



BUSINESS & FACILITIES

News and Legal Developments in Business,
Contracts, Construction and Property

Bid Threshold Increased to \$109,300 for School and Community College District Contracts.

As of January 1, 2023, the bid threshold over which community college and school district governing boards must competitively bid and award certain contracts was increased to \$109,300. This bid threshold applies to the following types of contracts:

- Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district;
- Services that are not construction services; and
- Repairs, including maintenance as defined in Public Contract Code (PCC) sections 20115 and 20656, as applicable, which are not public projects as defined in PCC section 22002 subdivision (c).

PCC sections 20111 subdivision (a) and 20651 subdivision (a) require school and community college district governing boards, respectively, to competitively bid and award any contracts involving an expenditure of more than \$50,000, adjusted for inflation, to the lowest responsible bidder. The State Superintendent of Public Instruction and the Board of Governors of the California Community Colleges must annually adjust the \$50,000 amount specified in the PCC. Both entities have increased the bid limit 10.32% to \$109,300 for 2023.

Contracts for construction of public projects, as defined in PCC section 22002 subdivision (c), still have a bid threshold of \$15,000. Public projects include contracts for reconstruction, erection, alteration, renovation, improvement, demolition, and repair. This \$15,000 threshold is not adjusted for inflation.

The notice adjusting the bid limits is posted on the California Department of Education's website [here](#). The California Community Colleges Chancellor's Office also posted its notice adjusting the bid limits [here](#).

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