

BILL ANALYSIS

S.B. 704
By: Lucio
Government Reform
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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. Since the program was established, however, it has not been fully implemented. The implementation of the program can positively increase small business participation and minority participation in public works.

This bill expands access to the small contractor participation assistance program, and 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

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

This bill amends the Government Code by providing that the Small Contractor Participation Assistance Program (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.

The bill requires a method to be developed with the guidance of the Department of Insurance 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.

The bill requires Texas Building and Procurement Commission (TBPC) to designate a TBPC employee to serve as a small contractor participation assistance coordinator (coordinator) and requires the coordinator to perform certain duties. The coordinator must submit an annual report describing the activities and progress of the program to the governor, lieutenant governor, and speaker. The bill further specifies that funding appropriated to TBPC for the program may only be used for that purpose.

Information on and assistance in small contractor safety training is required to ensure compliance with federal jobsite safety standards to be included in the technical assistance plan (plan) to be adopted by TBPC. The bill 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. The bill makes nonsubstantive changes.

EFFECTIVE DATE

September 1, 2007.