



SAN DIEGO COUNTY OFFICE OF EDUCATION

6401 Linda Vista Road, San Diego, CA 92111 • 858-292-3500 • www.sdcoe.net
San Diego County Superintendent of Schools Dr. Paul Gothold

Date: December 21, 2017

To: Chief Administrative Officers
Chief Business Officials
Purchasing Officers

From: Brent Watson, Executive Director
District Financial Services

Attached is a memorandum from the California Department of Education regarding the annual adjustment of the competitive bid limit for school districts and community college districts authorized by Public Contract Code section 20111(a) and 20651(d), respectively.

School districts and community colleges may use the adjusted amount of **\$90,200** effective January 1, 2018 for the lease or purchase of equipment, materials, supplies and/or services, which do not constitute a “public project.”

The bid limits are outlined in the attached Bid Limits summary. Bids that are let pursuant to Public Contract Code 20111, bids are to be awarded to the lowest responsive and responsible bidder.

Additionally, districts are reminded that Public Contract Code section 20116/20657 prohibits the splitting of a contract into smaller contracts to avoid competitive bidding (i.e., bid-splitting). Neither work nor labor associated with a purchase of equipment or materials to be installed to improve an existing building should be separated out from the equipment purchase solely for the purpose of avoiding the requirement for competitive bidding.

If you have any questions about this information, please contact Guiselle Carreon, Commercial Warrants Audit and Accounts Payable Manager, at (858) 292-3602.

Attachments



CALIFORNIA
DEPARTMENT OF
EDUCATION

TOM TORLAKSON
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

December 1, 2017

Dear County and District Superintendents, County and District Chief Business Officials, and Charter School Administrators:

**ANNUAL ADJUSTMENT TO BID THRESHOLD FOR CONTRACTS
AWARDED BY SCHOOL DISTRICTS**

Public Contract Code (PCC) Section 20111(a) requires school district governing boards to competitively bid and award any contracts involving an expenditure of more than \$50,000, adjusted for inflation, to the lowest responsible bidder. Contracts subject to competitive bidding include:

1. Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district.
2. Services that are not construction services.
3. Repairs, including maintenance as defined in *PCC* Section 20115, that are not public projects as defined in *PCC* Section 22002(c).

The State Superintendent of Public Instruction (SSPI) is required to annually adjust the \$50,000 amount specified in *PCC* Section 20111(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 inflation adjustment is rounded to the nearest one hundred dollars (\$100).

Pursuant to the above calculation, and effective January 1, 2018, the SSPI has determined that the inflation adjusted bid threshold will increase from \$88,300 to \$90,200. Shown below are the inflation adjusted bid thresholds for the current and two prior years.

Calendar Year	Bid Threshold	Percentage Change in Implicit Price Deflator
2016	\$87,800	2.12%
2017	\$88,300	.626%
2018	\$90,200	2.20%



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Also note that public projects as defined in *PCC* Section 22002(c), such as construction or reconstruction of publicly owned facilities, have a lower bid threshold of \$15,000 that is not adjusted for inflation. For more information on bidding requirements for all projects, refer to *PCC* sections 20110 to 20118.4.

This letter is posted on the Office of Financial Accountability and Information Services Correspondence Web page at <http://www.cde.ca.gov/fg/ac/co/>.

If you have questions regarding this subject, please contact the Office of Financial Accountability and Information Services by phone at 916-322-1770 or by e-mail at sacsinfo@cde.ca.gov.

Sincerely,

Caryn Moore, Director
School Fiscal Services Division

Last Reviewed: Monday, December 18, 2017

BID LIMITS

Component (Definition)	Bid Limits as of 1/1/2018
<p>EQUIPMENT, MATERIALS, SUPPLIES <u>20111(a)(1); 20651(a)(1)</u> Exceptions: Supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks or periodicals. (PCC 20118.3) Perishable foodstuffs and seasonal commodities. (PCC 20660; Ed Code 38083) Surplus federal property. (Ed. Code 17602) Energy service and conservation contracts (Gov. Code 4217.12, 15814.10 et seq.) Purchase through other public agency (Ed. Code 17595; PCC 20118, 20652, 20653) Emergency repair contracts. (PCC 20113, 20654)</p>	<p>\$90,200</p>
<p>NON-CONSTRUCTION SERVICES <u>20111(a)(2); 20651(a)(2)</u> Exception: Special services and advice under Government Code section 53060. Includes: financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required.</p>	<p>\$90,200</p>
<p>MAINTENANCE <u>20111(3)(2); 20651(a)(3) 20656</u> Routine, recurring and usual work for the preservation or protection of any publicly owned, publicly operated facility for its intended purpose. Includes minor and routine repairs, landscape, and minor repainting.</p>	<p>\$90,200</p>
<p>PUBLIC PROJECT WORK <u>20117 (b), 20651(b)</u> Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and any repair work involving publicly owned, leased, or operated facilities.</p>	<p>\$15,000 Labor & Materials</p>
<p>FORCE ACCOUNT OR DAY LABOR <u>20114(a). 20655(a)</u> Work performed by the agency's day labor on any type of public project or maintenance work. Day labor includes the use of maintenance personnel employed on a permanent or temporary basis.</p>	<p>350 hours <35,000 ADA 750 hours or \$21,000 if >35,000 ADA or >15,000 FTE for Comm. College</p>
<p>CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT <u>22032(a)(b)(c)</u> Performed by employees (Force Account), purchase order, or negotiated contract: Let by informal bid: (if all bids exceed \$175,000, may award up to \$187,500) Formal Bid:</p>	<p>\$45,000 or less \$45,001 to \$175,000 >\$175,000</p>
<p>TRANSPORTATION AGREEMENTS Education Code 39802 Transportation contracts must be bid when the total expenditure exceeds \$10,000 and the services are provided by a person or corporation other than a common carrier or a municipally owned transit system or a parent or guardian of the pupils to be transported. (Municipally owned does not include school districts.) The governing board may let the contract for the service to other than the lowest bidder. Ed. Code, § 39802. 32</p>	<p>\$10,000</p>
<p>TIME LIMITS ON CONTINUING CONTRACTS: (Education Code section 17596) Work, all services, apparatus or equipment: Materials or supplies: Equipment Lease:</p>	<p>5 Years 3 Years 10 Years</p>