



FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

New Contract Bid Threshold Effective 2024

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In accordance with requirements of the Public Contract Code Section (PCC § [20111](#)), the State Superintendent of Public Instruction adjusted the bid threshold. The bid threshold was increased by 4.79% to \$114,500, effective January 1, 2024. This higher bid threshold applies to (1) the purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district; (2) services, except construction services; and (3) repairs, including maintenance as defined in PCC § [20115](#), that are not public projects as defined in PCC § [22002\(c\)](#). The \$15,000 threshold that applies to public projects under PCC § [22002\(c\)](#) is not adjusted for inflation.

Calendar Year	Bid Threshold	Percentage Change in Implicit Price Deflator
2022	\$99,100	2.48%
2023	\$109,300	10.32%
2024	\$114,500	4.79%

Pursuant to PCC § [20111\(e\)](#), the bid threshold is adjusted 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. However, this was not always the case as the bid limit was originally set at a fixed amount and only later, indexed to inflation.

Keep in mind that the bid limit applies to the total, original (fixed) contract amount, though PCC § [20118.4](#) allows for subsequent change orders not to exceed a maximum of 10% of the original contract amount. Bids cannot be split—whether across fiscal years or into smaller projects, for example—in order to fall under the bid limit.

A copy of the California Department of Education’s correspondence is posted to its website and can be found by clicking [here](#).