



Informational Bulletin

For Santa Clara County Districts

District Business & Advisory Services

Nimrat Johal: Director- DBAS: 408-453-6599

Cathy McKim, Manager-DBAS: 408-453-6588

Bulletin: 12-092

Date: January 20, 2012

To: District Fiscal Directors
District Purchasing Directors

From: Cathy McKim

Re: 2012 Bid Limit Changes

Effective January 1, 2012, the threshold limit is increased for certain school district contracts which are required to be competitively bid and awarded. Attached are excerpts of Public Contract Code (PCC) Sections 20111 and 20651.

The following types of contracts are impacted: 1) the purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district; 2) services, except construction services; and 3) repairs, including maintenance as defined in PCC Section 20115, that are not a public project as defined in PCC Section 22002.

Shown below are the inflation adjusted bid thresholds for the current and two prior years:

Calendar Year Bid	Threshold	Percent Change
January 1, 2010	\$78,500	2.31%
January 1, 2011	\$78,900	0.572%
January 1, 2012	\$81,000	2.72%

NOTE: The threshold limit for a public project contract, such as construction or reconstruction of publicly owned facilities, remains at \$15,000.

The above increase is pursuant to PCC Sections 20111(d) and 20651(d), by which the Superintendent of Public Instruction for K-12 School Districts and the Board of Governors of the California Community College Districts, respectively, shall annually adjust the \$50,000 amount specified in PCC Sections 20111(a) and 20651(a). The 2.72% increase is the annual average value of the Implicit Price Deflator for state and local government purchases of goods and services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. The annual adjustments are rounded to the nearest one hundred dollars (\$100).

Please share this information as deemed appropriate.



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CALIFORNIA CODES Public Contract Codes Section 20111

20111.

a) The governing board of any school district, in accordance with any requirement established by that governing board pursuant to subdivision (a) of Section 2000, shall let any contracts involving an expenditure of more than fifty thousand dollars (\$50,000) for any of the following:

- 1) The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district.
- 2) Services, except construction services.
- 3) Repairs, including maintenance as defined in Section 20115, that are not a public project as defined in subdivision (c) of Section 22002.

The contract shall be let to the lowest responsible bidder who shall give security as the board requires, or else reject all bids.

b) The governing board shall let any contract for a public project, as defined in subdivision (c) Section 22002, involving an expenditure of fifteen thousand dollars (\$15,000) or more, to the lowest responsible bidder who shall give security as the board requires, or else reject all bids. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:

- 1) Cash.
- 2) A cashier's check made payable to the school district.
- 3) A certified check made payable to the school district.
- 4) A bidder's bond executed by an admitted surety insurer, made payable to the school district.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the school district beyond 60 days from the time the award is made.

c) This section applies to all equipment, materials, or supplies, whether patented or otherwise, and to contracts awarded pursuant to subdivision (a) of Section 2000. This section shall not apply to professional services or advice, insurance services, or any other purchase or service otherwise exempt from this section, or to any work done by day labor or by force account pursuant to Section 20114.

d) Commencing January 1, 1997, the Superintendent of Public Instruction shall annually adjust the dollar amounts specified in subdivision (a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. The annual adjustments shall be rounded to the nearest one hundred dollars (\$100).



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CALIFORNIA CODES Public Contract Codes Section 20651

20651.

a) The governing board of any community college district shall let any contracts involving an expenditure of more than fifty thousand dollars (\$50,000) for any of the following:

- 1) The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district.
- 2) Services, except construction services.
- 3) Repairs, including maintenance as defined in Section 20656, that are not a public project as defined in subdivision (c) of Section 22002.

The contract shall be let to the lowest responsible bidder who shall give security as the board requires, or else reject all bids.

b) The governing board shall let any contract for a public project, as defined in subdivision (c) of Section 22002, involving an expenditure of fifteen thousand dollars (\$15,000) or more to the lowest responsible bidder who shall give security as the board requires, or else reject all bids. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:

- 1) Cash.
- 2) A cashier's check made payable to the community college district.
- 3) A certified check made payable to the community college district.
- 4) A bidder's bond executed by an admitted surety insurer, made payable to the community college district.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the district beyond 60 days from the time the award is made.

c) This section applies to all equipment, materials, or supplies, whether patented or otherwise. This section shall not apply to professional services or advice, insurance services, or any other purchase or service otherwise exempt from this section, or to any works done by force account pursuant to Section 20655.

d) Commencing January 1, 1997, the Board of Governors of the California Community Colleges shall annually adjust the dollar amounts specified in subdivision (a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. The annual adjustments shall be rounded to the nearest one hundred dollars (\$100).