



Client Alert

## Increased Public Contract Bidding Thresholds Effective January 1, 2024

New bidding limits will go into effect for K-12 school districts and community college districts beginning on January 1, 2024.

The Public Contract Code sets a bidding threshold of \$50,000 for the following contracts, requiring contracts exceeding this amount to be competitively bid and awarded to the lowest responsive and responsible bidders:

- Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district.
- Services that are not construction services.
- Repairs, including maintenance as defined in the Public Contract Code, that are not public projects as defined in Public Contract Code section 22002, subd. (c). (and as further described below.)
- (K-12 School Districts, Pub. Contract Code, § 20111, subd. (a); Community College Districts, Pub. Contract Code, § 20651, subd. (a).)

Each year, the statutory amount of \$50,000 is adjusted pursuant to the calculation set forth by the State Superintendent of Public Instruction and the Board of Governors of the California Community Colleges.

**Effective January 1, 2024, the adjusted bid threshold has increased from \$109,300 to \$114,500.**

Bidding thresholds for public works construction projects remain at \$15,000, and are not impacted by the increase in bidding thresholds reflected above.

(K-12 School Districts, Pub. Contract Code, § 20111, subd. (b)(1); Community College Districts, Pub. Contract Code, § 20651, subd. (b)(1).)



Coming soon in Spring 2024: Updates to the California Uniform Public Construction Cost Accounting Act (CUPCCAA) bidding limits.

Please ensure that you are adhering to the appropriate public bidding thresholds and that your bidding and contracting procedures are updated accordingly.

If you have questions about this Client Alert, please contact one of the authors listed below or the F3 attorney with whom you normally consult.

*This F3 Client Alert is a summary only and not legal advice. We recommend that you consult with legal counsel to determine how this legal development may apply to your specific facts and circumstances.*

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