

By: Bailey

H.B. No. 1690

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the provision of a preference in certain state and  
3 school district construction contracts for contractors that  
4 provide health benefits to employees.

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

6 SECTION 1. Subchapter F, Chapter 2166, Government Code, is  
7 amended by adding Section 2166.2527 to read as follows:

8 Sec. 2166.2527. PREFERENCE FOR VENDORS THAT PROVIDE HEALTH  
9 BENEFITS COVERAGE. (a) The commission shall give a preference to a  
10 contractor that provides health benefits coverage that is at least  
11 equivalent to basic coverage provided under the state employees  
12 group benefits program provided under Chapter 1551, Insurance Code,  
13 to each full-time employee and the employee's family.

14 (b) To qualify for the preference under this section, the  
15 contractor must pay 100 percent of the health insurance premiums  
16 for each full-time employee who participates in the insurance  
17 program and at least 75 percent of the health insurance premiums for  
18 each dependent of a full-time employee who elects to participate in  
19 dependent coverage under the insurance program.

20 (c) The commission shall give a preference to a contractor  
21 that meets the health insurance requirements of this section over  
22 any other contractor that does not meet the health insurance  
23 requirements of this section, if the contractor's bid does not  
24 exceed 107 percent of the bid of a contractor that does not provide

1 the health insurance coverage required by this section to the  
2 contractor's employees.

3 (d) A contract that is awarded to a contractor using the  
4 preference under this section must include terms that:

5 (1) allow the commission to terminate the contract if  
6 the contractor at any time during the life of the contract fails to  
7 maintain the health insurance coverage required by this section;  
8 and

9 (2) require the contractor to use the preference  
10 described by this section when awarding a subcontract under the  
11 contract.

12 SECTION 2. Subchapter B, Chapter 44, Education Code, is  
13 amended by adding Section 44.0355 to read as follows:

14 Sec. 44.0355. PREFERENCE FOR CONSTRUCTION CONTRACTORS THAT  
15 PROVIDE HEALTH BENEFITS COVERAGE. (a) In selecting a contractor  
16 for the construction, rehabilitation, alteration, or repair of a  
17 facility, a school district shall give a preference to a contractor  
18 that provides health benefits coverage that is at least equivalent  
19 to basic coverage provided under the state employees group benefits  
20 program provided under Chapter 1551, Insurance Code, to each  
21 full-time employee and the employee's family.

22 (b) To qualify for the preference under this section, the  
23 contractor must pay 100 percent of the health insurance premiums  
24 for each full-time employee who participates in the insurance  
25 program and at least 75 percent of the health insurance premiums for  
26 each dependent of a full-time employee who elects to participate in  
27 dependent coverage under the insurance program.

1       (c) A school district shall give a preference to a  
2 contractor that meets the health insurance requirements of this  
3 section over any other contractor that does not meet the health  
4 insurance requirements of this section, if the contractor's bid  
5 does not exceed 107 percent of the bid of a contractor that does not  
6 provide the health insurance coverage required by this section to  
7 the contractor's employees.

8       (d) A contract that is awarded to a contractor using the  
9 preference under this section must include terms that:

10           (1) allow the school district to terminate the  
11 contract if the contractor at any time during the life of the  
12 contract fails to maintain the health insurance coverage required  
13 by this section; and

14           (2) require the contractor to use the preference  
15 described by this section when awarding a subcontract under the  
16 contract.

17       SECTION 3. Section 2166.2527, Government Code, and Section  
18 44.0355, Education Code, as added by this Act, apply only to a  
19 building construction contract for which the solicitation of bids  
20 or proposals, request for proposals, or similar required  
21 notification as to the project is published on or after September 1,  
22 2007. A building construction contract for which the solicitation  
23 of bids or proposals, request for proposals, or similar required  
24 notification as to the project is published before September 1,  
25 2007, is governed by the law in effect at the time the solicitation,  
26 request, or notification is published, and that law is continued in  
27 effect for that purpose.

1 SECTION 4. This Act takes effect September 1, 2007.