

Memorandum

TO: Peralta Managers
FROM: Marie Hampton, Director of Purchasing Services
DATE: January 9, 2017
SUBJECT: New Bid Threshold

Effective January 1, 2017, the formal contract bid threshold has been increased to \$88,300 for contracts which are required to be competitively bid and awarded pursuant to Public Contract Code (PCC) Sections 20111 and 20651.

The following types of contract are impacted: 1) the purchases 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 20656, that are not a public project as defined in PCC Section 22002.

Below are the inflation adjusted bid thresholds for the current and two prior years:

<u>Calendar Year</u>	<u>Bid Threshold</u>	<u>Percentage Change</u>
January 1, 2015	\$86,000	2.26%
January 1, 2016	\$87,800	2.12%
January 1, 2017	\$88,300	0.626%

Please note, the bid threshold limit for public project contract(s), such as construction, reconstruction, renovation, improvement, or demolition of publicly owned facilities remains at \$15,000.

This annual increase is pursuant to PCC Sections 20111(d) and 20651(d), by which the Board of Governors of the California Community College District shall annually adjust the annual bid threshold by the Implicit Price Deflator. The 0.626% 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.