however, at the time bids were submitted on August 14, 2026, Cool Mechanical Inc. did not have a valid registration with DIR as a PWC. The status of Cool Mechanical Inc.'s DIR PWC registration under number 1000840937 was shown as "Registration Expired" with an expiration date of June 30, 2026 (Attachment 1). As such, Cool Mechanical Inc. was not qualified to be listed in a bid proposal as a subcontractor under Sections 1725.5 and 1771.1(a) of the Labor Code.

In an effort to confirm that the subcontractor's DIR PWC registration was indeed not current, the District reached out to the DIR and confirmed that online records were updated in real time (Attachment 2).

As a result, the District determined that Granade's bid did not comply with the express DIR PWC registration requirements applicable to listed subcontractors. Because Section 11.0 of the RFB specifically provides that proposals listing subcontractors who are not compliant with applicable registration requirements will be rejected, the District determined that the bid was nonresponsive and could not be considered for award.

Response to Requested Action

Based on the requirements of the RFB and the results of the District's evaluation of Granade's bid, the District denies Granade's request to reinstate its bid for consideration for award. The District's determination remains that Granade's bid

is nonresponsive and ineligible for award because it listed a subcontractor that was not lawfully qualified to be listed in a bid proposal and failed to satisfy the RFB's explicit requirements for DIR PWC registration at the time of bid submission.

The District's determination is based on the requirements expressly stated in Sections 8.0, 10.0, 11.0, 34.0, and related provisions of the RFB, Public Contract Code Section 4101, and Labor Code Sections 1725.5 and 1771.1(a). These requirements applied equally to all bidders and were included to ensure compliance with the public works requirements applicable to the project. The deficiency in Granade's bid is material and has the effect of giving Granade an unfair advantage over other bidders who fully comply with the RFB and legal requirements in submitting public contracting bids.

The District will therefore recommend that its Board of Directors ("Board") deny the bid protest and proceed with the award process consistent with the RFB and the District's Notice of Intent to Award, subject to approval by the Board.

The District appreciates Granade's participation in the procurement process and will keep it apprised of future opportunities.

Sincerely,

Purchasing Division
Sacramento Metropolitan Fire District

Attachment 1: DIR Registration Status – Cool Mechanical

Attachment 2: Correspondence with DIR

services.dir.ca.gov/gsp?id=dir_public_form&table=x_cdoi2_csm_portal_customer_account_lookup&sys_id=7e8b8be5fb130250a371f89ebeefdca6&view=public

Yahoo | WF CC | Disney VISA | 2 CFR 200 | Meme - Medical Re... | Southwest VISA | FEMA GO | AssetCalc | Building Permits an... | AffiniPay - Login | Intterra Sign-In | DIR Search | Construction | Budget | Parc

Customer Account Lookup

PWCR
1000840937

Legal Entity Name
Cool Mechanical Incorporation

Contractor Status
Registration Expired

Doing Business As (DBA)
COOL MECHANICAL INC.

CSLB
995770

Business Structure
Corporation - C corp

Business Phone
9169333731

President
Jeremy Santerelli

Ext

Email
office@coolmechanicalinc.com

Registration Start Date
2025-07-16

Registration End Date
2026-06-30

Crafts
Sheet Metal Worker

Address

Castleberry, Erin

From: DIR PublicWorks <publicworks@dir.ca.gov>
Sent: Thursday, August 20, 2026 2:15 PM
To: Moore, Courtney
Cc: Castleberry, Erin
Subject: RE: PWC Registration Confirmation/Agent-912

Good Afternoon Courtney,

Yes, the contractor status fields do update in real-time.

Agent-912

From: Moore, Courtney
Sent: Thursday, August 20, 2026 11:24 AM
To: DIR PublicWorks
Cc: Castleberry, Erin
Subject: PWC Registration Confirmation

CAUTION: [External Email]
This email originated from outside of our DIR organization. Do not click links or open attachments unless you recognize the sender and know the content is expected and is safe. If in doubt reach out and check with the send by phone.

Good morning,

With the updates made to the DIR's contractor registration verification website, I wanted to confirm if the Contractor Status field updates in real-time or if there could be a delay from the time a contractor submits their registration renewal.

I ask because I am showing that Cool Mechanical Incorporation (PWC 1000840937) has an expired registration. I would hate to disqualify a bidder if their registration just hasn't updated on the website.

Thank you!

Courtney Moore, CPPB, NIGP-CPP

Purchasing Agent
Sacramento Metropolitan Fire District
3012 Gold Canal Dr, Rancho Cordova, CA 95670
Direct 916-859-4372
Office 916-859-4374
Fax 916-859-3729
www.metrofire.ca.gov

GRANADE INC

Sacramento Metropolitan Fire District
3012 Gold Canal Drive
Rancho Cordova, CA 95670

October 7, 2026

Attn: Ms. Courtney Moore

RE: RFB 26-06 – Fire Station 67 Construction

Subject: Formal Protest and Bid Disqualification and Intended Award Supplement #1

Dear Ms. Courtney Moore:
D. G. Granade, Inc. (DGG) supplements its October 5, 2026 protest in response to the District's October 6 denial. We request reconsideration of our bid disqualification and the District's consent to replace Cool Mechanical, Inc. with a properly licensed and DIR-registered HVAC subcontractor under Labor Code sections 1771.1(c)(3) and 1771.1(d), following Public Contract Code section 4107. We also request deferral of the October 8 award action and subsequent contract execution until this request has been evaluated.

Statutory authority for substitution
The District's response identifies Cool Mechanical's expired DIR registration as the basis for rejecting our bid. It cites Labor Code section 1771.1(a), but does not address the express protection for inadvertent subcontractor listing errors in subdivision (c) or the substitution remedy in subdivision (d).

Section 1771.1(c) provides that an inadvertent error in listing an unregistered subcontractor shall not be grounds for considering the bid nonresponsive when one of the specified remedies applies. Subdivision (c)(3) expressly identifies replacement by another registered subcontractor pursuant to Public Contract Code section 4107 as one such remedy. Subdivision (d) separately makes the subcontractor's failure to register grounds for substitution, with the awarding authority's consent.

The 24-hour registration requirement in subdivision (c)(2) applies to that particular cure. It is not stated as a deadline for the separate substitution remedy in subdivision (c)(3). DGG requests application of the substitution remedy, rather than a late registration cure under subdivision (c)(2).

The RFB's registration provisions should be read consistently with these statutory protections. Repetition of the general registration requirement does not address the Legislature's express remedy for an inadvertent listing. If the District contends its RFB provisions foreclose that remedy, please identify the legal authority supporting that conclusion and explain how it reconciles its position with sections 1771.1(c)(3) and 1771.1(d).
Please provide a written response before the scheduled October 8, 2026 Board action.

Inadvertent listing and proposed replacement
DGG intended to use Cool Mechanical for the HVAC work. The error was inadvertent as to its expired DIR registration. Cool Mechanical's August 13 proposal supplied DIR registration number 1000840937 and stated that prevailing wages had been taken into consideration. DGG did not knowingly list an unregistered subcontractor. We acknowledge the registration lapse identified by the District and request the statutory process to replace that subcontractor with a qualified, registered firm.

DGG proposes Peak Mechanical (PMC), whose current contractor license, active DIR registration, equivalent HVAC scope, and availability DGG has confirmed. Peak submitted a contemporaneous proposal dated August 14, 2026, identifying contractor license number 1123918 and DIR registration number 2000012223. Its mechanical price was $577,300, compared with Cool Mechanical's $550,000. DGG will provide the required verification and replacement documentation for the District's review.

DGG's total bid of $11,840,920 will remain unchanged. Any additional cost required to replace Cool Mechanical and fulfill the original HVAC scope will be borne by DGG, without an increase in the contract price or a request for additional contract time arising from the substitution. We request that the District initiate the required notice and objection process under Public Contract Code section 4107; DGG is not seeking to bypass the listed subcontractor's statutory rights.

Requested action

The District's evaluation lists DGG as the second-lowest bidder, identifies a separate basis for rejecting the lowest bid, and lists Diede Construction's bid at $12,470,850. Restoring DGG's bid to consideration would preserve a potential savings of $629,930 to the District while allowing performance by a qualified, registered HVAC subcontractor.

DGG requests that the District:

1. Defer the October 8 award action and subsequent contract execution pending consideration of this supplemental protest and substitution request.
2. Reconsider the nonresponsiveness determination under Labor Code sections 1771.1(c)(3) and 1771.1(d), and initiate the statutory process for approving a registered replacement for Cool Mechanical.
3. Restore DGG's bid to award consideration upon satisfaction of the applicable substitution requirements, subject to the remaining responsiveness and responsibility requirements.
4. Provide this supplemental protest to the Board of Directors and District legal counsel before the proposed award is considered.
5. Provide a written response addressing the cited statutory remedies and, if relief is denied, the specific factual and legal grounds, available review procedures, and applicable deadlines.

Please respond before the October 8 Board action. DGG reserves all rights and remedies. This supplemental request does not withdraw or waive our October 5 protest.

Bob Granade

Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 • Mather, CA 95655 • Phone (916) 859-4300 • Fax (916) 859-3702

ADAM A. HOUSE
Fire Chief

October 7, 2026

SENT VIA ELECTRONIC MAIL
D.G. Granade, Inc.
Attn: Bob Granade, Vice President
4420 Business Drive
Shingle Springs, CA 95682

RE: Response to Formal Protest and Bid Disqualification – Supplement #1
RFB 26-06 Fire Station 67 Construction

Dear Mr. Granade,

The Sacramento Metropolitan Fire District ("District") has reviewed D.G. Granade, Inc.'s ("Granade") October 7, 2026 supplemental protest and request for the District's consent to replace Cool Mechanical, Inc. with Peak Mechanical. The District appreciates Granade's additional explanation; however, the request cannot be granted.

Granade's request relies on Labor Code section 1771.1(c)(3), which provides an exception when an inadvertent error is made in listing a subcontractor who is not registered with the Department of Industrial Relations ("DIR"), provided the unregistered subcontractor is replaced by a registered subcontractor pursuant to Public Contract Code section 4107.

Section 4107 of the Public Contract Code permits the awarding authority to consent to subcontractor substitution request in any of the nine situations listed in that section. One of such situations applies when a subcontractor was listed as the result of an inadvertent clerical error, *subject to the further provisions in section 4107.5*. See PCC §4107(a)(5).

Accordingly, the statutory exception in Labor Code section 1771.1(c)(3) relied upon by Granade requires that the listing of the unregistered subcontractor be the result of an inadvertent error. Granade expressly characterizes its listing of Cool Mechanical, Inc. in those terms, stating that it intended to use Cool Mechanical but that the error was "inadvertent as to its expired DIR registration."

Public Contract Code section 4107.5 establishes the procedure and deadline for asserting such an inadvertent clerical error. It provides that, as a condition to asserting a claim of inadvertent clerical error, the prime contractor must provide written notice to the awarding authority, as well as notice to the affected subcontractors, within two working days after the prime bid opening.

The District's bid opening occurred on August 14, 2026. Therefore, the two-working-day period for asserting an inadvertent error expired on August 18, 2026. The District did not receive Granade's request to treat the Cool Mechanical, Inc. listing as an inadvertent error and substitute another subcontractor until October 5, 2026—more than six weeks after the statutory deadline.

Granade's reliance on Labor Code section 1771.1(d) does not change this result. Section 1771.1(d) provides that an unregistered subcontractor may be substituted, with the awarding authority's consent, under Public Contract Code section 4107. It does not eliminate circumstances under which an awarding authority may give consent to a request for substitution under section 4107 or the statutory requirements applicable when, as here, the requested substitution is based on the contractor's claim that its listing of the unregistered subcontractor was an inadvertent error.

Because Granade did not timely assert its claimed inadvertent error within the two-working-day period established by Public Contract Code section 4107.5, the statutory procedure for substitution based on that claimed error is not applicable.

The District therefore reaffirms its determination that Granade's bid is nonresponsive and ineligible for award. The District will proceed with the scheduled award process.

The District appreciates Granade's participation in the procurement process and will keep it apprised of future opportunities.

Sincerely,

Purchasing Division
Sacramento Metropolitan Fire District

Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200, Mather, CA Phone (916) 859-4300 Fax (916) 859-3700

ADAM A. HOUSE
Fire Chief

RESOLUTION NO. 2026-XXX

A RESOLUTION OF THE SACRAMENTO METROPOLITAN FIRE DISTRICT APPROVE A CONTRACT AWARD PURSUANT TO REQUEST FOR BIDS 26-06 STATION 67 CONSTRUCTION

WHEREAS, the Sacramento Metropolitan Fire District ("District") is a political subdivision of the State of California ("State") and is duly organized and existing pursuant to the State constitution and laws; and

WHEREAS, the Board has authorized the Fire Station 67 project for the construction of a new fire station located at 8101 Bradshaw Road in Sacramento, California ("Project"); and

WHEREAS, the District adopted Resolution 25-025 which established a Qualified Bidders List for construction of the Project, pursuant to Public Contract Code Section 20101 *et seq*.; and

WHEREAS, on July 17, 2026, the District issued Request for Bids ("RFB") 26-06, soliciting bids from its Qualified Bidders List for the construction of Station 67; and

WHEREAS, a public bid opening was conducted on August 14, 2026, and seven (7) bids were received; and

WHEREAS, D.G. Granade, Inc. submitted a protest to the determination that its bid was nonresponsive due to the listing of a subcontractor who was not legally eligible to perform work on a public works project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Sacramento Metropolitan Fire District, as follows:

1. The Board of Directors hereby denies the bid protest from D.G. Granade, Inc. due to its failure to: (a) list a subcontractor who was lawfully eligible to perform work on a public works project; (b) have the ineligible subcontractor cure its registration deficiency within 24 hours of bid opening under section 1771.1(c)(2) of the Labor Code; and (c) give written notice to the District of an inadvertent error in listing an ineligible subcontractor within two working days after bid opening as required by section 4107.5 of the Public Contract Code.

2. The Board of Directors hereby denies the request from D.G. Granade, Inc. for consent to allow substitution of contractor under Labor Code section 1771.1(d) and Public Contract Code section 4107.

3. The Board of Directors hereby finds that the bids received from D.G. Granade, Inc., Bobo Construction, Inc., and F&H Construction are non-responsive due to failure to meet the requirements of the RFB, rejects those bids on that basis, and denies any protests related to these disqualifications.

4. The Board of Directors hereby accepts DL Falk Construction Inc.'s request that its bid be rejected as non-responsive on the basis of alternative administrative grounds.

5. The Board of Directors hereby finds that the lowest responsive and responsible bidder for the Project is Diede Construction Inc.

6. The Fire Chief, or his designee, is authorized to execute and administer the attached contract pursuant to RFB 26-06 Fire Station 67 Construction with the lowest responsive and responsible bidder, Diede Construction Inc.

7. The Board of Directors hereby further authorizes the Fire Chief, or his designee, to execute, and administer a contract pursuant to RFB 26-06 Fire Station 67 Construction with the next lowest responsive and responsible bidder if, after ten (10) calendar days of the District's issuance of a Notice of Award, the lowest responsive and responsible bidder has failed to satisfy the conditions of award pursuant to the RFB.

PASSED, APPROVED AND ADOPTED this 8th day of October, 2026. I, MARNI RITTBURG, BOARD CLERK OF SACRAMENTO METROPOLITAN FIRE DISTRICT HEREBY CERTIFY the foregoing Resolution was introduced and passed at a regular meeting of the Sacramento Metropolitan Fire District Board by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

SACRAMENTO METROPOLITAN FIRE DISTRICT

By: _____
President, Board of Directors

ATTEST:

_____
Marni J. Rittburg, CMC, CPMC
Clerk of the Board

ATTACHMENT: Public Works Project Agreement

SACRAMENTO METROPOLITAN FIRE DISTRICT
PUBLIC WORKS PROJECT AGREEMENT

This Agreement, dated_____ is by and between the Sacramento Metropolitan Fire District ("District"), and ("Contractor"), hereinafter collectively referred to as the "Parties". This Agreement will be effective upon final execution by the Parties.

RECITALS

WHEREAS, the District intends to build a new fire station located at 8101 Bradshaw Road, Sacramento, California (APN 122-0140-010-0000), ("Project"); and

WHEREAS, The District gave authorized notice by its Request for Bids ("RFB") 26-06 Fire Station 67 Construction to solicit bids from the District's established Qualified Bidders List for the Project; and

WHEREAS, the District conducted a public bid opening for the project whereby the Contractor was identified as the lowest responsive and responsible bidder; and

WHEREAS, the District's Board of Directors has authorized the issuance of a contract award to the Contractor; and

WHEREAS, the Contractor is professionally qualified to complete the work of the Project and agrees to complete such work in accordance with the Contract Documents, including the terms and conditions set forth herein.

NOW, **THEREFORE**, the Parties agree as follows:

1. HEADINGS. Headings herein are for convenience of reference only and shall in no way affect interpretation of this Agreement.

2. CONTRACT DOCUMENTS. This Agreement consists of the following documents ("Contract Documents"), all of which are incorporated herein and made a part of this Agreement as if set forth in full. In the event of a conflict between or among the Contract Documents, precedence will be in the following order:
   a) This Agreement, any amendments hereto, and any change orders signed by authorized representatives of the District and the Contractor;
   b) The Project Manual, addenda to the Project Manual signed by authorized representatives of the District and issued prior to bid opening, and change orders and other amendments to the Project Manual signed by authorized representatives of the District and the Contractor;
   c) The Contract Drawings, addenda to the Contract Drawings signed by authorized representatives of the District and issued prior to bid opening, Equal Product Proposals accepted by the District and signed by authorized District representatives prior to bid opening, and change orders and other amendments to the Contract Drawings signed by authorized representatives of the District and the Contractor;
   d) RFB 26-06 Fire Station 67 Construction;
   e) The Contractor's submitted bid package.

3. INTERPRETATION OF CONTRACT DOCUMENTS. Any question concerning the intent or meaning of any provision of the Contract Documents, must be submitted to the District for issuance of an interpretation and/or decision by the District, or its designee, in accordance with the requirements of the Contract Documents. Interpretations or decisions by any other method concerning the Contract Documents will not be binding on the District. The decision of the District, or its designee, shall be final.

4. SCOPE OF WORK. The Contractor shall furnish all equipment, tools, apparatus, facilities, material, labor, and skill necessary to perform and complete in a good and workmanlike manner the Project in accordance with the Contract Documents and applicable law.

5. CONTRACT TIME. The Contractor must complete the Project in accordance with the Contract Documents within four hundred twenty (420) calendar days from the date specified in the District's Notice to Proceed ("Contract Time"). Remedies for failure to timely complete the Project shall be in accordance with the Contract Documents.

6. CONTRACT PRICE. As full compensation in consideration of completion of the Project in accordance with the Contract Documents and in consideration of the fulfillment of all of the Contractor's obligations under the Contract Documents, the District will pay the Contractor in lawful money of the United States the total price of $_____ as specified in the Contractor's completed Bid Proposal dated _____, which includes a construction contingency allowance of 5%. The final Contract Price shall be the Base Bid, plus any costs charged to the construction contingency. Any unused portions of the construction contingency shall not be charged to the District.

7. PAYMENT. Payment to the Contractor under this Agreement will be for work actually performed in accordance with the Contract Documents and will be made in accordance with the requirements of the Contract Documents and applicable law. The District will have no obligation to pay the Contractor any amount in excess of the Contract Price unless this Agreement is first modified in accordance with its terms. The District's obligation to pay the Contractor under this Agreement is subject to and may be offset by charges that may apply to the Contractor under this Agreement. Such charges include, but are not limited to, charges for liquidated damages and/or substitute performance in accordance with the Contract Documents.

8. INDEPENDENT CONTRACTOR. No relationship of employer and employee is created by this Agreement; it being understood and agreed that the Contractor is at all times an independent contractor, and can perform work for others. The Contractor is not the agent or employee of the District in any capacity whatsoever and the District shall not be liable in any manner for any acts or omissions by the Contractor or for any obligations or liabilities incurred by the Contractor, its employees, or agents.

   Neither the Contractor, nor its agents or employees shall have any claim under this Agreement or otherwise, for seniority, vacation time, vacation pay, sick leave, personal time off, health insurance medical care, hospital care, retirement benefits, social security, disability, workers' compensation, or unemployment insurance benefits, civil service protection, or employee benefits of any kind.

   The Contractor shall be solely liable for and obligated to pay directly all applicable payroll taxes (including federal and state income taxes) or contributions for unemployment insurance or old age pensions or annuities which are imposed by any governmental entity in connection with the labor used or which are measured by wages, salaries or other remuneration paid to its officers, agents or employees, and the Contractor agrees to indemnify and hold the District harmless from any and all liability which the District may incur because of the Contractor's failure to pay such amounts.

   In carrying out the work contemplated herein, the Contractor shall comply with all applicable federal and state workers' compensation and liability laws and regulations with respect to the officers, agents and/or employees conducting and participating in the work; and agrees that such officers, agents, and/or employees will be considered as independent contractors and shall not be treated or considered in any way as officers, agents, and/or employees of the District.

   The Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which the Contractor is engaged in the geographical area in which the Contractor practices its profession.

   Notwithstanding the foregoing, if the District in its discretion determines that pursuant to state and federal law the Contractor is an employee for purposes of income tax withholding, District may upon two (2) weeks' notice to the Contractor, withhold from payments otherwise due to the Contractor hereunder federal and state income taxes and to pay said sums to the federal and state governments.

9. ELIGIBILITY. Contractor certifies and acknowledges that it is subject to the provisions of California Labor Code Sections 1777.1 and 1777.7 regarding eligibility to perform work on public works contracts. In accordance with California Public Contract Code Section 6109(a), contractors who are ineligible to perform work on public works projects pursuant to California Labor Code Sections 1777.1 or 1777.7 may neither bid on, be awarded or perform the Project. The Contractor shall hold harmless and indemnify the District from and against any and all damages, costs, and liability arising from any violation of or provision relating to Public Contract Code Section 6109.

10. CONFLICT OF INTEREST. Contractor covenants that it and its subcontractors presently have no interest, and shall not obtain any interest, direct or indirect, which would conflict in any manner with the performance of services required under this Agreement, including but not limited to any provision of services to any federal, state or local regulatory or other public agency which has any interest adverse or potentially adverse to the District, as determined in the reasonable judgment of the Board of Directors of the District. Entering into this Agreement does not preclude Contractor from working for others as long as Contractor ensures that such work does not constitute a conflict of interest.

11. ANTI-CORRUPTION/ANTI-FRAUD. Each Party (District and Contractor) agrees not to make, authorize, offer, or promise to make or give any money or any other thing of value, directly or indirectly, to any current or former government official or employee, candidate for political office, or an official of a political party, or any employee, director or consultant of a non-government client or potential client, for the purpose of securing any improper or unfair advantage or obtaining or retaining business in connection with the activities contemplated hereunder or for the purpose of improperly inducing or rewarding favorable treatment or advantage in connection with this Agreement. Each Party agrees to immediately notify the other of any request that it receives to take any action that might constitute, or be construed as, a violation of the anti-corruption and anti-bribery laws.

    The Contractor shall desist, and shall ensure that each of its subcontractors and agents desist, from all practices that may lead to penal liability due to fraud or embezzlement, bribery, acceptance of bribes, or other corruption crimes on the part of persons employed by Contractor or its subcontractors or agents. The Contractor warrants that it has not committed any of the aforementioned acts nor has it been the subject of any relevant investigation or inquiry.

12. CONFIDENTIALITY. Contractor agrees that any information, whether proprietary or not, made known to or discovered by him during the performance of or in connection with this Agreement for the District will be kept confidential and not be disclosed to any other person or entity except as required by law. Contractor agrees to immediately notify the District if Contractor is requested to disclose to others any information made known to or discovered by him during the performance of or in connection with this Agreement. These confidentiality provisions and limitations shall remain fully effective for five (5) years after Contractor's termination of services to the District hereunder.

13. LIMITATION OF LIABILITY. Under no circumstances will the Contractor be entitled to consequential damages for any loss of profit or damage to reputation. Under no circumstances will the Contractor be entitled to limit special or consequential damages claimed by the District. The District shall have all remedies available under California law in the event of breach of this Agreement by Contractor.

14. ASSIGNMENT PROHIBITED. The Contractor may not assign part or all of this Agreement, or any moneys due or to become due under this Agreement, or any other right or interest of the Contractor under this Agreement, or delegate any obligation or duty of the Contractor under this Agreement without the prior written approval of an official authorized to bind the District and an authorized representative of Contractor's surety or sureties. Any such purported assignment or delegation without such written approval on behalf of the District and the Contractor's sureties will be void and a material breach of this Agreement subject to all available remedies under this Agreement and at law and equity.

15. NOTICE OF THIRD-PARTY CLAIMS. Pursuant to Public Contracts Code Section 9201, the District shall provide the Contractor with notice of claims relating to this Contract filed by third parties no later than ten (10) business days from the date of receipt of the claim. The Contractor shall be responsible for reimbursing the District for its reasonable costs in providing the notification.

16. MODIFICATION OF AGREEMENT. This Agreement may be supplemented, amended, or modified only by the mutual agreement of the Parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by authorized representatives of both Parties.

17. SEVERABILITY. If any term or provision or portion of a term or provision of this Agreement is declared invalid or unenforceable by any court of lawful jurisdiction, then the remaining terms and provisions or portions of terms or provisions will not be affected thereby and will remain in full force and effect.

18. SUCCESSORS AND ASSIGNS. This Agreement is binding upon and inures to the benefit of the successor, executors, administrators, and assigns of each party to this Agreement, provided, however, that the Contractor shall not assign or transfer by operation of law or otherwise any or all rights, burdens, duties, or obligations without prior written consent of the District. Any attempted assignment without such consent shall be invalid.

19. CHOICE OF LAW AND VENUE. The Contractor agrees that if a dispute arises in the performance of this Agreement that the laws of the State of California will govern. Venue for any legal action arising out of this Agreement shall be in the Superior Court for the State of California, County of Sacramento.

20. NOTICES. All notices, requests, demands, or other communications under this Agreement shall be in writing. Notices shall be given for all purposes as follows:
    a) Personal delivery: When personally delivered to the recipient, notices are effective on delivery.
    b) First Class Mail: When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three (3) mail delivery days after deposit in a United States Postal Service office or mailbox.
    c) Certified Mail: When mailed certified mail, return receipt requested, notice is effective on receipt, if delivery is confirmed by a return receipt.
    d) Overnight Delivery: When delivered by overnight delivery (Federal Express/Airborne/United Parcel Service/DHL Worldwide Express) with charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.

    Addresses for purpose of giving notice are as follows:

    District: Sacramento Metropolitan Fire District
    Attn: Erin Castleberry, Planning and Development
    10545 Armstrong Avenue, Suite 200
    Mather, CA 95655

    Contractor: _____

    _____

    _____

    _____

    Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger, or overnight delivery service.

Any party may change its address by giving the other party notice of the change in any manner permitted by this Agreement.

19. SIGNATORIES. By signing this Agreement, signatories warrant and represent that they have executed this Agreement in their authorized capacity.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year below written.

DISTRICT:	CONTRACTOR:
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____