

## **BILL ANALYSIS**

Senate Research Center

S.B. 704  
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State Affairs  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, the Texas Building and Procurement Commission (commission) is required to maintain a small contractor participation assistance program (program) to ensure that small contractors are able to compete for public works projects by strengthening their capacity as a small business. Despite the legislature establishing the program in 1993 to address problems small businesses in the construction industry have with finding and securing insurance coverage and bonding, no substantial action has been taken by the commission in the past 14 years. The implementation of the program can positively increase small business participation and minority participation in public works.

S.B. 704 expands access to the small contractor participation assistance program, as a division of the state historically underutilized business to small contractors or historically underutilized businesses that are interested in participating in a public works project undertaken by or for any state agency. This bill requires the program to include a method to assist contractors in preparing their bond application and obtaining bonds and to include safety training to ensure compliance with federal jobsite safety standards.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2166.259, Government Code, by amending Subsections (a), (b), (d), and (e) and adding Subsections (b-1), (b-2), and (b-3) as follows:

(a) Provides that this section (Small Contractor Participation Assistance Program) applies only in relation to a public works project that will involve a contract or aggregated multiple contracts with an estimated cost of more than \$1 million, rather than to a contract for a public works project that has an estimated cost of more than \$20 million.

(b) Requires a method developed with the guidance of the Department of Insurance (DIR) to assist small contractors in preparing bond application packages for public works projects in a format acceptable to bond underwriters and obtaining bonds required to participate in public works projects to be included in the small contractor participation assistance program that the Texas Building and Procurement Commission (TBPC) is required to maintain to ensure full opportunity for participation in public works projects by small contractors. Makes nonsubstantive changes.

(b-1) Requires TBPC to designate a TBPC employee to serve as a small contractor participation assistance coordinator (coordinator) and requires the coordinator to perform certain duties.

(b-2) Requires the coordinator to submit an annual report describing the activities and progress of the program to certain elected officials.

(b-3) Provides that funding appropriated to TBPC for the program may only be used for that program.

(d) Requires information on and assistance in small contractor safety training to ensure compliance with federal jobsite safety standards to be included in the technical assistance plan (plan) to be adopted by TBPC. Makes nonsubstantive changes.

(e) Requires, rather than authorizes, TBPC to negotiate contracts with persons or firms having expertise and any required license in the areas that must be included in TBPC 's plan to provide the information and assistance.

SECTION 2. Effective date: September 1, 2007.