



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D: Yes		
DATE: 11/21/2025 11/25/2025		BOARD INITIATED ITEM: No		
Originator/Prepared by: Mohamad Fararjeh Dept: PM/CM - Facilities DocuSigned by: <i>[Signature]</i> 86D38DAC84E942E... Signature/Date: 11/25/2025	General Counsel DocuSigned by: <i>Amelia Sandoval</i> 2528C067C44147D... 11/25/2025 []	Chief Financial Officer Signed by: <i>Stephen Beach</i> 7D9A7C6E7348456... 11/25/2025 []	District Secretary DocuSigned by: <i>Robert Franklin</i> AFF4529E1F0D45C... 11/25/2025 []	BARC DocuSigned by: <i>Shane Edwards</i> 8128A2EB2F014F3... 11/25/2025 []

Rescission of Award of Contract No. 17BY-110A, Installation of New UPS System in LMA Building

PURPOSE:

To request Board Authorization for the rescission of the award to Blocka Construction, Inc. and rejection of all Bids for Contract No. 17BY-110A, Installation of New Uninterrupted Power Supply (UPS) System for the Lake Merritt Administration (LMA) Building.

DISCUSSION:

At the September 25, 2025 Board meeting, the Board authorized the General Manager to award Contract No. 17BY-110A for the installation of two new UPS Systems in the LMA Building, (hereinafter "17BY-110A"), to Blocka Construction, Inc., (hereinafter "Blocka") pursuant to notification to be issued by the General Manager and subject to compliance with the District's protest procedures and the U.S. Department of Transportation's rules and regulations pertaining to Disadvantaged Business Enterprise (DBE) participation. In accordance with Board Rule 3-5.3, notification of the Board's action was transmitted to all Bidders on September 25, 2025.

On October 3, 2025, and before the execution of Contract No. 17BY-110A, the U.S. Department of Transportation (DOT) published an Interim Final Rule (hereinafter "IFR") in the Federal Register modifying the Disadvantaged Business Enterprise (DBE) Program

regulations (49 CFR Part 26); copy of the IFR is attached. The IFR takes effect immediately upon publication as of October 3, 2025, and requires federal grant recipients to pause enforcement of DBE goals in existing contracts supported by federal funds, among other requirements. The IFR prohibits grant recipients from enforcing DBE goals until the applicable Unified Certification Program (UCP) has completed a reevaluation of all existing certified DBEs pursuant to new criteria established in the IFR.

Based on the issuance of the IFR and various legal considerations, Staff recommends that the Board rescind the award of Contract No. 17BY-110A to Blocka, reject all valid and responsive Bids submitted, and allow Staff to readvertise the Contract in compliance with the IFR.

FISCAL IMPACT:

There is no direct fiscal impact.

ALTERNATIVES:

The General Manager could decline to concur with the proposed Decision and require staff to proceed with the award of the Contract No. 17BY-110A to Blocka. The District could face a number of legal risks in doing so.

RECOMMENDATION:

Adopt the following Motion.

MOTION:

The Board authorizes the General Manager to rescind the recommended award of Contract No. 17BY-110A to Blocka Construction, Inc. to reject all Bids submitted for Contract No. 17BY-110A, and to readvertise the Contract.