



LAW UPDATE SCHOOL BUSINESS

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AB 2249

The Governor has signed AB 2249 which impacts the Uniform Public Construction Cost Accounting Act, which is also known as the California Uniform Public Construction Cost Accounting Act (CUPCCAA). The Act provides bidding threshold alternatives to traditional bidding procedures and limits. There was a \$45,000 threshold under which no process was required, a \$175,000 informal process threshold permitting quicker contracting for contracts valued between \$45,000 and \$175,000, and contracts over the \$175,000 threshold required a formal bid. AB 2249 increases these limits as follows:

1. No process limit increased from \$45,000 to \$60,000;
2. Informal process increased from \$175,000 to \$200,000;
3. Formal bidding required for contracts above \$200,000.

Additionally, under the old law if informal bids all came in over \$175,000 the CUPCCAA agency could award a contract up to \$187,500 if the agency's estimate was considered reasonable. This limit is now increased from \$187,500 to \$212,500 if awarded to the low bidder and the agency's estimate is considered reasonable.

We also take this opportunity to remind clients that no action is required to continue in the program but clients that have been in the program for many years should check their bidding resolution to confirm it permits this automatic increase without further board action. Our recommended resolution is found online as follows:

Go to the "Members Only" section of the SLS website, select the "Business and Construction" link, select the "School Construction and Bidding" bullet, and select the "Resolution Adopting Uniform Construction Cost Bidding Ordinance (01/03/13)" from the menu that includes additional information on the "Alternative Bid Procedures" line.

If you are unsure whether or not your district has adopted CUPCCAA, the State Controller website contains a list of agencies that have adopted the Act. If you are not on this list, you may have to take action to reclaim CUPCCAA status. The list can be found online as follows:

https://www.sco.ca.gov/Files-ARD-Local/Participating_Agencies_-_General.pdf

AB 2249 is not an emergency bill, for which reason it becomes effective on January 1, 2019.

As always, call us with any questions or for specific support. Thank you.

— William A. Hornback

Education Law Updates are intended to alert clients to developments in legislation, opinions of courts and administrative bodies and related matters. They are not intended as legal advice in any specific situation. Please consult legal counsel as to how the issue presented may affect your particular circumstances.