

By: Lucio, et al.

S.B. No. 704

A BILL TO BE ENTITLED

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), (e), and (f) and adding
Subsection (b-1) 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 \$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 to assist small contractors in:

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

10 (B) obtaining bonds required to participate in
11 public works projects; and

12 (C) expanding bonding limits to allow the
13 contractors to participate in public works projects.

14 (b-1) Small contractors that are interested in
15 participating in a public works project undertaken by or for any
16 state agency, including an agency whose project is otherwise
17 exempted from all or part of this chapter under Section 2166.003,
18 may participate in the small contractor participation assistance
19 program under this section.

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

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

24 (2) the reading of construction drawings and other
25 analogous documents;

26 (3) business accounting, bonds, and bond
27 requirements;

- 1 (4) negotiation with general contractors; [~~and~~]
2 (5) other technical and administrative matters
3 considered appropriate and necessary given the complexity and scope
4 of the public works project; and
5 (6) small contractor safety training to ensure
6 compliance with federal jobsite safety standards.

7 (e) The commission shall [~~may~~] negotiate contracts with
8 persons or firms having expertise and any required license in the
9 areas that must be included in the commission's technical
10 assistance plan to provide the information and assistance.

11 (f) In this section:

12 (1) "Public works project" means a construction
13 project designed to serve the public necessity, use, or convenience
14 that is undertaken and executed by the commission or by or for an
15 agency whose project is otherwise exempted from all or part of this
16 chapter under Section 2166.003, including a project for the
17 construction, alteration, or repair of a public building.

18 (2) "Small contractor" means a contractor that
19 operates as a small-business concern as defined by the Small
20 Business Act (15 U.S.C. Chapter 14A).

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