

Process for Changing Bidding Limitations

Within the CUCCAC *Construction Cost Accounting Policies and Procedures Manual* and the CUCCAC *Frequently Asked Questions (FAQs)*, it has been noted that code dictates the Commission has the authority to recommend adjustments to the bidding limits to the Controller. The Controller would then send notification of the adjustment to the participating agencies, and the adjustment will take effect not less than 60 days following the notification.

The following codes are within Chapter 2 of Part 3 of Division 2 of the Public Contract Code (PCC), also known as the Uniform Public Construction Cost Accounting Act (the Act, PCC 22000-22045), support this process:

Notification by the Controller to Participating Agencies

22001.5.

On or before January 1, 2009, the Controller shall send a notice to all public agencies describing the provisions of this chapter and the benefits of using its provisions. This notice shall also be included in any notification issued by the Controller pursuant to Section 22020.

CUCCAC and the Controller's Authority to Change Bidding Limits before Legislation

22020.

In accordance with procedures and standards adopted pursuant to Section 22017, every five years the commission shall consider whether there have been material changes in public construction costs and make recommendations to the Controller regarding adjustments in the monetary limits prescribed by Section 22032, but in no case shall the amount, as adjusted, be less than fifteen thousand dollars (\$15,000). Any adjustment shall be effective beginning with the fiscal year which commences not less than 60 days following the Controller's notification to all public agencies of the adjustment. That notification shall also describe the provisions of this chapter and the benefits of using its provisions.

CUCCAC "Shall" Recommend Adjustment to the Monetary Limits of PCC 22032

22017.

The commission shall do all of the following:

(a) After due deliberation and study, recommend for adoption by the Controller, uniform construction cost accounting procedures for implementation by public agencies in the performance of, or in contracting for, construction on public projects. The procedures shall, to the extent deemed feasible and practicable by the commission, incorporate, or be consistent with construction cost accounting procedures and reporting requirements utilized by state and federal agencies on public projects, and be uniformly applicable to all public agencies which elect to utilize the uniform procedures. As part of its deliberations and review, the commission shall take into consideration relevant provisions of Office of Management and Budget Circular A-76.

(b) After due deliberation and study, recommend for adoption by the Controller cost accounting procedures designed especially for implementation by California cities with a population of less than 75,000. The procedures shall incorporate cost accounting and reporting requirements deemed practicable and applicable to all cities under 75,000 population which elect to utilize the uniform procedures. For purposes of these cost accounting procedures, the following shall apply:

(1) Cities with a population of less than 75,000 shall assume an overhead rate equal to 20 percent of the total costs of a public project, including the costs of material, equipment, and labor.

(2) Cities with a population of more than 75,000 may either calculate an actual overhead rate or assume an overhead rate equal to 30 percent of the total costs of a public project, including the costs of material, equipment, and labor.

(c) Recommend for adoption by the Controller, procedures and standards for the periodic evaluation and adjustment, as necessary, of the monetary limits specified in Section 22032.

(d) The commission shall make an annual report to the Legislature with respect to its activities and operations, together with those recommendations as it deems necessary.

Bidding Limitation Amounts

22032.

(a) Public projects of forty-five thousand dollars (\$45,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.

(b) Public projects of one hundred seventy-five thousand dollars (\$175,000) or less may be let to contract by informal procedures as set forth in this article.

(c) Public projects of more than one hundred seventy-five thousand dollars (\$175,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure.

In [AB 720](#) of the 2011-2012 Legislative session, PCC 22032 was amended to increase the bidding limits from previous limits outlined in as follows:

Subsection	From	To	Change in Limits
22032 (a)	\$30,000	\$45,000	\$15,000 increase
22032 (b)	\$125,000 and less	\$175,000 and less	\$50,000 increase
22032 (c)	More than \$125,000	More than \$175,000	\$50,000 increase



Code: Section:

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Code Section:
PUBLIC CONTRACT CODE - PCC

22032. (a) Public projects of forty-five thousand dollars (\$45,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.

(b) Public projects of one hundred seventy-five thousand dollars (\$175,000) or less may be let to contract by informal procedures as set forth in this article.

(c) Public projects of more than one hundred seventy-five thousand dollars (\$175,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure.

(Amended by Stats. 2011, Ch. 683, Sec. 2. Effective January 1, 2012.)

Law As Amended :

(a) Public projects of ~~thirty~~~~forty-five~~ thousand dollars (~~(\$30,000)~~~~(\$45,000)~~) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.

(b) Public projects of one hundred ~~twenty-~~~~five~~~~seventy-five~~ thousand dollars (~~(\$125,000)~~~~(\$175,000)~~) or less may be let to contract by informal procedures as set forth in this article.

(c) Public projects of more than one hundred ~~twenty-~~~~five~~~~seventy-five~~ thousand dollars (~~(\$125,000)~~~~(\$175,000)~~) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure.