

1-1 By: Wentworth S.B. No. 1580
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read
1-3 first time and referred to Committee on Infrastructure Development
1-4 and Security; April 2, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;
1-6 April 2, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1580 By: Wentworth

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to bond requirements for privatized maintenance
1-11 contracts.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 223.042, Transportation Code, is amended
1-14 by adding Subsections (i) and (j) to read as follows:

1-15 (i) As an alternative to the requirements of Section
1-16 2253.021, Government Code, the department may require that a bond
1-17 securing a contractor's performance under a contract awarded under
1-18 this section for a routine maintenance activity:

1-19 (1) be in an amount equal to the greatest annual amount
1-20 to be paid the contractor under the contract and remain in effect
1-21 for one year from the day work is resumed after any default by the
1-22 contractor; or

1-23 (2) be in an amount equal to the amount to be paid the
1-24 contractor during the term of the bond and be for a term of two
1-25 years, renewable annually in two-year increments.

1-26 (j) A bond posted under Subsection (i) must:

1-27 (1) be solely for the protection of the department;
1-28 and

1-29 (2) be conditioned on the faithful performance of the
1-30 maintenance work in accordance with the contract requirements.

1-31 SECTION 2. (a) This Act takes effect immediately if it
1-32 receives a vote of two-thirds of all the members elected to each
1-33 house, as provided by Section 39, Article III, Texas Constitution.
1-34 If this Act does not receive the vote necessary for immediate
1-35 effect, this Act takes effect September 1, 2003.

1-36 (b) A maintenance contract entered into by the Texas
1-37 Department of Transportation before the effective date of this Act
1-38 under Section 223.042, Transportation Code, is governed during the
1-39 remaining term of the contract by Section 223.042, Transportation
1-40 Code, as it existed immediately before the effective date of this
1-41 Act, and the prior law is continued in effect for that purpose.
1-42 Section 223.042, Transportation Code, as amended by this Act,
1-43 applies to the renewal of a contract described by this subsection.

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