

## 09-CONSTRUCTION AGREEMENT

THIS AGREEMENT, dated OCTOBER 24, 2018, in the County of KERN, State of California, is by and between the Bakersfield City School District ("OWNER") and KERN STEEL FABRICATION INC. ("CONTRACTOR").

For the consideration stated in this Agreement, OWNER and CONTRACTOR agree as follows:

1. Contract Documents. The complete Agreement includes all of the Contract Documents as defined in the General Conditions and any other documents comprising any portion of the bid package, and all modifications, addenda, and amendments of or to any of these documents, all of which are incorporated by reference into this Agreement. The Contract Documents are complementary, and what is called for by any one shall be as binding as if called for by all.
2. Scope of Performance. CONTRACTOR shall perform within the time set forth in Paragraph 4 of this Agreement everything required to be performed, and shall provide and furnish all labor, materials, necessary tools, expendable equipment, and all utility and transportation services described in the Contract Documents and required for construction of New Elementary School Increment 2 & 3, officially named, Dr. Martin Luther King Jr. Elementary School, BID PACKAGE #05, STEEL, METAL FABRICATION & DECKING.

All of the work to be performed and materials to be furnished shall be completed in a good workmanlike manner in strict accordance with the Plans, Drawings, Specifications and all provisions of the Contract Documents as defined above. CONTRACTOR shall be liable to OWNER for any damages arising as a result of a failure to fully comply with this obligation, and CONTRACTOR shall not be excused with respect to any failure to so comply by any act or omission of OWNER, the Architect, Engineer, Inspector, Division of State Architect, or representative of any of them, unless such act or omission actually prevents CONTRACTOR from fully complying with the requirements of the Contract Documents, and unless CONTRACTOR protests at the time of the alleged prevention that the act or omission is preventing CONTRACTOR from fully complying with the Contract Documents. The protest shall not be effective unless reduced to writing and filed with OWNER within three working days of the date of occurrence of the act or omission preventing CONTRACTOR from fully complying with the Contract Documents.

3. Contract Price. Subject to any additions or deductions as provided in the Contract Documents, as full consideration for the faithful performance of the contract OWNER shall pay to CONTRACTOR the sum of \$1,173,454.00; ONE MILLION, ONE HUNDRED SEVENTY-THREE THOUSAND, FOUR HUNDRED FIFTY-FOUR AND 00/100---- DOLLARS.
4. Construction Period. The work shall be commenced on or before the \_\_\_\_ [in accordance with the bid schedule included herein]\_\_\_\_ day after receiving OWNER's Notice to Proceed and



shall be completed within \_\_\_\_ [in accordance with the bid schedule] \_\_\_\_ consecutive calendar days from the date specified in the Notice to Proceed.

5. Liquidated and Other Damages. All work must be completed within the time limits set forth in the Contract Documents. If the work is not completed in accordance with the time limits set forth in this Agreement, in accordance with Government Code Section 53069.85, CONTRACTOR shall pay to OWNER as fixed and liquidated damages, and not as a penalty, the sum of \$1,000.00 for each calendar day of delay until work is completed and accepted.

Detailed requirements concerning liquidated damages and other damages which may be assessed if CONTRACTOR fails to complete the project within the time period provided in this Agreement are contained in the General Conditions.

6. Insurance. Prior to commencing the work, CONTRACTOR shall take out and maintain during the life of this contract, and shall require all subcontractors, if any, whether primary or secondary, to take out and maintain all insurance as required in the General Conditions.

7. Substitution of Securities. Public Contract Code Section 22300 permits the substitution of securities for any monies withheld by a public agency to ensure performance under a contract. At the request and expense of CONTRACTOR, securities equivalent to the amount withheld shall be deposited with the public agency, or with a state or federally chartered bank in California as the escrow agent, who shall then pay such monies to CONTRACTOR. OWNER retains the sole discretion to approve the bank selected by CONTRACTOR to serve as escrow agent. Upon satisfactory completion of the contract, the securities shall be returned to CONTRACTOR. Securities eligible for investment shall include those listed in Government Code Section 16430 or bank or savings and loan certificates of deposit. CONTRACTOR shall be the beneficial owner of any securities substituted for monies withheld and shall receive any interest thereon.

In the alternative, under Section 22300, CONTRACTOR may request OWNER to make payment of earned retentions directly to the escrow agent at the expense of CONTRACTOR. Also at CONTRACTOR's expense, CONTRACTOR may direct investment of the payments in securities, and CONTRACTOR shall receive interest earned on such investment upon the same conditions as provided for securities deposited by CONTRACTOR. Upon satisfactory completion of the contract, CONTRACTOR shall receive from the escrow agent all securities, interest, and payments received by escrow agent from OWNER pursuant to the terms of Section 22300. Not later than 20 days after receipt of such payment, CONTRACTOR shall pay to each subcontractor the respective amount of interest earned, net of costs attributed to retention withheld from each subcontractor, on the amount of retention withheld to ensure performance of CONTRACTOR.

8. Corporate Status and Authorization. If CONTRACTOR is a corporation, the undersigned hereby represents and warrants that the corporation is duly incorporated and in good standing in the State of California, and that Larkin McKenzie, whose title is Vice President, is authorized to act for and bind the corporation.

9. Posting. Contractor shall be responsible to post job site notices prescribed by Title 8 CCR § 16451 (d) pertaining to prevailing wage monitoring by the Department of Industrial Relations.

10. Entire Agreement. This Agreement, including the Contract Documents incorporated by reference, constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to construction of the project. It supersedes all prior and contemporaneous understandings or agreements of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement. The Agreement can only be modified by an amendment in writing, signed by both parties and approved by action of OWNER's governing board or other governing body.

11. Parties in Interest. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, whether express or implied, is intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action against any party to this Agreement.

12. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated.

13. Governing Law. The rights and obligations of the parties and the interpretation and performance of this Agreement shall be governed by the laws of California, excluding its conflict of laws rules.

The parties have executed this Agreement by the signatures of their authorized representatives effective the date indicated above.

DISTRICT  
By:   
Signature  
Steve McClain  
Print Name Above  
Assistant Superintendent  
Print Title Above

CONTRACTOR  
Kern Steel Fabrication, Inc.  
\*By:   
Signature  
Larkin McKenzie  
Print Name Above  
Vice President  
Print Title Above

[Continued on Following Page]



**[CORPORATE SEAL OF  
CONTRACTOR, if a corporation]**

Contractor's License No. 388210

Tax ID/Social Security No. 95-3267210

DIR Registration No. 1000012598

**\*Important Notice:** Labor Code § 1771.1(a) provides that "A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded." Please go to <http://www.dir.ca.gov/Public-Works/PublicWorks.html> for more information and to register. This project is subject to monitoring by the Department of Industrial Relations.