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Memorandum

January 3, 2013 **FP 13-01**
(Via E-Mail Only)

TO: Chief Business Officers
Directors of Purchasing

FROM: Susan C. Yeager, Administrator
College Finance and Facilities Planning

SUBJECT: CHANGE IN CONTRACT BID THRESHOLD FOR INFLATION

Public Contract Code (PCC) Section 20651(a) requires the governing board of any community college district to competitively bid and award contracts involving an expenditure of more than $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 that are non-construction; and,

3. Repairs to include maintenance as defined in Section 20656, that are not public projects as defined in subdivision (c) of Section 22002.

The Board of Governors of the California Community Colleges, pursuant to PCC Section 20651(d) shall annually adjust the $50,000 amount specified in Section 20651(a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for the prior fiscal year rounded to the nearest one hundred dollars ($100). The Board of Governors has delegated this responsibility (through standing orders) to the Chancellor.

The applicable adjustment of **2.99 %** applied to the current bid threshold of $81,000 results in **the new threshold of $83,400** (rounded to the nearest one hundred). This new bid threshold shall commence with the 2013 calendar year.

Please direct questions regarding this subject to Carlos Montoya, Analyst at (916) 322-1438 or cmontoya@cccco.edu.