

2015 HOUSE POLITICAL SUBDIVISIONS

HB 1077

2015 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Prairie Room, State Capitol

HB 1077
1/9/2015
21796

- Subcommittee
 Conference Committee

Chmonola Muscha

Explanation or reason for introduction of bill/resolution:

Relating to bids and plans and specifications for public improvements; and to provide for public transportation

Minutes:

Wayne Trottier (Testimony #1)
Lonnie J. Laffen (Testimony #2)
Rick Tonder (Testimony #3)
John Boyle (Testimony #4)
Dean Anagnost (Testimony #5)
Glenn Moen (Testimony #6)
Todd D. Kandra #117 (Testimony #7)
Wayne Kern (Testimony #8)
James Devine (Testimony #9)

Chairman Klemin: opened the committee hearing

Representative Trottier: See Testimony #1

Chairman Klemin: The amendments that you are proposing, I understand, all they do is add the schools to this bill and change the 1,000,000 to 500,000?

Representative Trottier: Correct

Representative Klein: Two concerns. First, does this open procedure to more deals and fraud where you have the possibility of an insider getting the contract and doing the work? Second, does the work meet the quality of standards and who is doing the inspection other than the cities? Are they qualified to do some of this without having the professional people involved?

Representative Trottier: The first question I believe you are referring to bidding. Absolutely, it could open up to that. It's not saying that they have to bid it. Lowest bid doesn't always mean the best contractor. There may be some room in there for performance I understand. The 500,000 is probably too high for the bidding projects, so I would hope you would amend it. If it is left at 100,000 or 200,000 I do not have a problem with that. As far as the performance of the work done, most of the small towns have local people that get left out of the process because they do not have the expertise that is required by an engineer or architect from the standpoint that they have done major

projects. Yet, locally they are known to be very good workers. The biggest problem I have had righting this bill was for road and street construction. That is where most of the problems have entered in, in most of these cases.

Representative Klein: We have had major problems where the contractors have left without the work being finished.

Representative Trottier: Yes, and that is where smaller cities and rural counties to be able to select someone local on the bid process there may be a performance issue coming into play.

Chairman Klemin: You have given us the written amendment to change that 1,000,000 to 500,000 but I thought I just heard you say that the committee could lower that even further. Is that correct?

Representative Trottier: Yes, I would like to leave that up to your discursion.

Representative Beadle: With the line change it would mean you wouldn't need to bid and that you could pick anyone to contract it if it's fewer than 100,000? Regardless of the RPF process.

Representative Trottier: At that threshold and as it is now 100,000 you can pick anyone if it is under 100,000. Now this here, in the original bill, was 1,000,000 and the amendment makes it down to 500,000. I still believe that is too high.

Representative Beadle: Are communities required to go with the lowest RFP proposal?

Representative Trottier: I am not sure. I know of a guy who put in a bid for half price and he has experienced it before. The people called him up saying there was something wrong because the next bid was another 50,000 higher. He said ooh yes I missed something.

Aaron Burst (Association of Counties): We represent numerous county officials ranging from state attorneys to auditors to county commissioner, sheriffs... We support the concept of taking a look at bidding statutes. Anytime you put in a dollar amount in a statute of course over time those change. I am aware that there is another more comprehensive bill to the committees liking and to the industries liking also. I believe that one raises it to about 150,000. The biggest problem I see this might have is the dollar amount. There is also some work that could be done on this statute to improve it. On the other bill you see that counties are required to bid a bridge of 30,000 dollars. We support the concept of look at these statutes. To Representative Beadle's suggestion, even when counties are legally required to bid, by policy the generally have a policy that says they reach out to find the lowest competitive bidder. The problem when you have legally required requirements are then there are the publication requirements and it makes it a little more difficult. You can address some of the corruption to the legal requirements. The statute is 48 does say 100,000. It is hard to tie a bid amount to engineering services because you do not really look at the service based on dollar amount but the really big issue is the actual cost of the project.

Chairman Klemin: Could you give us the number for the bill you brought up?

Aaron Burst: I have not seen it in the prefiles yet.

Chairman Klemin: The language in section one line eight says except as otherwise provided by law. Do you know where it is otherwise provided by law?

Aaron Burst: The ugly truth is that bidding statutes cover for at least counties 95 separate statutes every time. It is different whether it is voting equipment, county buildings, county fuel, or election supplies. Which is one of the things I have been looking at; at some point in time we should look to consolidate all those into one chapter.

Representative Kelsh: What do you think would be a good figure?

Aaron Burst: I think 150,000 would be good but it is up to the committee.

Representative Rick Becker: I do support the bill. I support the aspect of raising the amount before certain professionals are required to be part of it if they are not necessarily required. I support rising up to 500,000 to 800,000 but I did not take into consideration the bidding part of the bill. With the bidding part of it, that would be somewhere where the range is now. I wanted to clarify that I do support the bill but as it stands currently with the higher level of the bid, that is not something I would want to support.

Opposition:

Lonnie Laffen: See Testimony #2... Change orders are added all the time and they are in the process of building a project. I can assure you with no plans or specs on the table the amount of change orders are going to increase. Residential house builders, why don't we have architects on them? Simply put, they just don't have the public coming in and out of them to protect. That's why we don't allow architects for residential construction. We heard some issues about errors on projects. There are probably some bad firms out there. Contractors chosen by favoritism invite all kinds of issues. The bidding process in North Dakota is the best. Our law states you take the lowest and the best bid. We do not have to choose the lowest contractor and we don't always. Occasionally there will a contractor who we know has had a lot of issues and they do not get selected. Lastly, whatever you, we should tie the bidding about to the same dollar amount required for designing professions. It gets confusing if they are separate and more importantly, if you had a lower bidding amount or a higher bidding amount than required for professional design services you are going to get caught in between bidding projects without plans.

Representative Strinden: This statute as it stands and the bill doesn't prohibit someone from higher a design professional even if it is under 100,000, it just doesn't force them to.

Lonnie Laffen: Correct

Representative Hatlestad: We hear a lot of design build where one firm or group has gotten together. Would this prohibit design build to take care of some of the questions that you might have?

Lonnie Laffen: Design build isn't allowed on these projects by state of North Dakota law. The reason is because Design build takes the architecture engineer out of being the states agent. Representing the state and puts them under the contractor and the become the

contractors agent. So there is nobody left in the equation to represent the state of North Dakota other than our client who doesn't understand all of those issues. Design build could work with an extremely detailed RFP requirement of how you can process for how it is done. The one that came through the session last time was poorly written and could not have worked. It just lets all of the quality and scope of work up to the builder and so we have no way of knowing or defining what we are getting for what cost.

Representative Becker: You indicated your firm is involved in projects between 3-4 million dollars. Any consequences to projects that need to find builders for projects of less if we approve this bill with higher numbers? Would that increase the number of projects that would have a hard time finding contractors and bidders because the price is now higher?

Lonnie Laffen: I do not think that would make any difference. There might be a slight disadvantage to this process in asking them to bid when we are really busy occasionally. Some will be busy and say I do not have time to bid but I will do your project for 20% more than when I would have turned in a bid

Representative Becker: That was a concern I have. Right now contractors are very busy. By increasing this would it have a tendency to justify they do not have time to get involved in this project or be in any way be tracked from.

Lonnie Laffen: We haven't had any problem getting contractors to bid. There may be slightly fewer and the cost could have gone up but I can assure you if you take bidding out of the equation costs will really go up.

Chairman Klemin: Is 100,000 realistic?

Lonnie Laffen: Yes, 500,000 is far too much because now you are getting into the cost of things like major demolitions and tower of the capitol. All those types of things you can't afford to do for 100,000-150,000.

Rick Tonder: See testimony #3 (read by Lonnie Laffen because Rick could not make it)

John Boyle: See testimony #4... keep 100,000

Representative Strinden: Is a raise to 150,000 alright with you guys?

John Boyle: No, we would not like to see any increase.

Representative Oversen: We are looking at this from a safety perspective mainly and the cost reduction if we have the bidding process. Don't you think the state would continue to bid out projects as they see fit. This is allowing a little more control with locals and with counties with a project they think does not need a bidding process or doesn't need additional professional assistance? Do we not trust their judgment in making those decisions?

John Boyle: Most of us have a lot on our plate and the bidding process does take time. I think we have these limits because the state agencies and political subdivisions will do the easiest thing possible to get a project started in a timely manner. I think whatever you raise the limit to they will not bid any project up to that dollar amount.

Bonnie Staiger: I am here representing two organizations. First, AIA North Dakota, the professional society for Architects. Secondly, ACEC which is the American Council of Engineering Company. Both organizations oppose this change. I was a lobbyist in 1997 when the statute was changed to 100,000 and the conversation since then has been to raise the limit. Most of those have gone nowhere. Both professions feel very strongly about the concept of protecting not only the health safety and welfare of the public but also the taxpayer dollars. The 100,000 limit is there for a reason. Talking about raising the limit changes what we talk about and none of those seem to fit what we are really trying to accomplish in those two things and that is to protect the health and safety welfare of the public and the taxpayer dollar.

Dean Anagnost: See testimony #5

Glenn Moen: See testimony #6

Representative Hatlestad: If we go back in time there have been reevaluations of the number. Do you think we should see an increase in the number or leave it at 100,000?

Glenn Moen: We should stay at 100,000

Representative Becker: What reasons do the 10% of the people oppose it for?

Glenn Moen: I am not sure

Todd Kandra: See testimony #7

Representative Oversen: Did you have any amount in mind?

Todd Kandra: No we did not.

Chairman Klemin: Mr. Burst mentioned a bill earlier have you heard of it?

Todd Kandra: I am not sure the specific bill and I do not think it has been prefilled yet and I think the number on that bill was 150,000.

Bill Kalanek: I represent the Dakotas Chapter of the National Electrical Contractors Association as well as the North Dakota Association of Plumbing, Heating, and Mechanical Contractors. My associations have probably been the longest opposing to changes in the threshold because my members are the ones at the bottom end of the scale. They are the subcontractors. All of our members oppose any change.

Wayne Kern: See testimony #8

Representative Hatlestad: Would you prefer no projects admitted to you that have not been designed by an engineer?

Wayne Kern: That would certainly be preferable. It would make our ability to review a project easier and quicker. We have learned to adjust to this though sometimes it is problematic. It does take time to lead some smaller committees to an approval that will design. Keeping in mind this will bring us some discomfort in that it presents always a

possible potential cost. We in turn have to turn around and approve these in the end. We feel the current threshold is adequate and can continue to work.

Chairman Klemin: closed the hearing

Chairman Klemin: opened the committee hearing again

James Devine: See testimony #9

Representative Maragos: motioned to adopt amendment

Representative Beadle: seconded the motion

A Voice Vote Was Taken: all in favor, **Absent** 1. (Representative Koppelman)

Amendment was adopted

Representative Anderson: motioned to do a do not pass as amended

Representative Beadle: seconded the motion

Representative Anderson: You have to have bids to budget. I would be up to maybe raising the engineering and architect but after the testimony it was meant to leave it at 100,000.

Representative Kelsh: When water was brought into our town someone wanted to take the easy route and not put pipes down as far. The engineer was the one saying you stick to what you were told. That winter much of the ground froze just above those pipes and rarely in that area.

Representative Hatlestad: Representative Kelsh are there situations where you can do projects cheaper without using an architect or an engineer if we raise the limit to 150,000? Are there any benefits to it?

Representative Kelsh: I could see a small road project that you do not accept federal dollars on that you could get by without an engineer and that would save you some money but is it going to be safe? I am sure there a couple cases where you could save a little money but we have to be more concerned about the safety and the welfare of the people.

Representative Hatlestad: So basically what you're saying is money is not the issue, public safety and welfare are? The ends would probably balance out?

Representative Kelsh: I think we could all agree that safety is the most important in the end. If you get a mindset that all we are going to do is save money and not be concerned about the health and public safety of the people then you are going down the wrong path.

Representative Beadle: When you are looking at a 50,000 dollar change on a construction project it is probably not a substantial change compared to an electric company. The change will impact each company differently and you can't really treat the dollar amount as an easy change.

Representative Strinden: I was on the fence but when small projects were mentioned I really think we need to stay at the 100,000.

Representative Kelsh: I was surprised so many people want to lower the amount.

A Roll Call Vote Was Taken: Yes 13, No 0, Absent 1. (Representative Koppelman)

Representative Strinden will carry the bill

January 6, 2015 *aj/s*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1077

Page 1, line 1, after "reenact" insert "subsection 1 of section 15.1-36-01 and"

Page 1, line 2, after "to" insert "approval of school construction projects by the superintendent of public instruction and"

Page 1, after line 4, insert:

"SECTION 1. AMENDMENT. Subsection 1 of section 15.1-36-01 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding the powers and duties of school boards provided by law, the superintendent of public instruction shall approve the construction, purchase, repair, improvement, modernization, or renovation of any public school building or facility before commencement of the project if the cost of the project, as estimated by the school board, is in excess of ~~one~~five hundred thousand dollars."

Page 1, line 10, overstrike "one" and insert immediately thereafter "five"

Page 1, line 10, remove the overstrike over "~~hundred thousand~~"

Page 1, line 10, remove "million"

Page 1, line 18, overstrike "one" and insert immediately thereafter "five"

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Page 1, line 19, remove the overstrike over "~~thousand~~"

Page 1, line 19, remove "million"

Page 1, line 22, replace "1" with "2"

Page 1, line 22, replace "2" with "3"

Renumber accordingly

**2015 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1077**

House Political Subdivisions Committee

- Subcommittee Conference Committee

Amendment LC# or Description: 15.0034.01001

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Other Actions: Reconsider _____

Motion Made By Maragos Seconded By Beadle

Representative	Yes	No	Representative	Yes	No
Chariman Lawrence R. Klemin			Rep. Pamela Anderson		
Vice Chair Patrick R. Hatlestad			Rep. Jerry Kelsh		
Rep. Thomas Beadle			Rep. Kylie Oversen		
Rep. Rich S. Becker			Rep. Marie Strinden		
Rep. Matthew M. Klein					
Rep. Kim Koppleman					
Rep. William E. Kretschmar					
Rep. Andrew G. Maragos					
Rep. Nathan Toman					
Rep. Denton Zubke					
	Voice			Voice	

Total Yes _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

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BILL/RESOLUTION NO. 1077**

House Political Subdivisions Committee

Subcommittee Conference Committee

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 Other Actions: Reconsider _____

Motion Made By Anderson Seconded By Beadle

Representative	Yes	No	Representative	Yes	No
Chariman Lawrence R. Klemin	X		Rep. Pamela Anderson	X	
Vice Chair Patrick R. Hatlestad	X		Rep. Jerry Kelsh	X	
Rep. Thomas Beadle	X		Rep. Kylie Oversen	X	
Rep. Rich S. Becker	X		Rep. Marie Strinden	X	
Rep. Matthew M. Klein	X				
Rep. Kim Koppleman	X				
Rep. William E. Kretschmar	X				
Rep. Andrew G. Maragos	X				
Rep. Nathan Toman	X				
Rep. Denton Zubke	x				

Total (Yes) 13 No 0

Absent 1 (Koppleman)

Floor Assignment Representative Strinden

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1077: Political Subdivisions Committee (Rep. Klemin, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1077 was placed on the Sixth order on the calendar.

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2015 TESTIMONY

HB 1077

Good morning chairman Klemin, and members of the Political Subs committee. My name is Wayne Trottier, representing District 19, which is located in Walsh and Grand Forks counties.

HB 1077 is a bill pertaining to political subdivisions and the requirements for engineering/architect and the bidding process.

I believe you have HB 1077 and the proposed amendments 15.0034.01001 at your desks.

Currently political subdivisions have a limit for any construction of public works of \$100,000 and above, requiring a professional engineer and a bid process for any project. These numbers go back some 18 years and we are very aware of costs since 1997. If you google these numbers, going back to 1997, \$100,000 then would now be approximately \$800,000 in 2015.

As you will read in the original writing of HB 1077, I have raised both requirements to 1 million dollars. After being persuaded and was told, this would never pass, because it was too much, I lowered both to \$500,000.

You will see in 15.0034.01001, these proposed amendments. Also in these amendments, I have included schools. (As requested by DPI)

What is the reasoning behind HB 1077?

1). Request from several cities as well as counties! (and believe there are many more)

A). I have heard from city and county officials that have had problems with engineering and architects in construction projects, mainly streets and street repairs. ex- contractor and engineers ended up with a dispute on several projects.

Cities withheld final payment to the contractor and engineer, because project was not done as was satisfactory, according to what engineer said would be done.

Over \$75,000 was withheld, so the city council decided they would have to go to court. City attorney said that with expert testimony costs, legal costs and etc, it would probably eat up the \$75,000. (The problem was discussed with the engineer before completion, and was told, "it would work out". The contractor agreed with the city, but had to complete the project, with the engineer on site for the entire project.

This same story has been told to me by more than one city and more than one county.

B). A project done in Pembina County, with some matching funds, ended up near 1 million dollars. The project developer had to raise over \$250,000, locally, for the building project. Engineer/architectural fees were approximately \$175,000. When they completed the building local contractors said it could have been done for less than \$500,000. The locals felt like they could just as well done it on their own. The local farmers commented it is just a Morton or Lester commercial building, and these companies have their own architects. (Lumberyard experience with two different architects on exactly same apartment building 6X6 vs 3-2x6=\$100

(Drain tile story-water running back into city)

C). Change orders are brought up by nearly everyone. A change order adds fees and costs the customer, even if it is something the engineer missed.

D). Commissions for engineer/architect fees are driven by implementing increased designs and costs. (I have heard this for many years) (auctioneer story)

I do not say because I do not respect or hate engineers or architects.

We all hear faults of many professions, but please let the locals make some of their own decisions.

THIS BILL DOES NOT SAY THAT A PUBLIC OR POLITICAL SUBDIVISION CANNOT EMPLOY AN ENGINEER OR ARCHITECT, or bid the project, if they decide they want or need one. Farmers are building \$500,000 storage and shops on the farm and do not employ an architect. Folks that build new homes use their contractor and/or their suppliers. They get to make that choice.

We will hear testimony for the negative, but to some extent, it is follow the money.

Remember, from the current \$100,000 to \$500,000, the fees saved could be as much (\$400,000 x 15%) \$60,000. Take that times the number of projects statewide and it could be in the many millions. These are dollars that, may be for some rural cities or counties, dollars that are very crucial to their survival. (Might even help lower property taxes (that's a haha)

Saying all of the above, I sure am not against this committee adding amendments and making changes. (raising or lowering the minimum limits). My goal is to make things better for our citizens, LET OUR LOCAL CITIES AND COUNTIES MAKE THEIR OWN DECISIONS! And let them have a chance!!!

Thanks everybody, and I will do my best to answer any questions you may have!!!
Rep Wayne Trottier, Dist 19

15.0034.01001
Title.

Prepared by the Legislative Council staff for
Representative Trottier
January 6, 2015

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HB1077

TESTIMONY TO THE HOUSE POLITICAL SUBDIVISIONS COMMITTEE
JANUARY 9, 2015
LONNIE J. LAFFEN, SENATOR, DISTRICT 43

I am here to testify against HB1077. I'd like to speak to the bill as a representative of the State. As you know I am also an architect but I can tell you that my firm does not take on projects that are less than \$3M - \$4M so this bill would have no personal effect on our practice.

This bill will cost the state money and will greatly add liability exposure and I will use a current example to try to illustrate why.

The ND Secretary of State is going to be coming to us in this session to ask to expand his space on the main floor of the Capitol. The expansion would happen on the backside on top of the loading dock area to the north. It would add about 1,500 s.f. and cost around \$500,000.

Let's assume this bill has passed and we now are allowed to do this project without having architects or engineers represent the state and without the benefit of bidding the work.

The first issue will be protecting the Health, Safety & Welfare of all the occupants of the entire capitol building. Design professionals are trained to understand and follow the building codes. But it's just 1,500 s.f. you say and that is true. The problem is that fire protection, building egress, emergency lighting, smoke evacuation etc. etc. are all systems that tie into the entire building. Mistakes affect the life safety of all the occupants of this building.

The next problem will be structural engineering. There will need to be a fairly large hole cut into the main tower of the Capitol to allow the connection between the SOS existing space and the new. We are going to allow the contractor to decide what the structural requirements are for holding up the north side of the Capitol tower to make that penetration? Or will our SOS make that decision - remember that without a design professional the only person representing the state is now the client.

How about the new floor above the existing garage over which we are building? Are the current roof joists strong enough to hold to carry the weight of the 15 people who will live above it? What happens if they decide to place lateral filing cabinets on the floor and create more live load than the old roof can support. If that floor were to collapse, people will get hurt or worse. Additionally the entire north side of the Capitol tower is now tied to this floor and is in jeopardy as well.

So why don't we just tell the contractor that he needs to hire the design professional. In this case the design professional is working for the contractor and the contractor's goal is to make a profit. The state's interests are now longer protected - the contractor's are.

I could go on and on about the potential issues involved in doing a project without the design professional - even on a small construction amount: Heating, cooling, fire protection, flammability and smoke resistance of materials etc.

Should any of these aforementioned issues occur, we, the state of ND, are going to want someone to cover these design problems, and in fact we require it by law. You should know that "Registered" architects and engineers are the only ones that can buy professional liability insurance to cover design errors. Without an architect or engineer stamping the drawings with their seal - the state will assume the design responsibility and will be paying for these issues without the benefit of insurance coverage. The contractor can't buy this insurance and our State Fire & Tornado Insurance does not cover design error.

So why is \$100,000 the magical amount? Simply put - it's difficult to get into these sorts of problems when you only have \$100,000 to spend. As you can see in my example, a \$500,000 project is a whole different world.

The second portion of this bill raises the limit for bidding. Attached to the back of my testimony are the bid tabs from 5 public works projects. In every case the difference between the high and low bidder is more than 16% and usually more than 20%. I will tell you this is the premium we will pay if we do not bid these projects.

Additionally we will have no plans or specifications to define the project quality - this will be left to the contractor. So now the contractor gets to name their price with no competition and make selections of quality based upon their ability to make a profit.

Design professionals cost about 7%. For that compensation you get life safety protection, mechanical, electrical and structural engineering and liability insurance to cover the work. Without their services we increase the cost by 20% and add this workload and responsibility to our public agencies.

This bill will do nothing but cost more money to reduce the health, safety and welfare for ND citizens. Please vote no.



HB 1077 1/19/2015

2.3

Replacement Housing - JLG 0546

Bid Time: Friday, June 16, 2006 at 4:00 p.m.
 Bid Place: UND Facilities Building

Contractors	Contractor's License	5% Bid Bond	Add. 1-8	Base Bid	Alternate #C-1 Concrete isle instead of bituminous	Alternate #C-2 Concrete pavement in lieu of bituminous	Alternate #C-3 Parking lots constructed to gr base only
General Const.							
Construction Engineers	Y	Y	Y	12,054,000.00	35,300.00	104,800.00	(144,400.00)
KA	Y	Y	Y	11,995,000.00	32,000.00	121,000.00	(118,500.00)
Peterson	Y	Y	Y	13,539,800.00	32,900.00	97,800.00	(129,000.00)
Mechanical Const.							
CL Linfoot	Y	Y	Y	\$3,065,518.00			
GF Heating	Y	Y	Y	\$2,943,000.00			
Lunseth	Y	Y	Y	\$3,131,000.00			
QZ	Y	Y	Y	\$2,894,800.00			
Manning	Y	Y		\$3,759,990.00	-170000		
				*note on outside			
Electrical Const.							
Bergstrom	Y	Y	Y	1464300			
RBB	Y	Y	Y	1265999			
Rick Electric	Y	Y	Y	1288800			
Sun Electric	Y	Y		1590000			

*Bid tabs will be made available for public release upon owners authorizatio

low = \$16,214,799
 high = \$18,889,790
 difference = \$2,674,991



16.5%

BID TAB



Rhoades Science Center Bid Tab
 Valley City State University
 Facilities Services Building
 603 2nd Avenue SE
 Valley City, ND
 October 5, 2011

VCSU Rhoades Science Center

HB 1077
1/19/2015

2.4

Bid Security Envelope				Bid Envelope															
Contractor	Bond	Questionnaire	Contractor License	Addenda					Base Bid	Alternates									
				1	2	3	4	5		G-1 Exterior Wall Insulation	G-3 Laboratory Flooring	G-4 Reglaze Existing Single Glazed	G-5 Hallway Flooring - Carpet	G-7 Hallway Flooring - VCT	G-8 Lecture Hall Fixed Tables	G-9 Greenhouse Re-glazing	G-10 FSC Wood Products	G-12 Cold Room	G-13 Inert Gas Fire Suppression
GENERAL CONSTRUCTION																			
Comstock	X	X	X	X	X	X	X	\$4,164,400.00	\$55,000.00	\$10,000.00	\$12,000.00	(\$80,000.00)	(\$91,000.00)	\$34,000.00	\$50,000.00	\$18,000.00	\$500.00	\$0.00	
C.S. DuBois Construction	X	X	X	X	X	X	X	\$4,423,000 (deduct \$20,000 from Base bid)	\$42,850.00	(\$19,860.00)	\$10,200.00	(\$66,000.00)	(\$93,000.00)	\$67,800.00	\$62,700.00	\$10,000.00	\$500.00	\$1,500.00	
J.P. Structures	X	X	X	X	X	X	X	\$3,843,400.00	\$72,000.00	(\$18,000.00)	\$10,200.00	(\$60,000.00)	(\$85,200.00)	\$55,200.00	\$52,700.00	\$15,300.00	\$500.00	\$0.00	
Minko	X	X	X	X	X	X	X	\$3,928,000.00	\$41,950.00	\$10,200.00	\$10,900.00	(\$90,400.00)	(\$103,000.00)	\$44,000.00	\$47,000.00	\$21,500.00	\$0.00	\$0.00	
Roers	X	X	X	X	X	X	X	\$4,036,000.00	\$42,000.00	\$11,000.00	\$11,500.00	(\$75,000.00)	(\$93,000.00)	\$36,500.00	\$45,000.00	\$10,000.00	\$1,200.00	\$0.00	
Swanberg	X	X	X	X	X	X	X	\$4,075,000.00	\$45,000.00	(\$17,000.00)	\$10,000.00	(\$55,000.00)	(\$80,000.00)	\$55,000.00	\$60,000.00	\$12,000.00	\$1,000.00	\$0.00	
T.F. Powers	X	X	X	X	X	X	X	\$4,228,000.00	\$44,000.00	\$10,500.00	\$12,300.00	(\$72,000.00)	(\$83,000.00)	\$45,000.00	\$48,500.00	\$18,000.00	\$2,000.00	\$1,500.00	
LABORATORY CONSTRUCTION																			
Contractor	Bid Bond	Questionnaire	Contractor License	Addenda					Base Bid	Alternates									
				1	2	3	4	5		L-1 lab Casework	L-2 Lab Hood Shrouds	L-10 FSC Wood Products	L-12 Cold Room	L-14 Necropsy Lab Cabinets	L-15 Thermo Fisher Hamilton Concept Hood				
Haldeman-Honvne	X	X	X	X	X	X	X	\$893,885.00	(\$35,043.00)	\$4,216.00	\$34,560.00	(\$85,333.00)	\$5,091.00	(\$41,429.00)					
Innovative Laboratory Systems	X	X	X	X	X	X	X	\$714,350.00	(\$22,200.00)	\$4,190.00	\$18,250.00	(\$57,900.00)	\$8,080.00	n/a					
TMI	X	X	X	X	X	X	X	\$907,022.00	(\$32,321.00)	\$10,953.00	\$24,613.00	(\$83,205.00)	\$5,616.00	n/a					

low: * 7,779,668
 high: * 9,623,672
 difference * 1,844,004 ←

14%

HB 1017 1/19/2015

2.6

JLC
124 N. 3rd Street
Grand Forks, ND 58203

BID TABULATION FORM

PROJECT: GFC Renovations & Additions
LOCATION: Grand Forks, North Dakota
BID DATE: March 17, 2011 2:00 P.M.

GENERAL CONSTRUCTION

	Merrimac Construction	Innes Construction	Gast Construction	Peterson Construction		
Contractor's License	38447	1543	961	1021		
5% Bid Bond	Yes	Yes	Yes	Yes		
Addendum Nos. 1, 2, 3 & 4	Yes	Yes	Yes	Yes		
Base Bid	\$4,837,449	\$5,070,000	\$5,525,600	\$5,975,000		
G-UP-1 Soil Removal and Replacement	\$96	\$95	\$39	\$50		

Alternates						
G-1	Gymnasium Storage	\$25,665	\$38,000	\$40,000	\$44,900	
G-2	Wrestling Room Work	\$36,562	\$48,000	\$45,000	\$45,900	
G-3	Gymnasium Air Conditioning	\$1,113	\$1,400	\$2,500	\$2,000	
G-4	Upper Gym Flooring	\$41,230	\$46,000	\$43,000	\$19,200	
G-5	Theatrical Equipment	\$441,656	\$314,000	\$451,500	\$282,200	
G-8	Casework	\$55,840	\$68,000	\$56,500	\$60,000	
M-1	Gymnasium Storage - Mechanical					
M-2	Wrestling Room - Mechanical					
M-3	Gymnasium Air Conditioning - Mechanical					
M-4	Water Cooled Chiller					
E-1	Gymnasium Storage - Electrical					
E-2	Wrestling Room - Electrical					
E-3	Gymnasium Air Conditioning - Electrical					
E-4	Water Cooled Chiller - Electrical Work					
E-5	Theatrical Equipment Work					
E-6	AV Equipment Work					
	Subtotal Alternates	\$602,066	\$515,400	\$638,500	\$454,200	
	Subtotal Base Bid plus Alternates	\$5,439,515	\$5,585,400	\$6,164,100	\$6,429,200	

5,439,515

6,429,200

difference = \$989,685



HB 1077
1/9/2013

2.7

From: Tom Behm tbehm@jlgarchitects.com
Subject: GFK Airport Demo Bid Tab
Date: January 29, 2013, 4:36 PM
To: Lonnie Laffen llaffen@jlgarchitects.com

JLGair		Project Name: Grand Forks Old Terminal Demolition			id Tabulation
		Bid Time: Tuesday, February 14, 2012			
		2:00:00 PM			
Contractors	Contractor's License	Bid Bond	Addenda 1,2	Base Bid	Comments
Excavating Inc	x	x	x	\$ 398,330.00	
On the Level Construction	x	x	x	\$ 463,500.00	
Veit	x	x	x	\$ 517,077.00	
Tony Anderson Construction	x	x	x	\$ 253,000.00	low
Gowan Construction	x	x	x	\$ 307,000.00	
Berger Enterprises	x	x	x	\$ 258,500.98	
Robinson Excavating	x	x	x	\$ 392,453.00	
United Crane	x	x	x	\$ 514,000.00	
Strata Corp	x	x	x	\$ 725,500.00	
Peterson Construction	x	x	x	\$ 772,000.00	high

low: * 253,000
 high: * 772,000
 difference: * 519,000



HB 1077
1/9/2015
3.1

#3

ND House of Representatives Political Subdivisions Committee Hearing: January 9, 2015

The Honorable Lawrence R. Klemin, Chair

Re: House Bill 1077

Mr. Chair and Members of the Committee:

House Bill 1077 as proposed raises a number of significant questions regarding the potential risks posed by raising the threshold for competitive bids and professional design for construction projects from the current \$100,000 to the proposed \$1,000,000. As director of facility planning for the NDUS, and as supported by my over 40 years of construction experience, I endeavor to acquire construction services for the state using current best practices for risk management. Those best practices begin with retaining professional design services for the project.

The current level of action (projects estimated to cost in excess of \$100,000) represents a prudent, practical, and manageable level of risk for state agencies. In my opinion, the overall construction cost for a project is significantly less than the actual level of risk (financial or legal) which is placed upon the agency. Ascertaining that the agency is adequately insured, has sufficient performance and payment bond coverage, and that the contractor is in compliance with state and federal regulations, begins with preparation of plans and specifications for a project. This effort is the first step in mitigating risk for construction, and is best provided by a licensed design professional.

Below are a few aspects of risk which I believe would be raised to an unacceptable level should the threshold be increased to \$1,000,000:

- Bidding (or lack thereof) without professionally prepared plans and specifications would not allow for consistent bids based upon a clearly defined scope of work. Contractors could be forced to "guess" on what is required for projects costing \$1,000,000.
- Bid bonds, performance bonds, and payment bonds would not be in place. Agencies might end up with construction liens should the contractor fail to pay vendors. In addition, should the contractor fail to perform, the agency would have no recourse other than litigation to complete the project. This is a manageable risk for a \$100,000 project, but would be excessive and unacceptable at the level proposed by this bill.
- Ascertaining compliance with building codes may become impossible. Projects at \$100,000 present an acceptable level of risk for code compliance as the project scope would be limited in many cases to work which does not significantly impact codes. Projects of \$1,000,000 may present significant code concerns, including fire protection, structural integrity, mechanical (HVAC) operation, and electrical code compliance which could potentially prevent the agency from obtaining a certificate of occupancy. Placing this responsibility on the builder, instead of the qualified design professional, is an unacceptable risk.

The above represents in my opinion the urgent concerns for the proposed legislation. There remain practical advantages in retaining professional design services for projects estimated to cost less than \$100,000 as well, most notably the resulting economy. In general, it has been my experience that professional design services help reduce project costs through planning, and minimize claims for additional costs that often would exceed their fees. I request you consider my comments in your deliberations, and sincerely thank you for this opportunity to comment on this legislation.

Rick Tonder

Director, Facility Planning – North Dakota University System

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11/9/2015
4.1

#4

HOUSE BILL 1077
Political Subdivisions Committee
John Boyle, Director of Facility Management
Office of Management and Budget

Good morning Chairman Klemin and members of the Political Subdivisions committee. My name is John Boyle. I am the Director of the Facility Management Division within the Office of Management and Budget. I am testifying in opposition to House Bill 1077.

The Facility Management Division is responsible for all the buildings located on the capitol grounds. This bill would eliminate the need for architectural and engineering services for any public improvement project and increase the threshold requirement for bidding any public improvement to \$1,000,000. The current amount of \$100,000 is sufficient and should remain at this level. By approving this ten-fold increase, this committee would effectively eliminate the competitive bidding process for all public improvement projects over \$100,000 resulting in higher construction costs throughout the state. Competitive bidding provides the taxpayers of North Dakota the assurance that state agencies and political subdivisions are constructing public improvement projects at a reasonable cost.

I have included with my testimony a summary bid tabulation sheet consisting of three examples of public improvement project that were bid since 2012. As you will see the range between the bids for each of these projects is substantial. When competitively bid the cumulative difference between low and high bidder is \$248,850 or approximately \$83,000 per project. If these three projects were not competitively bid the cost to the taxpayers would be even greater. Now imagine if all public improvement projects of less than \$1 million were not competitively bid and not just for the coming biennium but forever. The first 1,000 projects would cost the taxpayers an additional \$83,000,000. Please leave the threshold at \$100,000.

Mr. Chairman, this concludes my testimony and I would more than happy to answer any of your questions.

House Political Subdivision
Hearing for HB 1077
Public Improvement Project Summary
Bid Tabulation Sheet
January 9, 2015

Project Name	Bid Opening Date	Low Bid	High Bid	Difference	Cumulative Difference
Capitol Corridor	June, 2012	\$548,106	\$589,143	\$41,037	\$41,037
9th and 11th Floor Remodeling	March, 2014	\$301,550	\$453,000	\$151,450	\$192,487
Human Services Remodeling	April, 2014	\$733,700	\$831,100	\$97,400	\$248,850

4.2

HB 1077
1/9/2015

House Standing Committee – Political Subdivisions

Testimony Opposing HB 1077

January 9, 2015

Chairman Klemin and Committee Members

Introduction

My name is Dean Anagnost. I currently serve as the Chief Financial Operating Officer of the KLJ Companies, which includes Kadrmas, Lee and Jackson, Inc., a professional engineering and professional land surveying company. I am a registered Professional Engineer in North Dakota as-well-as in six other states. I have spent my entire 30 year professional career as a consulting engineer. The Testimony I offer today in opposition to HB 1077 is offered on behalf of the American Council of Engineering Companies of North Dakota (hereafter ACEC), where I am currently privileged to stand as chair for the Government Affairs Committee, and KLJ.

Background

HB 1077 seeks to amend two sections of current law: Section 1 addresses N.D.C.C. Chapter 43 which specifically provides for the conduct of professional engineering and land surveying and Section 2 which addresses N.D.C.C. Chapter 48 pertaining to bids and contracts for public improvements. The proposed legislation seeks to raise the threshold presently defining the basic processing of a public improvement project from \$100,000 to one million dollars. ACEC opposes HB 1077 based on the need to:

1. Safeguard life, health, safety and the public welfare; and,

2. Maintain best practices alternatives for those administering public improvement projects to insure the public good.

The change proposed to the threshold for “bidding construction of a public improvement” in Section 2 is not part of our opposition, to the extent it can be separated from the other issues.

Supporting Argument to the Opposition

Let me start with some basics. First, a “Public Improvement” by definition (N.D.C.C. 48-01.2-01, 20) is an improvement undertaken by a governing body for the good of the public. Second, the practice of engineering is regulated and promoted because of its paramount contribution to safeguarding life, health and property, and to promote the public welfare (N.D.C.C. 43-19.1-01). When the construction of a public improvement involves the practice of engineering, but not Engineers, i.e. the Professionals trained and experienced in the application of mathematical, physical or engineering science or the creative work based in these areas of special knowledge; as Section 1 does for all projects under the \$1,000,000 threshold, the law impairs the governing body’s ability to safeguard life, health, and the public good. There are many examples of where something as seemingly insignificant as the incorrect application of a \$0.25 bolt has resulted in loss of life, injury and costly loss to property. The Engineer is the Professional qualified to assess and then reduce the risks associated with designing public improvements. How can asserting that a public improvement construction project needs to have an economic value of at least \$1,000,000 before the Engineer’s training and experience is deployed ultimately safeguard life and health and benefit the good of the public?

My second point is based in the same factual argument in that no monetary threshold should be imposed to regulate the requirement for the procurement of the engineering services which is described in N.D.C.C. Chapter 48 as “procuring plans, drawings, and specifications from an architect or engineer for the construction of a public improvement”, because engineering practice is essential to safeguarding life, health, and property, and promoting the public welfare. Chapter 48 established a “threshold”. Let’s talk about how the meaning of this word could impair the ability of the governing body to protect the public good. A “threshold”, as defined by the Merriam-Webster dictionary, is: 1) the place or point of entering or beginning, and 2) the point at which a physiological or psychological effect begins to be true. Therefore, consider that mandating the “threshold” infers that the project owner’s ability to exercise independent judgment around the need for engineering, because they must now use the threshold as a point of beginning, is impaired. Likewise, the threshold creates a psychological barrier preventing the project owner from considering the inherent value brought by the practice of engineering for all projects below the threshold. The threshold impairs the governing body’s ability to insure life, health and the public good for public improvements valued at less than \$1,000,000. When the threshold is sufficiently small, as established in the current law, the risks to life, health and the public good are manageable.

Finally, I believe it is worthy of note to mention that the law has consistently recognized the value and necessity of the practice of engineering to promote public welfare. N.D.C.C. Chapters 11, 23, 24, 40, 48, and 61 not only recognize the need for Engineers and engineering in the public governance process, but require Engineers to hold various office in government to insure that the practice of engineering is consistently used to promote the public welfare.

Summary

We oppose this bill and reiterate that:

1. The importance of the practice of engineering in serving the public welfare cannot be applied based on construction dollar value. We reject the assertion that raising the current construction project value threshold to \$1,000,000 is in the public interest as doing so leaves the public's health, safety and well-being at risk; and,
2. There is no relationship between the practical application of a "bidding" threshold and the reasons and need for procuring engineering services; and,
3. Thresholds limit, rather than enhance, the ability of administrators to apply good judgment and serve the public good.

Thank you for considering my testimony.

Dean F. Anagnost, PE
ND Registration #PE-3294
CFO and Treasurer
KLJ Solutions Holding Company
4585 Coleman Street
Bismarck, ND 58503

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1/9/2015
6.1

#6

Testimony – HB 1077
January 9, 2015
House Political Subdivisions Committee

Mr. Chairman and committee members, I am Glenn Moen. I work as a project Manager for Mattson Construction, a general contractor from Minot, ND. I serve as the 2015 President of the Associated General Contractors of North Dakota (AGC of ND). The AGC of ND is a 500 member trade association of general contractors, specialty contractors, and subcontractors involved in the commercial construction industry in North Dakota. Our membership also has a number of commercial construction material and equipment suppliers.

I am here to speak in opposition to HB 1077. This bill seeks to raise the limit from \$100,000 to \$1,000,000 for bidding public projects and soliciting for designers. I believe this would be bad public policy. To prepare for this hearing, the AGC of ND conducted a poll requesting our member's opinion of the proper threshold amount. By a very large margin, our membership stated they prefer the design and bid threshold to remain at \$100,000 as opposed to the \$1,000,000 proposed in this legislation.

I believe it is always good to have open competition for public works both on the designer selection and for public bidding. For many of our members, a one million dollar job is a big job. When you take competition out of the picture you can create an atmosphere that is ripe for cronyism. We request you leave the limit at the present level of \$100,000.

Please issue a do not pass recommendation on HB 1077. Thank you for the opportunity to testify today. If you have any questions, I would be happy to attempt to address them.

**Testimony in Opposition to
HOUSE BILL NO. 1077
House Political Subdivisions Committee
January 9, 2015**

Chairman Klemin, House Political Subdivisions Committee members, for the record my name is Todd D. Kranda. I am an attorney with the Kelsch Kelsch Ruff & Kranda Law Firm in Mandan and I appear before you today as a lobbyist on behalf of the North Dakota State Board of Registration for Professional Engineers and Land Surveyors (Board) to oppose HB 1077.

The bill proposes a change to one of the Board's statutes that limits the cost for a public works project before requiring either an engineer or architect. The proposed change is significant with a ten fold increase from \$100,000 up to an amount of \$1,000,000.

The Board is opposed to HB 1077 because the significant change may affect public safety. Many public works projects could be completed under the \$1,000,000 cap that have a direct impact on public safety but would be completed without professional design services or professional oversight during the construction phase. The threat to public safety isn't when concrete is being replaced or new curbs are being installed, but it is the projects that involve the very infrastructure of our society. Projects such as small town schools, rural bridge crossings, etc. are examples.

Furthermore, the change to the Board's statute, namely Section 43-19.1-28 as well as Section 48-01.2-02.1, has been proposed with no attempt to discuss in advance the proposed change with the Board. The Board was very surprised to first learn of this bill when it was introduced this past week. The proponents of this bill could have approached the Board, and a possible compromise may have been reached regarding a higher cap limit amount. However, a ten fold increase is significant and hereby opposed by the Board. As it is, because these statutes affect all public works, the Board strongly believes that the scope of projects able to be completed under the proposed \$1,000,000 cap amount are substantial enough that public safety is at risk.

In conclusion, HB 1077 is simply not appropriate and causes a concern for public safety. Accordingly, I would urge on behalf of the Board a **DO NOT PASS** recommendation for **HB 1077** and I would be happy to try to answer any questions.

Testimony
House Bill 1077
House Political Subdivisions Committee
January 9, 2015
North Dakota Department of Health

Good morning, Chairman Klemin and members of the House Political Subdivisions Committee. My name is Wayne Kern, and I am Director of the North Dakota Department of Health's Division of Municipal Facilities which is part of the Environmental Health Section. The Environmental Health Section is responsible for implementation of many of the environmental protection programs in the state. Implementation responsibility includes review and approval, prior to construction, of engineering plans and specifications for public improvement projects involving water works, sewerage, and solid waste. I am here to provide testimony in opposition to House Bill 1077.

House Bill 1077 addresses requirements for construction of public improvement projects by the state and its political subdivisions. Under current state law, projects costing over \$100,000 must be bid and cannot proceed to bidding and construction without engineer-prepared plans and specifications. House Bill 1077 proposes to increase this threshold to one million dollars. If House Bill 1077 is enacted, the state and its political subdivisions would be allowed to undertake public improvement projects up to one million dollars in cost without engineer-prepared plans and specifications and without bidding.

The Department of Health opposes House Bill 1077 for the following reasons:

- As stated above, the Department of Health is responsible for review and approval, prior to construction, of public improvement projects involving water works, sewerage, and solid waste. This includes all projects, regardless of estimated cost. These reviews are done to ensure that projects meet design standards. This is crucial to ensure system functionality, integrity, and to protect public health and the environment. Improperly designed or constructed facilities can fail, leading to loss of service and direct contamination of drinking water, groundwater, or surface waters.
- Under the current threshold of \$100,000, communities occasionally submit projects for review that have not been prepared by an engineer. The Department of Health spends considerable time working with these communities in an attempt get their submittals to satisfy design standards

and in a form that can be understood and quoted for construction purposes. Many times, communities realize that getting their submittal into an approvable condition is beyond their expertise and hire an engineer. In addition to being inherently inefficient for all parties, this leads to delays in project approval and construction, all of which could have been avoided if an engineer had been initially involved in the project. Increasing the threshold to \$1 million dollars will significantly exacerbate this situation. At a minimum, many projects will face an extended or lengthy approval period while attempting to get the project to an approvable state. Many projects will be rejected and not approved. All of this will add a significant amount of work to already heavy workloads and will delay approval of all projects.

- The Department of Health's role as a regulator is to review and approve already-prepared projects to ensure that design standards are met. Our role is not to design projects. We are often asked and do provide design recommendations. However, as regulators, we cannot both design and approve projects as this represents a conflict of interest. To avoid any potential conflict of interest, the Department of Health will have to reject projects that cannot be verified as meeting design standards. This could delay projects.
- The increased threshold may have the unintended consequence of reducing funding assistance opportunities for communities. Funding assistance agencies typically require engineer involvement in public improvement projects. This is likely due to the inherent technical complexity of such projects and the associated public health and safety implications.
- Finally, engineers are uniquely equipped to prepare plans and specifications that meet design standards and that are sufficiently detailed for construction purposes. Over the last four years, the Department of Health has experienced a huge increase in the number of projects submitted for approval. For example, the number of water and wastewater projects submitted per year increased from around 150 to over 400. The bulk of these projects were prepared by engineers. This enabled more timely review and approval. An increased threshold has the potential to significantly reduce engineer involvement. This could adversely impact the Department of Health's ability to approve projects in a timely manner. In turn, this has the potential to delay or impede needed public improvement projects statewide.

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8.3

The Department of Health takes its responsibility for public and safety seriously and wishes to keep practices in place that allow us to provide timely and efficient project reviews for all parties involved.

This concludes my testimony. I would be happy to answer any questions you have at this time.

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1/19/2015
9.1

#9

HB 1077 Testimony

Presenter: James Devine, Architect and Owner of J2 Studio Architecture + Design, PC

Bismarck, North Dakota

Chairman and members of the committee.

HB 1077 seeks to raise the threshold at which an architect or engineer is required to be hired by a State Agency from \$100,000 to \$1,000,000.

Raising the limit to \$1,000,000 would not require a State agency to engage a design professional to assist in the preparation of documents and construction oversight. As a registered architect, our responsibility is to protect the safety and welfare of the general public in the structures they occupy or visit. Architects and Engineers are immersed in the building code during design to provide a building that is designed for the safety of its occupants. Although there may be several competent contractors with a design staff to perform projects for less than \$1,000,000, there are countless more in the State that may not be as capable.

One example; Our office is providing construction draw observation for a local bank. One project is in Stanley, ND. Upon the first visit to the site, we found several life safety violations in the design of the building. The building had been permitted by the City with a drawing set containing 4 drawings, and little to no code information. The building housed a diesel repair shop, retail area and sleeping quarters. The potential risk for injury or loss of life was extremely high. The lack of understanding of the building code was evident in the design and follow-up with the contractor. This is just one example.

Our office has provided professional design services for several projects within the Capitol building, including 9th and 11th floor remodels for DPI, 3rd Floor J-Wing remodel for Human Services, and a project for Legislative Council. All presented various code challenges and all were less than \$1,000,000 for the construction portion of the project. There are several projects in the State and with State agencies that fall below the \$1,000,000 threshold that have similar code related items that need to be dealt with.

Furthermore, the increase from \$100,000 to \$1,000,000 for competitive bidding also does not create a 'best value' scenario for the State of North Dakota. For instance, on the DPI project the bid range from high to low was \$171,620. Human Services remodel, the range was \$108,600. In both instances, the State could have paid substantially more money to build the projects if they had not been competitively bid.

Upon reviewing this proposed bill, I took a look at what surrounding states, similar in population to North Dakota, require for Public Buildings.

Montana

9.2

Per 18-2-133 of their Montana Code Annotated requires the use of a certified (licensed) architect on all public buildings. Furthermore, they have a bidding threshold of \$75,000. Anything more than \$75,000 requires competitive bidding.

Wyoming

All public buildings require plans prepared by a registered architect or engineer. With exemption of 34-4-117 that a building less than 2 stories in height and less than 10 occupants does not require the use of a licensed professional.

South Dakota

South Dakota's Administrative rules 36-18A-9 bases the requirement for the use of licensed professional on the square footage of an improvement. Their rules define several categories and are not based on a dollar figure. South Dakota requires this be followed on all projects, public and private. The list is long and I did not provide as part of this testimony.

Thank you for your time.