

1-1 By: Lucio, et al. S.B. No. 704
1-2 (In the Senate - Filed February 15, 2007; March 6, 2007,
1-3 read first time and referred to Committee on State Affairs;
1-4 April 24, 2007, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 8, Nays 0; April 24, 2007,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 704 By: Harris

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the small contractor participation assistance program
1-11 for certain state construction projects.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 2166.259, Government Code, is amended by
1-14 amending Subsections (a), (b), (d), and (e) and adding Subsections
1-15 (b-1), (b-2), (b-3), and (b-4) to read as follows:

1-16 (a) This section applies only in relation to [a contract
1-17 for] a public works project that will involve a contract or
1-18 aggregated multiple contracts with [has] an estimated cost of more
1-19 than \$1 [~~\$20~~] million.

1-20 (b) The commission shall maintain a small contractor
1-21 participation assistance program as a division of the state
1-22 historically underutilized business program to ensure full
1-23 opportunity for participation in public works projects by small
1-24 contractors or historically underutilized businesses. The program
1-25 must include a:

1-26 (1) system for the centralized purchase of necessary
1-27 insurance coverage for the public works project that is required
1-28 under Subsection (c);

1-29 (2) public outreach plan to:

1-30 (A) provide public information about the
1-31 program; and

1-32 (B) encourage small contractors to participate
1-33 in the program;

1-34 (3) technical assistance plan to aid small contractors
1-35 in developing the skills necessary to participate in the program in
1-36 accordance with Subsection (d); ~~and~~

1-37 (4) financing assistance plan to provide
1-38 administrative and other assistance to small contractors in
1-39 obtaining necessary financing arrangements to make the
1-40 participation of those contractors possible; and

1-41 (5) method developed with guidance from the Texas
1-42 Department of Insurance to assist small contractors in:

1-43 (A) preparing bond application packages for
1-44 public works projects in a format acceptable to bond underwriters;
1-45 and

1-46 (B) obtaining bonds required to participate in
1-47 public works projects.

1-48 (b-1) The commission shall designate a commission employee
1-49 to serve as small contractor participation assistance coordinator.
1-50 In addition to any other responsibilities, the coordinator shall:

1-51 (1) administer the small contractor participation
1-52 assistance program established under this section;

1-53 (2) with the assistance of the Texas Department of
1-54 Insurance, provide to small contractors technical assistance and
1-55 training related to preparing bond application packages and
1-56 obtaining bonds; and

1-57 (3) with the assistance of the facilities construction
1-58 and space management division of the commission, provide to small
1-59 contractors technical assistance related to participation in the
1-60 program.

1-61 (b-2) The small contractor participation assistance
1-62 coordinator shall submit an annual report describing the activities
1-63 and progress of the program to the governor, the lieutenant

2-1 governor, and the speaker of the house of representatives and to the
2-2 program manager of the state historically underutilized business
2-3 program of the commission, for inclusion in the commission's
2-4 consolidated report under Section 2161.121(e).

2-5 (b-3) The small contractor participation assistance
2-6 coordinator reports to the program manager of the state
2-7 historically underutilized business program. The program manager
2-8 shall ensure that the coordinator faithfully adheres to the program
2-9 rules of the small contractor participation assistance program.

2-10 (b-4) Funding appropriated to the commission for the small
2-11 contractor participation assistance program may only be used for
2-12 that program.

2-13 (d) A technical assistance plan adopted by the commission
2-14 must include information on and assistance in:

2-15 (1) bid estimation, the bidding process, scheduling,
2-16 and the understanding of bid documents;

2-17 (2) the reading of construction drawings and other
2-18 analogous documents;

2-19 (3) business accounting, bonds, and bond
2-20 requirements;

2-21 (4) negotiation with general contractors; ~~and~~

2-22 (5) other technical and administrative matters
2-23 considered appropriate and necessary given the complexity and scope
2-24 of the public works project; and

2-25 (6) small contractor safety training to ensure
2-26 compliance with federal jobsite safety standards.

2-27 (e) The commission shall ~~may~~ negotiate contracts with
2-28 persons or firms having expertise and any required license in the
2-29 areas that must be included in the commission's technical
2-30 assistance plan to provide the information and assistance.

2-31 SECTION 2. This Act takes effect September 1, 2007.

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