

ASSEMBLY THIRD READING

AB 2188 (Pellerin)

As Amended May 5, 2026

Majority vote

SUMMARY

Allows, until January 1, 2032, the general manager of the Midpeninsula Regional Open Space District (Midpen) to bind the district for the payment of equipment, supplies, materials, labor, or other valuable consideration for any purpose using an informal bidding process for amounts that exceed \$50,000 but do not exceed \$150,000.

Major Provisions

- 1) Allows Midpen's general manager, with the approval of the board, to bind the district, in accordance with board policy that has been adopted in an open meeting, for the payment of equipment, supplies, materials, labor, or other valuable consideration for any purpose, including new construction of a building, structure, or improvement, in amounts not exceeding \$150,000.
- 2) Requires all expenditures authorized by this bill to be reported to the board of directors at its next regular meeting.
- 3) Provides, if the board delegates authority in the manner specified in this bill for a contract for the construction, completion, maintenance, or repair of any building, structure, or improvement, that the decision by the general manager shall be binding on the district and that nothing in this bill invalidates any existing protest and grievance procedures regarding that decision
- 4) Requires, if the estimated amount of a contract authorized pursuant to this bill exceeds \$50,000, the district to solicit a minimum of three informal bids that permit prices and other terms to be compared. The district shall award the contract to the lowest responsible bidder, or the district may reject all bids and resolicit new bids or perform the work by force account. All solicitations and results shall be memorialized in writing and all awarded contracts shall be included in the report to the board required pursuant to 2), above.
- 5) Provides that this bill shall remain in effect only until January 1, 2032, and as of that date is repealed.

COMMENTS

Regional Park and Open Space Districts (RPOSDs) generally must comply with state law requiring them to publicly bid new construction and maintenance work that will exceed specified costs. This is consistent with state law for local agencies, based on policy that seeks to balance open and transparent use of public funds with efficient and cost-effective government operations.

Prior law sets bid limits for these districts at \$10,000 for non-construction work, and \$25,000 for construction contracts. However, the Legislature allowed exceptions to these thresholds for three districts: the East Bay Regional Park District (East Bay RPD), Midpen, and the Sonoma County Agricultural Preservation and Open Space District (Sonoma County APOSD). These districts

were allowed to contract for any purpose for up to \$25,000 without bidding. These exceptions were based on a recognition that public bidding may not be cost-effective in all cases, particularly when the costs of time delays and resources expended on contract preparation and bidding are disproportionate to a contract's scope and total cost.

AB 745 (Levine), Chapter 42, Statutes of 2014, raised the limit to \$25,000 for all RPOSDs for all purposes, both construction and non-construction, resulting once again in a uniform statute for all of these districts. However, two subsequent bills [AB 495 (Gordon), Chapter 149, Statutes of 2015, and SB 1082 (McGuire), Chapter 52, Statutes of 2016] once again created exceptions for East Bay RPD, Midpen, and the Sonoma County APOSD by raising their bid thresholds for both construction and non-construction contracts to \$50,000.

AB 2137 (Mayes), Chapter 278, Statutes of 2018, increased, from \$25,000 to \$50,000, the amount for which all RPOSDs may enter into contracts without a formal bid process. AB 2137 allowed an RPOSD to increase the \$50,000 limit up to 2% each fiscal year.

Just last year, AB 769 (Wilson), Chapter 166, Statutes of 2025, made a number of changes to the statutes governing RPOSDs. Among those many changes was a provision allowing the general manager of any RPOSD with a population of 200,000 or more to bind the district for the payment for equipment, supplies, and materials for any purpose, including new construction of a building, structure, or improvement, when the annual aggregate cost does not exceed \$150,000. This authorization required board approval and was required to be in accordance with board policy adopted in an open meeting.

AB 769 contained language specifying that its delegated authority explicitly excluded labor and services, and that the bill applied "only to the procurement of tangible equipment, supplies, and materials and shall not be interpreted to authorize the general manager to bind the district for labor or services that are customarily or historically performed by district employees."

The Assembly Local Government Committee's analysis of AB 769 noted that, according to the sponsors of AB 769, only two RPOSDs met the 200,000 resident threshold: East Bay RPD and Midpen.

According to the Author

The Midpeninsula Regional Open Space District (Midpen) protects more than 73,000 acres of mountainous, foothill, and bayland open space across 27 preserves, featuring more than 265 miles of trails making it an integral conservation district in the bay area. Caring and protecting this beautiful region is expensive, both because of complexity of the projects and the vastness of the area.

Under current law, the General Manager is not allowed to enter into contracts valued at more than \$50,000 without board approval. The requirement for board approval for these contracts that revolve around specialized professional services and maintenance of infrastructure and vegetation can often delay the projects by several weeks to over a year.

AB 2188 increases the cap that the Midpen General Manager is able to enter into before needing to obtain board approval, ensuring timely completion of projects that protect, preserve, and maintain Midpen's ecosystem.

Arguments in Support

The Midpeninsula Regional Open Space District (Midpen), sponsor of this bill, writes, "Midpen's General Manager is limited to a \$50,000 contracting authority established over a decade ago (AB 495 (Gordon, 2015)). In combination with AB 2137 (Mayes, 2018), which allows this limit to increase by 2% per year, this limit has increased to \$53,000. However, since 2015, the cost of doing business in the Bay Area has escalated significantly, and our land management responsibilities have grown by over 10,000 acres – all in the face of increasing threats from climate change. The requirement for Board approval for any contract exceeding \$53,000 creates administrative bottlenecks that frequently delay essential projects by several weeks—or even over a year when work must be paused for environmental constraints like nesting seasons.

"AB 2188 proposes to raise this limit to \$150,000, aligning our district with modern standards for larger park districts. This change will:

- 1) Accelerate Project Delivery: Ensure timely maintenance of infrastructure and vegetation management crucial for wildfire mitigation.
- 2) Reduce Administrative Costs: Midpen currently spends an estimated \$6,000 in administrative overhead per contract; over a five year interval, we have processed roughly 200 contracts that fell just above the current \$53,000 threshold.
- 3) Maintain Oversight: All spending will continue to follow Board-adopted policies, ensuring transparency and fiscal responsibility while freeing the Board to focus on high-level strategic priorities.

"Midpen is dedicated to protecting and managing our region's natural resources and providing 'room to breathe' for our residents transparently and responsibly. AB 2188 provides the necessary flexibility to fulfill this mission efficiently for many years to come."

Arguments in Opposition

None on file.

FISCAL COMMENTS

None

VOTES

ASM LOCAL GOVERNMENT: 10-0-0

YES: Carrillo, Ta, Johnson, Pacheco, Ramos, Ransom, Blanca Rubio, Caloza, Ward, Wilson

UPDATED

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