

BILL ANALYSIS

Senate Research Center
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S.B. 704
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, the Texas Building and Procurement Commission (commission) is required to maintain a small contractor participation assistance program (program) to ensure that small contractors are able to compete for public works projects by strengthening their capacity as a small business. Despite the legislature establishing the program in 1993 to address problems small businesses in the construction industry have with finding and securing insurance coverage and bonding, no substantial action has been taken by the commission in the past 14 years. The implementation of the program can positively increase small business participation and minority participation in public works.

As proposed, S.B. 704 expands access to the small contractor participation assistance program to small contractors that are interested in participating in a public works project undertaken by or for any state agency. This bill requires the program to include a method to assist contractors in preparing their bond application, obtaining bonds, and expanding their bonding limits; and to include safety training to ensure compliance with federal jobsite safety standards.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2166.259, Government Code, by amending Subsections (a), (b), (d), (e), and (f) and adding Subsection (b-1), as follows:

(a) Provides that this section (Small Contractor Participation Assistance Program) applies only in relation to a public works project that will involve a contract or aggregated multiple contracts with an estimated cost of more than \$20 million, rather than to a contract for a public works project that has an estimated cost of more than \$20 million.

(b) Requires a method to assist small contractors in preparing bond application packages for public works projects in a format acceptable to bond underwriters, obtaining bonds required to participate in public works projects, and expanding bonding limits to allow the contractors to participate in public works projects to be included in the small contractor participation assistance program (program) that the Texas Building and Procurement Commission (commission) is required to maintain to ensure full opportunity for participation in public works projects by small contractors. Makes nonsubstantive changes.

(b-1) Authorizes small contractors that are interested in participating in a public works project undertaken by or for any state agency, including an agency whose project is otherwise exempted from all or part of this chapter (Building Construction and Acquisition) under Section 2166.003 (Exceptions), to participate in the program under this section.

(d) Requires information on and assistance in small contractor safety training to ensure compliance with federal jobsite safety standards to be included in the technical assistance plan (plan) to be adopted by the commission. Makes nonsubstantive changes.

(e) Requires, rather than authorizes, the commission to negotiate contracts with persons or firms having expertise and any required license in the areas that must be included in the commission's plan to provide the information and assistance.

(f) Redefines "public works project."

SECTION 2. Effective date: September 1, 2007.