

To: All SFUSD Administrators

Fr: Chris Mount-Benites, Deputy Superintendent of Business Services

Arthur Marcelo, Director of Procurement

Re: Policy for Contracts

Date: September 5, 2025

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To help simplify our transition to the Frontline system and streamline processes for Procurement, school sites, and offices, we are clarifying and simplifying the process and policy for contracts.

Best practice for all district managers is to look online (and elsewhere as needed) to make sure you are receiving the best value for our spending of public dollars for professional services contracts. If:

- Purchase of professional services is under \$10,000 - It is strongly recommended to look for the best pricing. However, there is no requirement to produce proof of your search at this dollar value. If using federal funds, documentation must be provided. This limit for professional services for all other funds is now under \$25,000.
- Purchase of professional services between \$25,000 and the current statutory bid threshold of \$114,800. - Managers must attempt to get three quotes and keep time & date evidence of the quotes on site in the event that they are requested by Procurement or from auditors during the annual audit. Procurement will no longer require evidence of quotes upfront.
- Purchase of professional services over \$114,800 - Must be routed through Procurement for competitive solicitation with any requested supporting material.

**Reminder:** As stewards of public funds, we have a fiduciary duty to ensure that spending is both appropriate and practical.

The bid threshold that requires formal bidding (also known as a competitive solicitation) is in the amount equal to or greater than \$114,800 (for calendar year 2025), as outlined in

the Public Contract Code (PCC) § 20111. This threshold applies to equipment, materials, supplies, and non-construction services.

If the need for a federally funded contract in 2025 exceeds \$114,800, a formal solicitation is required. This amount is increased annually in January, as required by statute.

Likewise, if separate school sites award contracts for the same type of services from the same vendor (e.g., dance lessons) and the aggregate amount of the contracts exceeds \$114,800, a competitive solicitation is needed. This type of purchase cannot be broken down into separate quotes to stay under the threshold. This is called “bid splitting” and is unlawful. For purchases of services under \$114,800, a school site or department must obtain three (3) quotes (this is for all contracts regardless of funding source or dollar amount). This can come in the form of emails, screenshots, or written quotes. As a District, we need to demonstrate that we have done our due diligence in seeking the lowest or best possible price whenever we procure services.

Thank you for your understanding and cooperation.