January 17, 2012

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

FROM: Karen L. Rindfleisch, Assistant Director
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Bid Limit Increase

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:

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Bid Threshold</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2010</td>
<td>$78,500</td>
<td>2.31%</td>
</tr>
<tr>
<td>January 1, 2011</td>
<td>$78,900</td>
<td>0.572%</td>
</tr>
<tr>
<td><strong>January 1, 2012</strong></td>
<td><strong>$81,000</strong></td>
<td><strong>2.72%</strong></td>
</tr>
</tbody>
</table>

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).
Commercial Claims – Amount Hold

For districts that have an amount hold of $78,900, the amount will be automatically increased to $81,000 effective immediately. However, if you do not wish to implement this amount hold increase, please contact Andrew Surendranath at (562) 940-1677 or Surendranath_Andrew@lacoe.edu.

For other districts who wish to have their amount hold increased, a board authorized district administrator (i.e., chief business official) may submit a formal request to:

Karen L. Rindfleisch
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 219
Downey, CA 90242

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If you have questions concerning this bulletin, please contact Luz Spanks at (562) 922-6454 or e-mail Spanks_Luz@lacoe.edu.

Approved by:
Pamela Fees, Director
Division of School Financial Services

KLR:rm
Attachment

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