

By: Lucio, et al.

S.B. No. 704

A BILL TO BE ENTITLED

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AN ACT

relating to the small contractor participation assistance program for certain state construction projects.

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

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

(a) This section applies only in relation to [~~a contract for~~] a public works project that will involve a contract or aggregated multiple contracts with [~~has~~] an estimated cost of more than \$1 [~~\$20~~] million.

(b) The commission shall maintain a small contractor participation assistance program to ensure full opportunity for participation in public works projects by small contractors. The program must include a:

(1) system for the centralized purchase of necessary insurance coverage for the public works project that is required under Subsection (c);

(2) public outreach plan to:

(A) provide public information about the program; and

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

(3) technical assistance plan to aid small contractors

1 in developing the skills necessary to participate in the program in
2 accordance with Subsection (d); ~~and~~

3 (4) financing assistance plan to provide
4 administrative and other assistance to small contractors in
5 obtaining necessary financing arrangements to make the
6 participation of those contractors possible; and

7 (5) method developed with guidance from the Texas
8 Department of Insurance to assist small contractors in:

9 (A) preparing bond application packages for
10 public works projects in a format acceptable to bond underwriters;
11 and

12 (B) obtaining bonds required to participate in
13 public works projects.

14 (b-1) The commission shall designate a commission employee
15 to serve as small contractor participation assistance coordinator.
16 In addition to any other responsibilities, the coordinator shall:

17 (1) administer the small contractor participation
18 assistance program established under this section;

19 (2) with the assistance of the Texas Department of
20 Insurance, provide to small contractors technical assistance and
21 training related to preparing bond application packages and
22 obtaining bonds; and

23 (3) with the assistance of the facilities construction
24 and space management division of the commission, provide to small
25 contractors technical assistance related to participation in the
26 program.

27 (b-2) The small contractor participation assistance

1 coordinator shall submit an annual report describing the activities
2 and progress of the program to the governor, the lieutenant
3 governor, and the speaker of the house of representatives.

4 (b-3) Funding appropriated to the commission for the small
5 contractor participation assistance program may only be used for
6 that program.

7 (d) A technical assistance plan adopted by the commission
8 must include information on and assistance in:

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

11 (2) the reading of construction drawings and other
12 analogous documents;

13 (3) business accounting, bonds, and bond
14 requirements;

15 (4) negotiation with general contractors; ~~and~~

16 (5) other technical and administrative matters
17 considered appropriate and necessary given the complexity and scope
18 of the public works project; and

19 (6) small contractor safety training to ensure
20 compliance with federal jobsite safety standards.

21 (e) The commission shall ~~may~~ negotiate contracts with
22 persons or firms having expertise and any required license in the
23 areas that must be included in the commission's technical
24 assistance plan to provide the information and assistance.

25 SECTION 2. This Act takes effect September 1, 2007.