

2019 HOUSE POLITICAL SUBDIVISIONS

HB 1432

2019 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Prairie Room, State Capitol

HB 1432
2/8/2019
Job # 32491

- Subcommittee
 Conference Committee

Committee Clerk Signature	Carmen Hickle
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Explanation or reason for introduction of bill/resolution:

Relating to purchasing road maintenance equipment.

Minutes:

Attachments 1-3

Chairman J. Dockter: Opens the hearing on HB 1432.

Representative Richter: (Handout #1,2) Introduced the bill. Distributed testimony from Williams County Commission and a proposed amendment. This bill changes the definition of road machinery to road maintenance equipment. One of the most significant things this does is on page 1 line 19 where it changes the sum dollar amount before a county has to go to bids from \$50,000 to \$100,000 for road maintenance equipment. Prices have gone up significantly. The other significant change is on page 2 line 19 where it gives the county the ability to purchase used equipment at auction or purchase used equipment from government surplus. The amendment I passed out would be added on page 1 line 16 which gives the counties the ability to go into a group bidding with OMB.

Vice Chairman Pyle: Is there anybody else in support?

Sherry Neass, Office of Budget and Management: Under the state procurement law there is a section on cooperative purchasing which allows OMB to administer a cooperative purchasing program. That would allow OMB to establish contracts that counties could use to purchase their road equipment. Under that law OMB is required to do a public notice if we are using a cooperative purchasing consortium established outside of North Dakota because we have to do an analysis of the terms and conditions, the competitive process used, and the price. This amendment would allow that to take place. One of the concerns we've heard was that we couldn't do cooperative purchasing contracts that exceeded that. This is similar to park boards. On page 2 lines 19 through 22 it discusses surplus property. Under state law all agencies are required to report their surplus property to state surplus. Political subs can also report their property to state surplus then we facilitate the transfer and sale. It's not often when we get property over \$100,000 but it would take care of those that exceed that amount.

Representative Toman: By changing that definition would that leave machinery out or is that including more options?

Sherry Neass: I don't know that it makes a lot of difference. Someone else could explain that.

Representative Toman: I meant from the procurement standpoint.

Sherry Neass: This section of law has to define the parameters so if machinery is motorized maintenance equipment might be other things but I'm not certain. That is one of the challenges of these is to find out what doesn't fit into those parameters and what would kind of maintenance equipment would this county be using.

Representative Magrum: Would this open it up to all equipment?

Sherry Neass: The written words would be maintenance equipment. If there was a problem with that then they could get you specific examples on why that was problematic.

Representative Magrum: On Section 4 line 19, does this say if the counties go to a DOT sale they could buy directly from OMB through the sale?

Sherry Neass: This says that if you are purchasing something from an auction you can do that then it would not be subject to the bidding or advertisement requirements.

Representative K. Koppelman: Are you saying the provision of the bill only applies to purchases at auctions or does it raise it across the board?

Sherry Neass: My testimony is really related to the cooperative purchasing and the surplus property piece of it. I'd have to defer to the counties as to why they're changing the dollar amount.

Representative K. Koppelman: It seems testimony says it would allow for the flexibility to do that but the bill does it across the board.

Representative Ertelt: Is the cooperative purchasing for new equipment as well as used?

Sherry Neass: Cooperative purchasing covers goods and services so it could be new or used.

Daniel Schriock, Sr. Assistant County Engineer for Burleigh County and Vice President for North Dakota Association for County Engineers: (Handout #3). Read his testimony, ended testimony at 13:36.

Representative K. Koppelman: How long has it been since the bid threshold was increased?

Daniel Schriock: I don't know but last I heard it was around the 80's or 90's.

Representative K. Koppelman: If there were a carve out for used equipment, auction, and surplus equipment would that help solve part of the problem?

Daniel Schriock: The biggest issue is purchasing used equipment is very difficult for a county subdivision. A good piece of used machinery is generally over that \$50,000 threshold.

Representative K. Koppelman: So if you had the flexibility to do that on that kind of purchase then if you're buying something new you'd still have to go to bids. Would that solve the problem?

Daniel Schriock: It probably would. The ability to go to that public surplus or the auction part of this bill definitely helps us as well.

Representative Ertelt: Are you saying if you go to bids it has to be new equipment?

Daniel Schriock: Currently there isn't a mechanism to go for bids for a used piece of equipment.

Chairman Dockter: Is there anyone else in support?

Chas Neff, private citizen: This bill moves from machinery to maintenance equipment. If there is some way to provide exemplars in the bill or this committee could have a discussion on what maintenance equipment is would be helpful. This would help the state's attorney down the road so they can go back and look at legislative intent as what was meant by maintenance equipment.

Chairman J. Dockter: We're not taking action today so we'll give committee members time to come up with amendments.

Representative K. Koppelman: If it said machinery or maintenance equipment would that solve your concern?

Chas Neff: I don't think it would because I don't believe machinery or maintenance equipment is defined elsewhere in the century code. I believe a definition would be very helpful.

Chairman Dockter: Is there further support? Is there anyone in opposition? Is there any neutral testimony? Seeing none we will close the hearing on HB 1432.

2019 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Prairie Room, State Capitol

HB 1432
2/14/2019
Job # 32801

- Subcommittee
 Conference Committee

Committee Clerk Signature	Carmen Hickle typed by Mary Brucker
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Explanation or reason for introduction of bill/resolution:

A bill relating to purchasing road maintenance equipment.

Minutes:

No attachments

Chairman J. Dockter: Opened for committee work.

Representative Ertelt: I did some research on this. Association of Counties was in agreement of moving it back to machinery. I would offer that as an amendment. Everywhere machinery is struck out and replaced with maintenance equipment that it just gets returned back to machinery. Mr. Neff agreed that it should all be equipment instead of maintenance equipment.

Chairman Dockter: The biggest change would be going from \$50,000 to \$100,000. Would the amendments from Representative Richter still be needed?

Representative Ertelt: I didn't review that amendment.

Chairman Dockter: Everyone take a look at the amendment. I don't know if we'll need that if we go back to machinery.

Representative Ertelt: That is related to cooperative purchasing.

Chairman Dockter: We'll need to do two amendments then.

Representative Ertelt: **MADE A MOTION TO ADOPT AMENDMENT** everywhere there is struck "machinery" that has been replaced with "maintenance equipment" go back to just "machinery." This would also apply to the new language on page 2 lines 19- 21.

Representative Johnson: SECONDED

Chairman Dockter: Is there further discussion?

VOICE VOTE: MOTION CARRIED

Chairman Dockter: We have amended HB 1432 before us.

Representative Ertelt: **MADE A MOTION TO ADOPT AMENDMENT VERSION .01001.**

Representative Johnson: **SECONDED.**

Chairman Dockter: Is there discussion?

Representative Ertelt: Based on the testimony I felt in regard to the cooperative purchase that it should really be for used equipment only. I think we should include “for the cooperative purchase” in the amendment.

Representative Johnson: If we reference “used equipment only” then we change the entire flavor of the statute.

Chairman Dockter: I think we should just keep it and send it to the Senate to deal with it if there’s an issue then they can make the change. Representative Ertelt, you should talk to the parties involved. I’ll visit with the Chairman of the Senate Political Subs.

Representative Toman: The statute gives the director of OMB authority to say what may be purchased.

Chairman Dockter: We need to vote on the second amendment.

VOICE VOTE: MOTION CARRIED

Chairman Dockter: We have amended HB 1432 before us.

Representative Longmuir: **MADE A MOTION FOR A DO PASS AS AMENDED**

Representative Johnson: **SECONDED**

Chairman Dockter: Is there further discussion?

ROLL CALL VOTE: 12 YES 1 NO 1 ABSENT

Representative Magrum will carry this bill.

19.1102.01001
Title.

Prepared by the Legislative Council staff for
Representative Richter
January 24, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1432

Page 1, line 16, overstrike "A" and insert immediately thereafter "Except as provided in section
54-44.4-13, a"

Renumber accordingly

DA 2/14/19

February 14, 2019

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1432

Page 1, line 2, replace "maintenance equipment" with "machinery"

Page 1, line 16, overstrike "A" and insert immediately thereafter "Except as provided in section 54-44.1-13, a"

Page 1, line 16, remove the overstrike over "machinery"

Page 1, line 16, remove "maintenance equipment"

Page 1, line 17, remove the overstrike over "machinery"

Page 1, line 17, remove "maintenance equipment"

Page 1, line 18, remove the overstrike over "machinery"

Page 1, line 18, remove "maintenance equipment"

Page 1, line 24, remove the overstrike over "machinery"

Page 1, line 24, remove "maintenance equipment"

Page 2, line 2, remove the overstrike over "machinery"

Page 2, line 2, remove "maintenance equipment"

Page 2, line 4, remove the overstrike over "machinery"

Page 2, line 4, remove "maintenance equipment"

Page 2, line 5, remove the overstrike over "machinery"

Page 2, line 5, remove "maintenance equipment"

Page 2, line 7, remove the overstrike over "machinery"

Page 2, line 7, remove "maintenance equipment"

Page 2, line 8, remove the overstrike over "machinery"

Page 2, line 8, remove "maintenance equipment"

Page 2, line 14, remove the overstrike over "machinery"

Page 2, line 14, remove "maintenance equipment"

Page 2, line 16, remove the overstrike over "machinery"

Page 2, line 16, remove "maintenance equipment"

Page 2, line 19, remove "maintenance"

Page 2, line 20, replace "equipment" with "machinery"

Page 2, line 21, replace "maintenance equipment" with "machinery"

Renumber accordingly

Date: 2-14-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1432

House Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: Replace "maintenance equipment" with "machinery"

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

Motion Made By Rep. Ertelt Seconded By Rep. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman J. Dockter:					
Vice Chairman Pyle:					
Rep. Ertelt:					
Rep. Fegley:					
Rep. Hatlestad:					
Rep. Johnson					
Rep K. Koppelman:					
Rep. Longmuir					
Rep. Magrum:					
Rep. Simons:					
Rep. Toman:					
Rep. Strinden:					
Rep. Adams:					
Rep. Guggisberg					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Replace "maintenance equipment" with "machinery"
Vote Carried
throughout the bill.

Date: 2-14-19
Roll Call Vote #: 2

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1432

House Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: 19.1102.01001

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

Motion Made By Rep. Ertelt Seconded By Rep. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman J. Dockter:					
Vice Chairman Pyle:					
Rep. Ertelt:					
Rep. Fegley:					
Rep. Hatlestad:					
Rep. Johnson					
Rep K. Koppelman:					
Rep. Longmuir					
Rep. Magrum:					
Rep. Simons:					
Rep. Toman:					
Rep. Strinden:					
Rep. Adams:					
Rep. Guggisberg					

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

VOICE VOTE CARRIED

Pp. 1 line 16 Strike "A" insert "Except as provided in section 54-44.4-13.a"

Date: 2-14-19
Roll Call Vote #: 3

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1432

House Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: 19.1102.01002

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider

Motion Made By Rep. Longmuir Seconded By Rep. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman J. Dockter:	/				
Vice Chairman Pyle:	/				
Rep. Ertelt:	/				
Rep. Fegley:	/				
Rep. Hatlestad:	/				
Rep. Johnson	/				
Rep K. Koppelman:	/				
Rep. Longmuir	/				
Rep. Magrum:	/				
Rep. Simons:	/				
Rep. Toman:		/			
Rep. Strinden:	/				
Rep. Adams:	/				
Rep. Guggisberg	/				

Total (Yes) 12 No 1

Absent 1

Floor Assignment Rep. Magrum

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

REPORT OF STANDING COMMITTEE

HB 1432: Political Subdivisions Committee (Rep. Dockter, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1432 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "maintenance equipment" with "machinery"

Page 1, line 16, overstrike "A" and insert immediately thereafter "Except as provided in section 54-44.1-13, a"

Page 1, line 16, remove the overstrike over "machinery"

Page 1, line 16, remove "maintenance equipment"

Page 1, line 17, remove the overstrike over "machinery"

Page 1, line 17, remove "maintenance equipment"

Page 1, line 18, remove the overstrike over "machinery"

Page 1, line 18, remove "maintenance equipment"

Page 1, line 24, remove the overstrike over "machinery"

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Page 2, line 2, remove "maintenance equipment"

Page 2, line 4, remove the overstrike over "machinery"

Page 2, line 4, remove "maintenance equipment"

Page 2, line 5, remove the overstrike over "machinery"

Page 2, line 5, remove "maintenance equipment"

Page 2, line 7, remove the overstrike over "machinery"

Page 2, line 7, remove "maintenance equipment"

Page 2, line 8, remove the overstrike over "machinery"

Page 2, line 8, remove "maintenance equipment"

Page 2, line 14, remove the overstrike over "machinery"

Page 2, line 14, remove "maintenance equipment"

Page 2, line 16, remove the overstrike over "machinery"

Page 2, line 16, remove "maintenance equipment"

Page 2, line 19, remove "maintenance"

Page 2, line 20, replace "equipment" with "machinery"

Page 2, line 21, replace "maintenance equipment" with "machinery"

Renumber accordingly

2019 SENATE POLITICAL SUBDIVISIONS

HB 1432

2019 SENATE STANDING COMMITTEE MINUTES

Political Subdivisions Committee Red River Room, State Capitol

HB 1432
3/15/2019
Job # 33796

- Subcommittee
 Conference Committee

Committee Clerk: Mary Jo Wocken

Explanation or reason for introduction of bill/resolution:

Relating to purchasing road machinery.

Minutes:

Written attachment #1: Rep. David Richter
Written attachment #2: Daniel Schriock
Written attachment #3: Sherry Neas

Chairman Burckhard opened the hearing on HB1432. All senators are present.

Representative David Richter, District 1, Williston. He introduced HB1432 and spoke in support of HB1432. **Written attachment #1.**

Daniel Shriock: Sr. Assistant County Engineer for Burleigh County. In support of HB1432. **Written attachment #2.** (1:48-3:45)

Senator Dotzenrod: On the second page, line 16-18 it says not- withstanding the provisions of this section related to bidding of road machinery. The Board of County Commissions or its designee may purchase used road machinery at public auction or at surplus property. Does that mean that they're not subject to those limits?

Mr. Daniel Schriock: Correct, yes. With that verbiage in there the way I read it, is that we can purchase as long as we go through one of those mechanisms we can go above and beyond that \$100,000 thresh-hold.

Mr. Larry Syverson: North Dakota Township Officers Association spoke in support of HB 1432.

Sherry Neas: Office of Management and Budget, State Procurement Officer: **Written attachment #3. (5:53)** on line 18 where it is changing the threshold from \$50,000 to \$100,000, of course OMB has no opinion on that as that is up to the legislature. She refers to written attachment #3. OMB is different in that we do not have to advertise in the legal notice section of the newspaper because OMB is required to maintain a website for state procurement opportunities. So that is the clearinghouse for all state agencies and institutions.

Senator Dotzenrod: On the bill, page 2, not with-standing the provisions and you can go over amounts if you're at a public auction?

Ms. Sherry Neas: Yes. **Senator Dotzenrod:** You mentioned that in in 54.44.4 there is also another place where that is mentioned as well. I am not sure where is that in. This is the addendum here.

Ms. Sherry Neas: 09 is the non-competitive. Under the state purchasing practices chapter, we have a section on limited, competitive, limited competitive, non-competitive and negotiated purchases. Under that so one of the circumstances that permit a limited competitive non-competitive negotiated purchase includes when a used commodity is advantageous to the state and the commodity is available only on a short notice. Refers to "g".

Chairman Burckhard closed the hearing on HB1432.

Senator Anderson: I am just waiting for confirmation from Senator Kannianen here about that section and then. **Senator Judy Lee:** What section are you looking for? **Senator Anderson:** The change that she suggested in the bill be 54-44 either point 1 or point 4, she suggested we change the .1 to .4.

Senator Diane Larson: Is that a typographical error and can be fixed by the Legislative Council? Or do we amend it in committee?

Chairman Burckhard: We could fix it ourselves by amending it, right? Cooperative purchasing.

Senator Anderson moved amendment to include 54-44.4-13

Chairman Burckhard: Is that correct **Senator Anderson**, the one that I referred to. He replied yes.

Senator Diane Larson: 2nd that motion. For clarification that is on line 16, pg 1 the Century Code reference.

Chairman Burckhard: 54-44.4-13. Do pass on the amendment.

Roll call vote: 6 Yea, 0 no, 0 Absent

Senator Anderson: I move do pass as amended

Senator Kannianen- 2nd

Roll call vote: 6 Yea, 0 No, 0 Absent

Carrier: Senator Anderson

19.1102.02001
Title.02000

Adopted by the Senate Political Subdivisions
Committee

March 15, 2019

3/15 sk
1281

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1432

Page 1, line 16, replace "54-44.1-13" with "54-44.4-13"

Renumber accordingly

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1432**

Senate Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: Replace 54-44.1-13 with 54-44.4-13

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Senator Anderson Seconded By Senator Diane Larson

Senators	Yes	No	Senators	Yes	No
Chair Randy Burkhard	X		Sen. Jim Dotzenrod	X	
Vice chair Howard Anderson	X				
Sen. Diane Larson	X				
Sen. Judy Lee	X				
Sen. Jordan Kannianen	X				

Total (Yes) 6 No 0
 Absent 0
 Floor Assignment _____

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

**2019 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 1432**

Senate Political Subdivisions Committee

Subcommittee

Amendment LC# or Description: _____

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

Motion Made By Sen. Anderson Seconded By Senator Kannianen

Senators	Yes	No	Senators	Yes	No
Chair Randy Burkhard	X		Sen. Jim Dotzenrod	X	
Vice chair Howard Anderson	X				
Sen. Diane Larson	X				
Sen. Judy Lee	X				
Sen. Jordan Kannianen	X				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Anderson

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

REPORT OF STANDING COMMITTEE

HB 1432, as engrossed: Political Subdivisions Committee (Sen. Burckhard, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1432
was placed on the Sixth order on the calendar.

Page 1, line 16, replace "54-44.1-13" with "54-44.4-13"

Renumber accordingly

2019 TESTIMONY

HB 1432

#1
HB 1432
2-8-19



Letter of Support
House Political Subdivisions Committee
February 8, 2019
By the Board of County Commissioners

Re: House Bill 1432

A BILL for an Act to amend and reenact section 24-05-04 of the North Dakota Century Code, relating to purchasing road maintenance equipment.

Mr. Chairman and members of the Committee:

Please accept this letter in support of House Bill 1432.

Good, reliable road maintenance equipment does not always have to be brand new. Quality used equipment is often available at public auction, surplus, or a local dealer at a much lower price than buying new.

Within the past two years, we've had the opportunity to buy two used trucks for the price of one new truck at public auction. The trucks were going to be used to haul rock and be pushed to their limit, so they did not need to be shiny and new. The cost of a used truck from the auction was about \$80,000, which exceeded the current purchase limit of \$50,000, and we were unable to purchase. A new truck would have been in the \$140,000 to \$200,000 range, as well as the time and labor to support a bidding process.

By having the ability to purchase large, used equipment at a reduced price, we'd save money overall, better enabling us to purchase new equipment from our local dealers when it is really needed.

HB 1432 increases the purchasing limit of road maintenance equipment without a bidding process from \$50,000 to \$100,000. By increasing this limit, Williams County Highway would be able to be more flexible, agile, and cost-efficient in purchasing needed equipment. Williams County encourages a DO PASS.

Sincerely,

A handwritten signature in black ink that reads "David Montgomery".

David Montgomery
Chairman of the Williams County Board of Commissioners

BOARD OF COMMISSIONERS

First District – Beau Anderson | Second District – Steve Kemp | Third District – Cory Hanson
Fourth District – David Montgomery | Fifth District – Barry Ramberg

19.1102.01001
Title.

Prepared by the Legislative Council staff for
Representative Richter

January 24, 2019

#2

HB 1432

2-8-19

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1432

Page 1, line 16, overstrike "A" and insert immediately thereafter "Except as provided in section
54-44.4-13, a"

Renumber accordingly

#3
HB 1432
2-8-19

Testimony to the
House Political Subdivisions Committee
February 8th, 2019
Daniel Schriock, PE, Sr. Assistant County Engineer

Regarding: House Bill 1432

Representative Dockter and committee members, I am Daniel Schriock, the Sr. Assistant County Engineer for Burleigh County, and Vice President for the North Dakota Association for County Engineers. I support House Bill 1432 and the ability it provides counties to purchase reliable used and new road maintenance equipment. Unfortunately, the purchasing limits for equipment both used and new has not kept up with inflation. It is not at all uncommon for a new piece of roadway machinery to cost in excess of \$100,000. HB 1432 provides more freedom for Counties to purchase equipment as their budgets allow. The following are some of the changes that I feel are the most significant impacts to the county purchasing power:

1. The ability to purchase equipment up to \$100,000 without bids

Increasing the buying limit grants counties the ability to purchase equipment without going to bids, and provides the opportunity to save the county money by being able to buy used equipment more often. Often, counties are currently stuck purchasing new equipment due to the current limit of \$50,000. Used equipment for road maintenance frequently exceeds this threshold and there is currently not a mechanism in place to call for bids on used equipment.

2. Allows purchasing at public auction or surplus property

Being able to purchase used road maintenance equipment through public auction or surplus grants the opportunity to purchase equipment that would have otherwise been overlooked by counties. This will allow counties the ability to purchase low hour, or seasonal equipment at prices much less than new, thus saving money for the political subdivision and the tax payer. Counties will also be able to replace equipment in a timely fashion, and not potentially lose an entire construction season waiting for bids, and the equipment to be delivered.

Representative Dockter and committee members, by giving the counties more buying power it grants the opportunity to be more cost effective with our purchases when elected officials or their designated official choose to add or replace road maintenance equipment.

Again, I support House Bill 1432 and would recommend a "DO PASS".

*H.B. 1432
3.15.2019
att #1*

From: Richter, David W. dwrichter@nd.gov
Subject: 1432
Date: Mar 14, 2019 at 8:08:23 PM
To: Richter, David W. dwrichter@nd.gov

Senate Political Subdivisions

Chairman Burckhard, Members of the Committee. For the record my name is David Richter, Representative from District 1 Williston.

HB 1432 has three changes to 24-05-04 related to county road machinery. This bill adds: Except as provided in section 54-44.1-13, raises the dollar amount requirement for bidding from Fifty thousand dollars to one hundred thousand dollars and allows counties to purchase used road machinery at public auction or from government surplus property.

Cooperative Purchasing

There will be testimony for ND OMB and the Association of Counties that will explain these changes and they will be able to answer your specific question.

David Richter
ND House of Representatives
District 1, Williston ND

H.B. 1432
3.15.2019
att #2

Testimony to the
Senate Political Subdivisions Committee
March 15, 2019
Daniel Schriock, PE, Sr. Assistant County Engineer

Regarding: House Bill 1432

Senator Burckhard and committee members, I am Daniel Schriock, the Sr. Assistant County Engineer for Burleigh County, and Vice President of the North Dakota Association for County Engineers. I support House Bill 1432 and the ability it provides counties to purchase reliable used and new road machinery. Unfortunately, the purchasing limits for machinery both used and new has not kept up with inflation. It is not at all uncommon for a new piece of roadway machinery to cost in excess of \$100,000. HB 1432 provides more freedom for Counties to purchase machinery as their budgets allow. The following are some of the changes that I feel are the most significant impacts to the county purchasing power:

1. The ability to purchase equipment up to \$100,000 without bids

Increasing the buying limit grants counties the ability to purchase equipment without going to bids, and provides the opportunity to save the county money by being able to buy used equipment more often. Often, counties are currently stuck purchasing new equipment due to the current limit of \$50,000. Used equipment for road maintenance frequently exceeds this threshold and there is currently not a good mechanism in place to call for bids on used equipment.

2. Allows purchasing at public auction or surplus property

Being able to purchase used road machinery through public auction or surplus grants the opportunity to purchase equipment that would have otherwise been overlooked by counties. This will allow counties the ability to purchase low hour, or seasonal equipment at prices much less than new, thus saving money for the political subdivision and the tax payer. Counties will also be able to replace equipment in a timely fashion, and not potentially lose an entire construction season waiting for bids, and the equipment to be delivered.

Senator Burckhard and committee members, by giving the counties more buying power it grants the opportunity to be more cost effective with our purchases when elected officials or their designated official choose to add or replace road maintenance equipment.

Again, I support House Bill 1432 and would recommend a "DO PASS".

21.B-1432
3.15.19
Att #3

**Purchasing Thresholds
Effective July 1, 2018**

NDUS employees must follow SBHE policies and NDUS procedures. State Agencies, excluding Higher Education institutions, must follow OMB guidelines.

Level	Competition Requirements	Documentation Maintenance Requirement
<p>Level 1 "Micro" Purchase</p> <p>Less than \$10,000</p>	<p>Obtain at least one fair and reasonable quote.</p> <p>Note: Equipment and software must be added to inventory if \$5,000 or greater. (N.D.C.C. § <u>54-27-21</u> Fixed Asset Minimum Reporting Value)</p> <p>OMB: Rotate vendors solicited on an equitable basis (N.D.A.C. § <u>4-12-08-02</u>)</p> <p>OMB: State agencies (excluding Higher Education institutions) must submit <u>printing purchase requests</u> \$5,000 and over to OMB State Procurement.</p>	<p>NDUS: Documentation not required</p> <p>Alternate Procurement form not required if multiple quotes not solicited</p> <p>OMB: Document vendors solicited, quotes received, and award determination.</p>
<p>Level 2 Small Purchase</p> <p>At least \$10,000 but less than \$50,000</p>	<p>Solicit informal quotes/bids or proposals from at least three vendors, or post to SPO Online with appropriate state bidders list. May send to additional vendors.</p> <p>OMB: ITD must review IT purchases over \$25,000. Contact itdprocurement@nd.gov</p>	<p>Documentation is required.</p> <p><u>Alternate Procurement form</u> required if competition is not solicited from at least three vendors.</p> <p>The form is not required if three vendors are solicited and fewer than three bids or proposals are received.</p>
<p>Level 3 Informal Written Purchase</p> <p>At least \$50,000 but less than \$100,000</p>	<p>Solicit informal bids or proposals using SPO Online with appropriate state bidders list. May send to additional vendors.</p> <p>OMB: ITD must review IT purchases over \$25,000. Contact itdprocurement@nd.gov</p>	<p>Documentation is required</p> <p><u>Alternate Procurement form</u> required if:</p> <ol style="list-style-type: none"> 1. Competition is not solicited. 2. SPO Online is not used. 3. OMB: Competition is limited.
<p>Level 4 Formal Purchase</p> <p>\$100,000 and over</p>	<p>Must be purchased using formal sealed bids or Request for Proposal (RFP). Solicitations must be posted using SPO Online with appropriate state bidders list. May send to additional bidders.</p> <p>OMB: ITD must review IT purchases over \$25,000. Contact itdprocurement@nd.gov</p>	<p>Documentation is required.</p> <p><u>Alternate Procurement</u> required if:</p> <ol style="list-style-type: none"> 1. Competition is not solicited, or competition is limited. 2. SPO Online is not used. 3. OMB: Competition is Limited.

Questions? Contact OMB State Procurement at infospo@nd.gov or 701-328-1726