

# Increased Contract Bid Thresholds Effective January 1, 2019

January 01, 2019

Effective January 1, 2019, school districts must competitively bid, pursuant to Public Contract code section 20111(a), contracts involving an expenditure of more than \$92,600 for any of the following:

- Equipment, materials, or supplies furnished, sold, or leased to the district;
- Non-construction services; or
- Repairs, including maintenance (as defined in Public Contract Code section 20115, that are not public projects (as defined in Public Contract Code section 22002(c)).

It is anticipated that the California Community Colleges Chancellor's Office will make an announcement soon for contracts let pursuant to Public Contract Code section 20651(a) applicable to community college districts.

In 2018, the bid threshold for these contracts was \$90,200.

The bid threshold for construction services contracts remains at \$15,000, unless the district has adopted the Uniform Public Construction Cost Accounting Act.

Also, effective January 1, 2019, for agencies that have adopted the California Uniform Public Cost Accounting Act ("CUPCCAA"), the bid thresholds for construction services contracts for agencies, including school and community college districts, have been increased to:

- Public projects of **\$60,000 or less** may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order without bidding;
- Public projects of **\$200,000 or less** may be awarded by informal bidding procedures; and
- Public projects of **more than \$200,000** must be awarded by formal bidding procedures.

Prior to January 1, 2019, the bid thresholds for these projects were \$45,000 and \$175,000 respectively.

For more information about the increased bid thresholds, updated front end construction documents, or whether CUPCCAA is a good fit for your District, please contact your legal



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counsel or a DWK attorney.

## **PRACTICE AREAS**

- Construction
- Business and Property