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Construction Law Update - AB 2192 Updates Bidding Thresholds for Municipalities Opted into CUPCCAA

Assembly Bill No. 2192, effective January 1, 2025, increased bidding thresholds for those municipalities that have opted into CUPCCAA (California Uniform Public Construction Cost Accounting Act) (Pub. Contract Code § 22000 *et seq.*). CUPCCAA authorizes different procedures for public project contract bidding depending on the estimated cost of the project as follows:

- \$75,000 or less to be performed by force account, negotiated contract, or purchase order;
- \$75,000 to \$220,000 to be let by informal bidding; and
- \$220,000 or more to be let by formal bidding.

But a local public agency cannot simply rely on these new thresholds.

An agency must first confirm it adopted an ordinance opting into CUPCCAA and provided a copy of that ordinance with the State. If your agency is not on the Controller's list, it is not eligible to use CUPCCAA. You can double check whether your agency has opted into CUPCCAA here:

https://www.sco.ca.gov/Files-ARD-Local/participating_agencies_-_general.pdf.

Second, an agency must confirm its ordinance provides for automatic adjustment of bidding thresholds when the statute changes. Often, agencies that opt into CUPCCAA adopt fixed thresholds. If an ordinance does not authorize automatic adjustment as CUPCCAA limits are periodically adjusted by the state legislature, an agency must amend its ordinance or purchasing policy either to adopt CUPCCAA's new bidding thresholds or to automatically adjust as that statute is amended. The agency must then file its updated ordinance with the State Controller.

For those of you who are less familiar with CUPCCAA, CUPCCAA provides great flexibility in procuring public works contracts to local governments. If your agency has not yet opted into it, you may wish to consider it. If you have, it is important to be sure your ordinance is current and that it has been filed with the State Controller.

If any municipality would like assistance in preparing an updated

ordinance, filing it with the State Controller, or preparing a Resolution opting into CUPCAA, please do not hesitate to contact us for assistance.

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