

By: Lucio

S.B. No. 1594

A BILL TO BE ENTITLED

AN ACT

relating to a small contractor assistance program for bidding on construction contracts at institutions of higher education.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter T, Chapter 51, Education Code, is amended by adding Section 51.785 to read as follows:

Sec. 51.785. SMALL CONTRACTOR PARTICIPATION ASSISTANCE PROGRAM. (a) In this section:

(1) "Governing board" has the meaning assigned by Section 61.003.

(2) "Public works project" means a construction project designed to serve the public necessity, use, or convenience that is undertaken and executed by a governing board, including a project for the construction, alteration, or repair of a public building.

(3) "Small contractor" means a contractor that operates as a small-business concern as defined by 15 U.S.C. Section 78c.

(4) "University system" has the meaning assigned by Section 61.003.

(b) This section applies only to a contract or aggregated contracts for public works projects that have an estimated cost of more than \$20 million.

(c) A university system shall maintain a small contractor

1 participation assistance program to ensure full opportunity for
2 participation in public works projects by small contractors. The
3 program must include:

4 (1) a system for the centralized purchase of insurance
5 coverage for public works projects required under Subsection (d);

6 (2) a public outreach plan to:

7 (A) provide public information about the
8 program; and

9 (B) encourage small contractors to participate
10 in the program;

11 (3) a technical assistance plan meeting the
12 requirements of Subsection (e) to aid small contractors in
13 developing the skills necessary to participate in the program; and

14 (4) a financing assistance plan to provide
15 administrative and other assistance to small contractors in
16 obtaining necessary financing arrangements to make the
17 participation of those contractors possible.

18 (d) A university system shall provide for the centralized
19 purchasing under this section of:

20 (1) workers' compensation insurance coverage;

21 (2) employer's liability insurance coverage;

22 (3) commercial general and excess liability coverage;

23 (4) payment and performance bonds; and

24 (5) other similar coverage the governing board
25 considers necessary and reasonable for a public works project.

26 (e) A technical assistance plan adopted by the university
27 system must include information on and assistance concerning:

1 (1) bid estimation, the bidding process, scheduling,
2 and the understanding of bid documents;

3 (2) the reading of construction drawings and other
4 analogous documents;

5 (3) business accounting, bonds, and bond
6 requirements;

7 (4) negotiation with general contractors; and

8 (5) other technical and administrative matters
9 considered appropriate and necessary given the complexity and scope
10 of a public works project.

11 (f) The university system may negotiate contracts with
12 persons or firms having expertise in the areas that must be included
13 in the system's technical assistance plan to provide the
14 information and assistance.

15 SECTION 2. This Act takes effect September 1, 2005.