



Client Alert

Increase to California Uniform Public Construction Cost Accounting Act ("CUPCCAA") Bid Thresholds



Governor Gavin Newsom signed Assembly Bill 2192 ("AB 2192"), resulting in an increase to current bid thresholds under the California Uniform Public Construction Cost Accounting Act ("CUPCCAA"), among other changes. This change is effective January 1, 2025.

Increase in CUPCCAA Bid Thresholds

The legislature enacted CUPCCAA, as contained in Public Contract Code section 22000, et seq., to help promote "uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state" (Pub. Cont. Code, § 22001). Entities who elect to join CUPCCAA benefit from increased flexibility and raised formal bid limits for public projects which, in turn, leads to more time and money saved in the competitive bidding process which may otherwise be required for such works.

CUPCCAA presently allows for a public works project in the amount of \$60,000 or less to be performed by a public agency's force account using the public agency's own resources, by negotiated contract, or by purchase order (Pub. Cont. Code, § 22032(a)). Public projects in the amount of \$200,000 or less may use the informal or formal bidding procedures set forth in section 22032, subd. (b) or (c) of CUPCCAA. Public projects exceeding \$200,000 are required to use formal bidding procedures pursuant to Public Contract Code section 22032, subd. (c).

AB 2192 increases the limits for each level of CUPCCAA such that public works projects in the amount of \$75,000 or less may be performed by a public agency's force account using the public

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agency's own resources, by negotiated contract, or by purchase order. Public projects in the amount of \$220,000 or less may use the informal or formal bidding procedures set forth in section 22032, subd. (b) or (c) of CUPCCAA. Public projects exceeding \$220,000 must use formal bidding procedures pursuant to Public Contract Code section 22032, subd. (c).

A summary of these changes is provided below:

Method	Current Limits	Effective Limits
Force account, negotiated contract, purchase order	\$60,000 or less	\$75,000 or less
Informal Procedures	\$60,000 to \$200,000	\$200,000 and above
Formal Bidding Procedures	\$75,000 to \$220,000	\$220,000 and above

Other Notable Changes

In addition, AB 2192 adds "installation" to the definition of "public project" and expands the authority of the California Uniform Construction Cost Accounting Commission to review potential violations of CUPCCAA. This includes, for example, a review of an interested party presenting evidence related to bid splitting or exceeding the CUPCCAA bid limits.

Conclusion

If you are an entity that follows CUPCCAA, please ensure that you are following the appropriate public bidding thresholds as determined by the type of project and ensure that your bidding and contracting documents are updated accordingly.

If you have questions about this Client Alert, please contact the authors listed below or the F3 attorney with whom you normally consult.



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