



January 9, 2026

TO: Business and Accounting Administrators
Purchasing and Contract Officers
Los Angeles County K-12 Schools and Community College Districts

FROM: Sachiko Enomoto, Limited Term Assistant Director
School Accounting & Disbursements
Division of Business Advisory Services

SUBJECT: Competitive Bid Limit Increase to \$119,100

Public Contract Code (PCC) Section 20111(a) for school districts and Section 20651(a) for community college districts, respectively, require district governing boards to competitively bid before awarding any contract involving an expenditure of more than \$50,000 for:

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 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. The inflation amount is rounded to the nearest one hundred dollars (\$100).

Pursuant to the above calculation, effective January 1, 2026, the SSPI has determined that the inflation adjusted bid threshold will increase by \$4,300, from \$114,800 to \$119,100. Shown below are the inflation adjusted bid thresholds for the current and two prior years:

<u>Calendar Year</u>	<u>Bid Threshold</u>	<u>Percent Change in Implicit Price Deflator</u>
January 1, 2024	\$114,500	4.79%
January 1, 2025	\$114,800	0.259%
January 1, 2026	\$119,100	3.772%

Competitive Bid Limit Increase to \$119,100

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The \$15,000 threshold for construction contracts under the PCC remains unchanged. The link to the CDE correspondence is <https://www.cde.ca.gov/fg/ac/co/bidthreshold2025.asp>.

For districts that adopted the CUPCCAA (California Uniform Public Construction Cost Accounting Act), limits are as follows, effective January 1, 2025, as amended by Assembly Bill 2192:

Code Section	Requirement	Limit
PCC 22032(a)	No bid requirements. May be performed by employees of a public agency	\$75,000 or less
PCC 22032(b)	Informal bid procedures (PCC 22034)	\$220,000 or less
PCC 22032(c)	Formal bidding procedure	Over \$220,000

Please contact Diana Rodriguez at (562) 940-1684 or e-mail Rodriguez_Diana@lacoed.edu if you have any questions regarding this bulletin.

Approved:

Octavio Castelo, Executive Director

Division of Business Advisory Services

DR:mg

SFS-A34-2025-2026

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).

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).



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**California Department of Education
Official Letter**

December 8, 2025

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 (State Superintendent) 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, Bureau of Economic Analyst (BEA) 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, 2026, the State Superintendent has determined that the inflation adjusted bid threshold will increase from \$114,800 to \$119,100. 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
2024	\$114,500	4.79%
2025	\$114,800	0.259%
2026	\$119,100	3.772%

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 <https://www.cde.ca.gov/fg/ac/co/>.

If you have questions regarding this matter, please contact the Office of Financial Accountability and Information Services by email at sacsinfo@cde.ca.gov.

Sincerely,

Masha Lutsuk, Administrator
Financial Accountability and Information Services
School Fiscal Services Division
ML:hvt

Last Reviewed: Monday, December 8, 2025



MALIA M. COHEN
CALIFORNIA STATE CONTROLLER

November 1, 2024

To: ALL PUBLIC AGENCIES SUBJECT TO THE TERMS OF THE
UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

SUBJECT: Notification Letter-Assembly Bill 2192 (Chaptered 953, Statutes of 2024)

The California Uniform Construction Cost Accounting Commission (CUCCAC) in agreement with the State Controller's Office (SCO) recommended an increase to the bid limit threshold prescribed in Public Contract Code (PCC) 22032; this increase was signed into law. Pursuant to PCC 22020, and on behalf of Controller Malia M. Cohen, SCO would like to inform agencies subject to the Uniform Public Construction Cost Accounting Act (Act) of the following changes effective January 1, 2025:

- a) The change would allow projects costing \$75,000 or less to be performed by employees of a public agency by force account, by negotiated contract, or by purchase order;
- b) The change would allow projects costing up to \$220,000 to be contracted by informal bidding procedures; and projects costing over \$220,000 are subject to the formal bidding process.

The noted increases are pursuant to the provisions and benefits found in the Act, which provides public agencies with economic benefits and greater freedom to expedite public works projects. For agencies which follow the cost accounting procedures set forth by CUCCAC in its *Cost Accounting Policies and Procedures Manual*, these increased limits will expedite delivery of public work projects and reduce bid processing costs. If your agency is currently subject to the Act, a new resolution adopting the change into legislation is not required.

We encourage participating agencies to visit the SCO website to sign up for CUCCAC's email subscription service to receive important information concerning CUCCAC updates and legislative changes via email. For more details or to sign up for the email subscription services, please contact the Local Government Programs Services Division at LocalGovPolicy@sco.ca.gov or visit our website at www.sco.ca.gov/ard_cuccac.html.

Sincerely,

(Original signed)

Sandeep Singh
Manager, Local Government Policy Section