

By: Carona

S.B. No. 1221

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the provision of a preference in certain state
3 construction contracts for contractors that provide health
4 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 benefit 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 at least 75 percent of the health insurance
16 premiums for each full-time employee who participates in the
17 insurance program and at least 75 percent of the health insurance
18 premiums for each dependent of a full-time employee who elects to
19 participate in dependent coverage under the insurance program.

20 (c) The commission shall give a preference to a contractor
21 who meets the health insurance requirements of this section over
22 any other contractor who 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. Section 2166.2527, Government Code, as added by
13 this Act, applies only to a building construction contract for
14 which the solicitation of bids or proposals, request for proposals,
15 or similar required notification as to the project is published on
16 or after September 1, 2007. A building construction contract for
17 which the solicitation of bids or proposals, request for proposals,
18 or similar required notification as to the project is published
19 before September 1, 2007, is governed by the law in effect at the
20 time the solicitation, request, or notification is published, and
21 that law is continued in effect for that purpose.

22 SECTION 3. This Act takes effect September 1, 2007.