
SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

Senator Susan Rubio

Chair

2025 - 2026 Regular

Bill No: AB 2187 **Hearing Date:** 6/23/2026
Author: Ramos
Version: 2/19/2026 Introduced
Urgency: No **Fiscal:** Yes
Consultant: Felipe Lopez

SUBJECT: Public contracts: contracts for services

DIGEST: This bill exempts federally recognized California Native American tribes from certain requirements governing public contracts for goods and services, as specified.

ANALYSIS:

Existing law:

- 1) Governs state acquisition of goods and services, including establishing advertising and bidding requirements. Exempts certain consulting services contracts from these requirements, including contracts that can only be performed by a public entity, as defined. (Public Contracts Code 10335.5)
- 2) Requires a state agency to secure at least three competitive bids or proposals for each contract for services. Exempts certain contracts from this requirement, including a contract that is with another state agency, a local governmental entity, an auxiliary organization of the California State University, or an auxiliary organization of a California community college. Specifies, however, that these contracts shall not be used to circumvent competitive bidding requirements. (Public Contracts Code Section 10340)
- 3) Prohibits a person, firm, or subsidiary thereof who has been awarded a consulting services contract from submitting a bid, or being awarded a contract for, the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed appropriate in the end product in the consulting services contract. Specifies, however, that this prohibition does not apply to any person, firm, or subsidiary thereof who is awarded a subcontract of a consulting services contract which amounts to no

more than 10 percent of the total monetary value of the consulting services contract. (Public Contracts Code Section 10365.5.)

This bill:

- 1) Exempts contracts that can only be performed by a federally recognized California Native American tribe from certain advertising and bidding requirements under the law that governs state acquisition of goods and services.
- 2) Exempts contracts with a federally recognized California Native American Tribe from an existing law that requires a state agency offering a public contract to secure at least three competitive bids or proposals for each contract. This exemption parallels an existing exemption for state agency contracts with other public entities.
- 3) Authorizes a federally recognized California Native American tribe to include a subcontract with any subdivision, subsidiary, or business enterprise wholly owned by a federally recognized California Native American tribe for the purpose of fulfilling interagency agreements if the tribe provides a limited waiver of sovereign immunity and a justification of cost of service to show market equivalence of similar services.
- 4) Exempts California Native American tribes awarded a consulting services contract for tribal cultural resources from an existing law that prohibits a person or entity that has been awarded a consulting services contract from submitting a bid or being awarded a contract relating to services, goods, supplies or other action that is required or deemed appropriate in the end product of the consulting services contract.

Background

Author Statement. According to the author's office, "AB 2187 will help strengthen the state's relationship with California's tribes by making it easier for state agencies to work directly with tribal governments and their businesses. Right now, tribes are disproportionately disadvantaged when competing for state contracts. While the federal government already allows direct contracting with tribes, recognizing the importance of supporting their self-governance, California has no similar policy. AB 2187 will address this inequity by ensuring that state contracting with tribal nations and their businesses is recognized as government-to-government negotiation. This change will give tribes access to more contracting opportunities, helping them support their local economies and their people."

Current Exemptions. The Public Contract Code (PCC) establishes uniform contracting procedures designed to safeguard public funds and seeks to promote fairness in public procurement. It serves as the primary legal framework governing contracts between most public entities and their contractors, largely through the imposition of competitive bidding requirements and related restrictions on the acquisition of goods and services.

Existing law generally requires state agencies to solicit at least three bids for each service contract and, with limited exceptions, prohibits a contractor awarded a prime contract from bidding on its component subcontracts. However, current law also provides exemptions from these requirements for certain contracts – including those with other state agencies, local governmental entities, auxiliary organizations of the California State University, and auxiliary organizations of California Community colleges – particularly where such contracts involve the provision of goods, services, or specified consulting services.

The author’s office argues that current law places tribal governments and tribal-owned businesses at structural disadvantages in competing for state contracts. Tribes are required to navigate the same competitive bidding processes as large private sector companies, despite long-standing economic and historical barriers that have constrained tribal economic development. Because existing law neither recognizes nor accounts for these disparities, tribal-owned businesses frequently lack the capacity to gain entry into the state contracting market. The author’s office argues that this exclusion limits tribal governments’ ability to grow their economies and provide for their communities. Absent a more accessible pathway into state procurement, tribes remain at a material disadvantage relative to private sector counterparts that possess substantially greater institutional capacity and resources.

This bill would extend comparable exemptions to federally recognized California Native American tribes that hold sovereign governmental status. California is home to 109 federally recognized tribes, ranging in membership from a handful to more than 5,000 individuals. Based on U.S. Census figures, in 2022, 1.7 percent of the state population is Native American or approximately 660,600 people.

Prior/Related Legislation

AB 630 (Ramos, Chapter 137, Statutes of 2023) removed requirements in existing law that limit the authority of Department of Transportation to contract with federally recognized Indian tribes and entities they own.

AB 2387 (Pan, Chapter 504, Statutes of 2014) exempts the Commission on Peace Officer Standards and Training (POST) from specified notification requirements when entering into personal services contracts, as specified; and exempts both POST and the Office of Emergency Services from the requirement of obtaining three competitive bids when those contracts are solely for the services of instructors for public safety training.

AB 906 (Pan, Chapter 744, Statutes of 2013) prohibits a state agency from executing a personal services contract for non-cost savings reasons, except in specified sudden and unexpected situations, until it has certified that all employee organizations that perform the type of work being contracted out have been notified and required the Department of General Services to establish the certification of notification process.

SB 1189 (Chesbro, Chapter 274, Statutes of 2004) authorizes the California Department of Transportation to contract with federally recognized Indian tribes for the performance of specified transportation duties.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

Twenty-nine Palms Band of Mission Indians (Source)
California Rural Indian Health Board, Inc.
Habematolel Pomo of Upper Lake
Santa Ynez Band of Chumash Indians

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the Twenty-nine Palms Band of Mission Indians, “Under the Buy Indian Act, federal agencies such as the Bureau of Indian Affairs and the Bureau of Indian Education are required to prioritize contracting with American Indian and Alaska Native businesses whenever feasible. California, however, does not have a similar system in place, which limits how easily the state can partner with tribes. AB 2187 helps address this gap by allowing state agencies to contract directly with federally recognized tribes and their tribally owned enterprises without going through the full competitive bidding process. This makes it easier for the state and local governments to work with tribes in areas where they have specialized expertise, such as in land management, cultural resource protection, and environmental stewardship.”