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PUBLIC AGENCIES USING THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT WILL NOT BE REQUIRED TO BID PROJECTS \$45,000 OR LESS AFTER JANUARY 1, 2012

Public agencies that have elected to use the Uniform Public Construction Cost Accounting Act have long been able to contract directly, *without bidding*, for public works construction projects valued at up to \$30,000, or to perform such projects through force account. The Governor recently signed Assembly Bill (AB) 720, which raises this limit to \$45,000 effective January 1, 2012, meaning that after this date such agencies will not be required to use public bidding for projects under that limit.

The Act also permits public agencies to undertake "informal bidding" on certain projects. As reported earlier, the legislature raised the upper limit for informal bids from \$125,000 to \$175,000. (Please see [Client News Brief No. 17, May 2011](#) and [Lozano Smith Alert No. 20, August 2011](#).) Thus, commencing January 1, 2012, public agencies that utilize the Act will be able to use the informal bid procedures for public works projects valued between \$45,000 and \$175,000. Also, if all of the informal bids an agency receives exceed \$175,000, the project may still be awarded to the lowest bidder, up to a maximum of \$187,500. Projects in excess of \$175,000 must still be formally bid, using the procedures set forth in the Act.

If you have questions about using the Uniform Public Construction Cost Accounting Act, or about public works construction issues in general, please contact one of our [eight offices](#) located statewide, visit our [website](#), or follow Lozano Smith on [Facebook](#).

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