

- SUBJECT:** Assisting HUBs in obtaining construction surety bonds
- COMMITTEE:** State Affairs — committee substitute recommended
- VOTE:** 11 ayes — Wolens, S. Turner, Bailey, Brimer, Danburg, Hilbert, Hunter, Longoria, Marchant, McCall, Merritt
- 0 nays
- 4 absent — Alvarado, Counts, Craddick, D. Jones
- WITNESSES:** For — David Pinkus, Small Business United of Texas; Aaron Seaman, San Antonio Hispanic Chamber of Commerce; Jesse Romero
- Against — None
- On — Sheri Aaron, Bonding and Technical Services, Inc.
- BACKGROUND:** The General Services Commission (GSC) and all agencies excepted from using GSC for construction projects are allowed jointly or individually to select a surety or insurer to provide bonds or insurance to contractors or subcontractors who must carry such protections in order to receive a construction contract.
- DIGEST:** CSHB 3186 would require GSC and each agency excepted from GSC building regulations to select, individually or jointly, a surety or insurer to offer bonds and insurance required to qualify for a contract or subcontract. The surety or insurer would be required to aggressively assist historically underutilized businesses (HUBs) and small businesses in obtaining the bonds.
- The contract awarded to a surety or insurer would have to reviewed at least biannually. The review of the contract would include an evaluation of the number of HUBs and small businesses that obtain required bonds or insurance from the contractor.
- CSHB 3186 would take effect September 1, 1999.

HB 3186  
House Research Organization  
page 2

NOTES: The committee substitute to HB 3186 would require the surety or insurer selected to aggressively assist HUBS and small businesses to obtain bonds or insurance required to qualify for a state construction contract.