



December 3, 2019

CERTIFIED MAIL 7013060000211380523

Willis Rebar, Inc.  
Attn: Raymond Willis III  
2333 Courage Dr, Suite H #9  
Fairfield, CA 94533

Re: Bassi Road at Granite Creek Bridge Replacement  
El Dorado County CIP No. 77128, Contract No. 2777

Subject: Notice of Non-Performance & Substitution Request

Mr. Willis,

As you are aware per our previous verbal and e-mail correspondence, Steelhead Constructors, Inc. (SCI) has formally requested subcontractor substitution pursuant to our Subcontract Agreement (No. 154-10), and Public Contract Code §4107, due to non-performance.

Willis Rebar, Inc. (WRI) has failed to comply with and perform under the Subcontract Agreement, including but not limited to *Section D. Time & Schedule, and Section I. Compliance with Laws and Safety Requirements.*

SCI has provided timely notice to WRI as to when reinforcing steel materials and labor for installation of materials would be needed, and WRI's inability to perform has delayed and disrupted the progress of the work.

Certified Payroll for the months of October & November, 2019 have not been submitted despite numerous requests. This is in violation of the Subcontract Agreement and California Department of Industrial Regulations Labor Code.

To date, SCI has received two (2) progress payments from the County of Eldorado (Owner) that included payment for portions of WRI's contract pay items. Total value of WRI's work performed as paid by the County of Eldorado under the Subcontract Agreement is \$78,353.44, less 5% retention. Payment for WRI's work performed through July 31, 2019, has been paid in full totaling \$33,276.00, less 5% retention. The forthcoming payment balance is \$45,077.44, less retention. A copy of the County's Current Pay Estimate for work performed through October 21, 2019, was provided to you on November 1, 2019.

2940 INNSBRUCK DR~REDDING~CA~96003~PO BOX 997~PALO CEDRO~CA~96073

TELEPHONE 530~226~6400 FACSIMILE 530~226~6401

[www.steelheadconstructors.com](http://www.steelheadconstructors.com)

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As requested by WRI, all payments have been processed through a joint check agreement with WRI's rebar supplier, Farwest Steel. Total amount(s) of WRI's unpaid progress payment(s) to Farwest steel is \$36,488.97, through October, 2019.

SCI has processed payment to WRI for all work performed by WRI, as paid by the County of Eldorado, except for work performed through October 21, 2019 due to missing Certified Payrolls. Withholding of progress payments due to no receipt of certified payroll is in accordance with California Labor Code and our Subcontract Agreement.

Please provide all outstanding Certified Payrolls so that October's progress payment can be made to WRI & Farwest Steel, and timely processing of November's progress payment can be made to you upon receipt from the Owner.

If you have any questions or need additional information please contact SCI at (530) 226-6400.

Sincerely,  
STEELHEAD CONSTRUCTORS, INC.



Troy Kockrow  
Project Manager

Cc cover: 154 Correspondence Out (Other)

Cc: Subcontract Agreement 154-10 (Willis Rebar)



# WILLIS REBAR INC

CA Lic# 975362

2333 Courage Dr. Suite H #9 Fairfield, CA 94533

December 4, 2019

## **Steelhead Constructors Inc.**

Attn: Troy Kockrow  
2940 Innsbruck Dr.  
Redding, CA 96003

RE: Bassi Rd. at Granite Creek Bridge Replacement  
El Dorado County CIP No. 77128, Contract No. 2777

Subject: Notice of Non-Performance & Substitution Request

Mr. Kockrow,

As you stated in your letter, we are aware Steelhead Constructors Inc (SCI) has formally requested to substitute us on the Bassi Rd. project.

Willis Rebar, Inc (WRI) informed SCI we would not be able to perform last week as scheduled *due to a lack of funds*. This decision was made after attempts over many weeks via email, phone conversations, and texts to explain WRI would not be able to financially support more labor without further compensation for work completed.

WRI has been working on two (2) projects for Steelhead with very little compensation for approximately five (5) months. We have not received any payment for our work on Hat Creek. Out of the \$33,276 paid on this project, approximately \$11,000 was paid to WRI. The remaining balance was paid to our supplier. The amount paid to WRI does not cover more than a week's worth of labor on one (1) project. Our inability to meet our schedule at Bassi Rd. this week is in direct correlation to SCI's decision to not pay more on our shared projects.

I understand SCI has only received two progress payments on this project. I also understand you sent payments to our suppliers. As we have reiterated many times: this does not assist in covering wages,

WILLIS REBAR INC \* CA Lic# 975362 \* 2333 Courage Dr. Suite H #9 Fairfield, CA 94533 \* Ph: 707 419 5949 Fax: 707 759 3483

# WILLIS REBAR INC

CA Lic# 975362

2333 Courage Dr, Suite H #9 Fairfield, CA 94533

benefits, and infrastructure costs that have already been incurred. We are prepared to continue work on these projects as soon as we are compensated for work completed.

**My biggest concern reviewing this letter is that the total value of WRI's work on this project – per our signed agreement – is \$149,637.94 not \$78,353.44.** The amount you have cited as the total contract amount would barely cover costs to our supplier on this project. Please see the attached signed contract. We fully expect to receive payment in the amount agreed upon in the signed contract if we continue to work on this project. If you have us removed from this project, we will submit an invoice for labor costs that have not been paid at this time.

As for the delay in submitted CPRs: The first request for October CPRs we received was on November 21 from Melanie Olsen. At this time, we have not received a request for November CPRs. I will ensure all CPRs are submitted by Friday. I was not informed until last week that payment on this project was being held due to delayed CPRs.

I look forward to your response to this letter. Please feel free to contact me via phone at (707) 419-5949 or via email.

Sincerely,



Raymond Willis III

President



Brian Franklin &lt;brian.franklin@edcgov.us&gt;

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**Re: Bassi Road**

3 messages

**Troy Kockrow** <Troy@steelheadconstructors.com>

Wed, Dec 4, 2019 at 6:31 PM

To: Willis Rebar &lt;willisrebar@gmail.com&gt;

Cc: 154 Bassi Rd &lt;154BassiRd@steelheadconstructors.com&gt;, Mike Fromm &lt;michael.fromm@edcgov.us&gt;, Brian Franklin &lt;brian.franklin@edcgov.us&gt;

Ray,

The County and I would appreciate if you could come to our progress meeting tomorrow morning on site at Bassi Road at 9 AM. I think it would be good for us all to discuss the substitution request and plans moving forward.

Thanks,

Troy Kockrow  
Steelhead Constructors, Inc.  
(530) 515-7724

Sent from my iPhone

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**From:** Willis Rebar <willisrebar@gmail.com>**Sent:** Wednesday, December 4, 2019 2:46:36 PM**To:** Troy Kockrow <Troy@steelheadconstructors.com>**Cc:** 154 Bassi Rd <154BassiRd@steelheadconstructors.com>**Subject:** Re: Bassi Road

Please see attached letter which is being sent Certified Mail. Please give me a call when you get a chance so that we can discuss.

Raymond Willis III  
President  
Willis Rebar Inc.

Tel 707-419-5949  
Fax 707-759-3483

On Tue, Dec 3, 2019 at 4:49 PM Troy Kockrow <Troy@steelheadconstructors.com> wrote:

Ray,

Please see attached letter which is being sent Certified Mail. Please give me a call when you get a chance so that we can discuss.

Thanks,

Troy Kockrow  
Project Manager  
Steelhead Constructors, Inc.  
2940 Innsbruck Dr.

Redding, CA 96003  
530-226-6400 Office  
530-226-6401 Fax  
530-515-7724 Cell  
troy@steelheadconstructors.com  
www.steelheadconstructors.com

-----Original Message-----

From: Ray Willis <willisrebar@gmail.com>  
Sent: Tuesday, November 26, 2019 10:44 AM  
To: Troy Kockrow <Troy@steelheadconstructors.com>  
Subject: Re: Bassi Road

Troy, I understand that you are going through the process that you believe will be best for your employer.

We cannot meet our schedule because you continue to hold our payments.

We have been working on 2 projects for Steelhead with very little compensation for approximately 5 months. We have not received a dime on Hat Creek and approximately \$11k on Bassi Rd. This doesn't not cover more than a week's worth of work.

Previously, your argument was that our supplier's material delay impacted the project and you were concerned there would be penalties that you must pay. As that long no longer seems to be the case, your new argument is you cannot pay us because you have not been paid.

I understand your position; however we cannot continue to work for free. Your payment to Farwest does not pay wages or benefits for our employees.

We are not in a position to pay our employees for more work if we do not receive compensation from you. Your company needed a Disadvantaged Business Enterprise (DBE) in these projects. We are a DBE. This means we do not have the infrastructure to continue to work on the promise of pay 6 months after we've started a project.

R. Willis  
Willis Rebar

> On Nov 26, 2019, at 10:11 AM, Troy Kockrow <Troy@steelheadconstructors.com> wrote:

>

> Ray,

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> As discussed this morning, we are moving forward with a request to substitute Willis Rebar, Inc. in accordance with Public Contract Code 4107.

>

> Regards,

>

> Troy Kockrow

> Project Manager

> Steelhead Constructors, Inc.

> 2940 Innsbruck Dr.

> Redding, CA 96003

> 530-226-6400 Office

> 530-226-6401 Fax

> 530-515-7724 Cell

> troy@steelheadconstructors.com

> www.steelheadconstructors.com

>

> -----Original Message-----

> From: Ray Willis <willisrebar@gmail.com>

> Sent: Friday, November 22, 2019 4:31 PM

> To: Troy Kockrow <Troy@steelheadconstructors.com>

> Subject: Bassi Road

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> Troy,

> Due to the fact that we have not been paid. we are financially unable to Provide a crew on Monday. If that changes between now and Tuesday you'll be the first to know it's kind a hard to get guys to go to work when you can't them.

>

> R. Willis  
>  
> Willis Rebar

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**Ray Willis** <willisrebar@gmail.com>

Wed, Dec 4, 2019 at 7:23 PM

To: Troy Kockrow <Troy@steelheadconstructors.com>

Cc: 154 Bassi Rd <154BassiRd@steelheadconstructors.com>, Mike Fromm <michael.fromm@edcgov.us>, Brian Franklin <brian.franklin@edcgov.us>

Troy

I have a 10:30 AM meeting with my attorney tomorrow morning. I will be unable to attend your progress meeting tomorrow.

R. Willis

Willis Rebar

[Quoted text hidden]

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**Troy Kockrow** <Troy@steelheadconstructors.com>

Thu, Dec 5, 2019 at 9:50 AM

To: Mike Fromm <michael.fromm@edcgov.us>, Brian Franklin <brian.franklin@edcgov.us>

Willis' response to SCI's letter.

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**2 attachments**



**img20191204\_14375048.pdf**  
44K



**SCI\_Bassi Rd Contract\_0519.pdf**  
77K