

CALIFORNIA COURT OF APPEAL, FOURTH APPELLATE DISTRICT,
DIVISION THREE

Golden State Boring & Pipe Jacking, Inc. v. Astaldi Construction
Corporation et al.

Golden State Boring · No. G062891 · Decided April 16, 2025

SUMMARY

The California Court of Appeal affirmed summary judgment for defendants in a dispute arising from a transportation design-build project and an unexecuted subcontract. The court held that the substitution procedures under Public Contract Code section 4107 did not apply because the plaintiff was not listed in the original bid and its proposed work was below the one-half-of-one-percent threshold incorporated through section 6826. The court also rejected reliance on the prime contract and *Southern California Acoustics Co. v. C. V. Holder, Inc.*

CASE DETAILS

COURT	California Court of Appeal, Fourth Appellate District, Division Three
WRITING FOR THE COURT	Sanchez, J.; Moore, Acting P. J.; Scott, J.
JURISDICTION	California Court of Appeal, Fourth Appellate District, Division Three
DECIDED	April 16, 2025
DOCKET	G062891
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from a superior court judgment granting defendants' motion for summary judgment in an action seeking benefit-of-the-bargain damages based on an alleged unlawful subcontractor substitution.
STANDARD OF REVIEW	Summary judgment is reviewed de novo. The moving defendant bears the initial burden of showing that one or more elements of the plaintiff's cause of action cannot be established or that a complete defense exists; if that burden is met, the burden shifts to the plaintiff to show a triable issue of material fact.
PRECEDENTIAL VALUE	Published and certified for publication; precedential California Court of Appeal opinion.

PARTIES

Golden State Boring & Pipe Jacking, Inc. v. Astaldi Construction Corporation, OHL USA, Inc., OC 405 Partners Joint Venture

TOPICS

construction law

government contracts

statutory interpretation

commercial litigation

standard of review

PRACTICE AREAS

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appellate procedure

QUESTIONS PRESENTED

1. Whether Public Contract Code section 6826, subdivision (c), afforded Golden State Boring the substitution protections of section 4107 even though it was not listed in the original bid.
2. Whether the substitution requirements of section 4107 apply to a subcontract whose proposed value is below the one-half-of-one-percent threshold in section 4104, subdivision (a)(1).
3. Whether section 7.2.3 of the prime contract independently required compliance with the section 4100 et seq. substitution procedures.
4. Whether Golden State Boring could pursue benefit-of-the-bargain damages under *Southern California Acoustics Co. v. C. V. Holder, Inc.*

HOLDINGS

1. Section 4107's substitution procedures are directed to substitution of a subcontractor listed in the original bid, and Golden State Boring was not listed in OC 405's original bid.
2. The substitution requirements of section 4107 apply only when the subcontractor's proposed work exceeds one-half of one percent of the prime contractor's total bid.
3. Section 7.2.3 of the prime contract did not independently require substitution procedures beyond those required by Public Contract Code section 4100 et seq.
4. *Southern California Acoustics* did not authorize Golden State Boring's benefit-of-the-bargain claim because that case involved a listed subcontractor wrongfully substituted under the Subcontracting Practices Act, not a subcontractor selected after the original bid under section 6826.

KEY QUOTATIONS

“Our fundamental task in statutory interpretation, “is to ascertain the intent of the lawmakers so as to effectuate the purpose of the statute.” [Citation.] We begin as always with the statute’s actual words, the “most reliable indicator” of legislative intent, “assigning them their usual and ordinary meanings, and construing them in context. If the words themselves are not ambiguous, we presume the Legislature meant what it said, and the statute’s plain meaning governs.” (at 8)

“Because GSB’s planned scope of work did not meet the “one-half of 1 percent” threshold, the substitution requirements under section 4107 do not apply.” (at 10)

FACTUAL BACKGROUND

The Orange County Transportation Authority awarded OC 405 Partners Joint Venture a design-build contract for improvements to Interstate 405. Golden State Boring submitted a \$1,723,620 bid for subcontracting work after OC 405's original bid, received an email stating it had been awarded the work, and then negotiated with OC 405 without executing a written subcontract. The parties disagreed about the scope of work, and OC 405 hired another subcontractor. Golden State Boring's proposed work was below one-half of one percent of OC 405's \$1,217,065,000 prime-contract bid, and Golden State Boring was not listed in the original bid.

PROCEDURAL HISTORY

The Orange County Superior Court granted summary judgment for OC 405 Partners Joint Venture, Astaldi Construction Corporation, and OHL USA, Inc., concluding that Golden State Boring was not entitled to protections under Public Contract Code section 4100 et seq. and that its claim lacked merit. Judgment was entered for defendants in January 2023. Golden State Boring timely appealed, and the Court of Appeal affirmed.

DISPOSITION

affirmed

CASES CITED

- Golden State Boring & Pipe Jacking, Inc. v. Orange County Water Dist., 143 Cal.App.4th 718, 721 (2006)
- Southern California Acoustics Co. v. C. V. Holder, Inc., 71 Cal.2d 719, 726 fn. 7, 727 (1969)
- JMS Air Conditioning & Appliance Service, Inc. v. Santa Monica Community College Dist., 30 Cal.App.5th 945, 958 (2018)
- Golden State Boring & Pipe Jacking, Inc. v. Orange County Water Dist., 143 Cal.App.4th 718, 727-728 (2006)
- DeSilva Gates Construction, LP v. Department of Transportation, 242 Cal.App.4th 1409, 1420 (2015)
- Thai v. Richmond City Center, L.P., 86 Cal.App.5th 282, 288 (2022)
- Aguilar v. Atlantic Richfield Co., 25 Cal.4th 826, 843 (2001)
- Saw v. Avago Technologies Limited, 51 Cal.App.5th 1102, 1108 (2020)
- Shin v. Ahn, 42 Cal.4th 482, 499 (2007)
- Hughes v. Pair, 46 Cal.4th 1035, 1039 (2009)