#### **2023 HOUSE GOVERNMENT AND VETERANS AFFAIRS**

HB 1288

## **Government and Veterans Affairs Committee**

Pioneer Room, State Capitol

HB 1288 2/2/2023

Relating to the lease of additional space by state agencies.

Chairman Schauer called the meeting to order at 9:00 AM.

Chairman Austen Schauer, Vice Chairman Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Vicky Steiner, Steve Vetter, and Mary Schneider. Rep. Jeff A. Hoverson not present.

#### **Discussion Topics:**

- Interest of the state
- Lease of property by state legislators
- Transparency of ownership
- Request for open records

Rep. Roers-Jones introduced HB 1288, speaking in favor of bill.

Chairman Schauer adjourned the meeting at 9:13 AM.

Phillip Jacobs, Committee Clerk

## **Government and Veterans Affairs Committee**

Pioneer Room, State Capitol

HB 1288 2/2/2023

Relating to the lease of additional space by state agencies.

Chairman Schauer called the meeting to order at 3:58 PM

Chairman Austen Schauer, Vice Chairman Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Vicky Steiner, Steve Vetter, and Mary Schneider. Rep. Louser not present.

## **Discussion Topics:**

- Committee work
- Bill transparency

Representative Roers-Jones answered questions from the committee.

Chairman Schauer adjourned the meeting at 4:09 PM

Phillip Jacobs, Committee Clerk By: Leah Kuball

#### **Government and Veterans Affairs Committee**

Pioneer Room, State Capitol

HB 1288 2/9/2023

Relating to the lease of additional space by state agencies.

Chairman Schauer called the meeting to order at 9:04 AM.

Chairman Austen Schauer, Vice Chairman Bernie Satrom, Reps. Landon Bahl, Claire Cory, Jeff A. Hoverson, Jorin Johnson, Karen Karls, Scott Louser, Carrie McLeod, Karen M. Rohr, Vicky Steiner, Steve Vetter, and Mary Schneider. All present.

#### **Discussion Topics:**

- Committee work
- Amendments (23.0626.02001) (23.0626.02002) (23.0626.02003)

Representative Roers- Jones proposed amendment to HB 1288 and answered questions from the committee. (23.0626.02002) (#22276)

Vice Chairman Satrom moved to adopt amendment (23.0626.02002) to HB 1288.

Seconded by Representative Bahl.

Representatives	Vote
Representative Austen Schauer	N
Representative Bernie Satrom	Y
Representative Landon Bahl	Y
Representative Claire Cory	Y
Representative Jeff A. Hoverson	N
Representative Jorin Johnson	Y
Representative Karen Karls	Y
Representative Scott Louser	N
Representative Carrie McLeod	Y
Representative Karen M. Rohr	AB
Representative Mary Schneider	Y
Representative Vicky Steiner	N
Representative Steve Vetter	N

Motion carries: 7-5-1.

Representative Karls moved to adopt amendment to HB 1288. (23.0626.02001) (#22275)

Seconded by Representative Bahl.

Roll Call Vote:

House Government and Veterans Affairs Committee HB 1288 2/9/2023 Page 2

Representatives	Vote
Representative Austen Schauer	N
Representative Bernie Satrom	N
Representative Landon Bahl	Y
Representative Claire Cory	N
Representative Jeff A. Hoverson	N
Representative Jorin Johnson	N
Representative Karen Karls	Y
Representative Scott Louser	N
Representative Carrie McLeod	Y
Representative Karen M. Rohr	AB
Representative Mary Schneider	N
Representative Vicky Steiner	N
Representative Steve Vetter	N

Motion fails: 3-9-1.

Representative Vetter moved to further amend HB 1288. (Page 2, line 2 change 5 to 10%)

Seconded by Representative Steiner.

Roll Call Vote:

Representatives	Vote
Representative Austen Schauer	Y
Representative Bernie Satrom	Y
Representative Landon Bahl	Y
Representative Claire Cory	Y
Representative Jeff A. Hoverson	Y
Representative Jorin Johnson	Y
Representative Karen Karls	Y
Representative Scott Louser	Y
Representative Carrie McLeod	Y
Representative Karen M. Rohr	AB
Representative Mary Schneider	Y
Representative Vicky Steiner	Y
Representative Steve Vetter	Y

Motion carries 12-0-1.

Representative Steiner moved a DO PASS as amended on HB 1288. (23.0626.02003)

Seconded by Representative Bahl.

Roll Call Vote:

Representatives	Vote
Representative Austen Schauer	Y
Representative Bernie Satrom	Y

House Government and Veterans Affairs Committee HB 1288 2/9/2023 Page 3

Penrecentative Lenden Rehl	V
Representative Landon Bahl	T
Representative Claire Cory	Y
Representative Jeff A. Hoverson	N
Representative Jorin Johnson	Y
Representative Karen Karls	N
Representative Scott Louser	Y
Representative Carrie McLeod	Y
Representative Karen M. Rohr	AB
Representative Mary Schneider	Y
Representative Vicky Steiner	Y
Representative Steve Vetter	Y

Motion carries 10-2-1.

Bill carrier: Representative Steiner

Chairman Schauer adjourned the meeting at 9:55 AM.

Phillip Jacobs, Committee Clerk By: Leah Kuball

23.0626.02003 Title.03000

Adopted by the House Government and Veterans Affairs Committee February 9, 2023

29.23

#### PROPOSED AMENDMENTS TO HOUSE BILL NO. 1288

- Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 54-21 of the North Dakota Century Code, relating to state entities contracting for property management services; and"
- Page 2, line 2, replace "five" with "ten"
- Page 2, after line 2, insert:

"SECTION 2. A new section to chapter 54-21 of the North Dakota Century Code is created and enacted as follows:

#### Contract for services - Property management.

A property management business that enters a contract to provide services to a state entity with an office located on state property or leased property used by a state entity under this chapter shall include a list of all the owners of the business providing the service, including each individual with an ownership interest in a business that directly or indirectly owns the business if the individual's aggregate ownership interest in the business is ten percent or more."

#### **REPORT OF STANDING COMMITTEE**

- HB 1288: Government and Veterans Affairs Committee (Rep. Schauer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (10 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1288 was placed on the Sixth order on the calendar.
- Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 54-21 of the North Dakota Century Code, relating to state entities contracting for property management services; and"
- Page 2, line 2, replace "five" with "ten"

Page 2, after line 2, insert:

"**SECTION 2.** A new section to chapter 54-21 of the North Dakota Century Code is created and enacted as follows:

#### Contract for services - Property management.

A property management business that enters a contract to provide services to a state entity with an office located on state property or leased property used by a state entity under this chapter shall include a list of all the owners of the business providing the service, including each individual with an ownership interest in a business that directly or indirectly owns the business if the individual's aggregate ownership interest in the business is ten percent or more."

## 2023 SENATE STATE AND LOCAL GOVERNMENT

HB 1288

# 2023 SENATE STANDING COMMITTEE MINUTES

## State and Local Government Committee

Room JW216, State Capitol

HB 1288 3/3/2023

Relating to state entities contracting for property management services; relating to the lease of additional space by state agencies.

10:00 AM Chair Roers opened the hearing. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

#### Discussion Topics:

- Ownership information
- Private entity disclosure
- Best price for space
- Transparency issue

Rep Roers-Jones, Dist 46, bill sponsor, testified in support with no written testimony.

Jeremy Petron, ND Apartment Assoc. testified opposed. #21905.

10:18 AM Chair Roers closed the hearing.

Pam Dever, Committee Clerk

# 2023 SENATE STANDING COMMITTEE MINUTES

## State and Local Government Committee

Room JW216, State Capitol

HB 1288 3/24/2023

Relating to state entities contracting for property management services; relating to the lease of additional space by state agencies.

2:30 PM Chair Roers opened committee work. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

#### **Discussion Topics:**

Committee action

Sen Roers moved amendment LC 23.0626.03003. Sen Lee seconded.

Roll call vote.

Senators	Vote
Senator Kristin Roers	Y
Senator Jeff Barta	Y
Senator Ryan Braunberger	Y
Senator Sean Cleary	Y
Senator Judy Estenson	Y
Senator Judy Lee	Y
	Alexand C

VOTE: YES – 6 NO – 0 Absent – 0

Motion PASSED

Sen Barta moved a DO PASS as Amended. Sen Cleary seconded.

Roll call vote.

Senators	Vote
Senator Kristin Roers	Y
Senator Jeff Barta	Y
Senator Ryan Braunberger	Y
Senator Sean Cleary	Y
Senator Judy Estenson	Y
Senator Judy Lee	Y

VOTE: YES – 6 NO – 0 Absent – 0 Motion PASSED

Sen Roers will carry the bill.

2:40 PM Chair Roers adjourned the meeting.

Pam Dever, Committee Clerk

23.0626.03003 Title.04000 Prepared by the Legislative Council staff for the Senate State and Local Government Committee N. S. S.

March 24, 2023

## PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1288

- Page 1, line 1, after "enact" insert "a new section to chapter 48-01.2, a new subsection to section 48-01.2-18, a new subsection to section 48-01.2-19, and"
- Page 1, line 2, after the first "to" insert "public improvement bids and"
- Page 1, line 3, replace "section" with "sections 48-02.1-03 and"
- Page 1, line 3, after "to" insert "public improvement bids and"
- Page 1, after line 5, insert:

"SECTION 1. A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

## Bid process - Public funds.

Except as otherwise provided by law, any entity receiving state funds for a state or local improvement project shall follow the bid process under this chapter.

**SECTION 2.** A new subsection to section 48-01.2-18 of the North Dakota Century Code is created and enacted as follows:

Before making a determination under this section, the governing body shall follow the bid process provided under this chapter.

**SECTION 3.** A new subsection to section 48-01.2-19 of the North Dakota Century Code is created and enacted as follows:

Notwithstanding the criteria in subsection 5 and unless the committee provides written rationale substantiating a decision to the contrary, the fee to be charged by each person interviewed must be the selection committee's primary consideration.

SECTION 4. AMENDMENT. Section 48-02.1-03 of the North Dakota Century Code is amended and reenacted as follows:

# 48-02.1-03. Public authority may enter into development agreement - Bid process.

1. A public authority may solicit or accept proposals from private operators for the constructing, improving, rehabilitating, operating, managing, and owning of a fee-based facility that will be situated in an area subject to the public authority's jurisdiction. After a hearing, the public authority may accept a proposal that it determines to be in the public interest. A public authority may negotiate and enter into a development agreement with any private operator.

Page 2, line 11, after the underscored period insert "<u>This section does not require the owner of the property management business to be disclosed if the property management services are provided through a third part.</u> Renumber accordingly

#### **REPORT OF STANDING COMMITTEE**

- HB 1288, as engrossed: State and Local Government Committee (Sen. K. Roers, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1288 was placed on the Sixth order on the calendar. This bill does not affect workforce development.
- Page 1, line 1, after "enact" insert "a new section to chapter 48-01.2, a new subsection to section 48-01.2-18, a new subsection to section 48-01.2-19, and"
- Page 1, line 2, after the first "to" insert "public improvement bids and"
- Page 1, line 3, replace "section" with "sections 48-02.1-03 and"
- Page 1, line 3, after "to" insert "public improvement bids and"
- Page 1, after line 5, insert:

"**SECTION 1.** A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

#### **Bid process - Public funds.**

Except as otherwise provided by law, any entity receiving state funds for a state or local improvement project shall follow the bid process under this chapter.

**SECTION 2.** A new subsection to section 48-01.2-18 of the North Dakota Century Code is created and enacted as follows:

Before making a determination under this section, the governing body shall follow the bid process provided under this chapter.

**SECTION 3.** A new subsection to section 48-01.2-19 of the North Dakota Century Code is created and enacted as follows:

Notwithstanding the criteria in subsection 5 and unless the committee provides written rationale substantiating a decision to the contrary, the fee to be charged by each person interviewed must be the selection committee's primary consideration.

**SECTION 4. AMENDMENT.** Section 48-02.1-03 of the North Dakota Century Code is amended and reenacted as follows:

- 1. A public authority may solicit or accept proposals from private operators for the constructing, improving, rehabilitating, operating, managing, and owning of a fee-based facility that will be situated in an area subject to the public authority's jurisdiction. After a hearing, the public authority may accept a proposal that it determines to be in the public interest. A public authority may negotiate and enter into a development agreement with any private operator.
- 2. Before soliciting or accepting proposals from private operators under this section, the public authority shall follow the bid process provided under chapter 48-01.2."
- Page 2, line 11, after the underscored period insert "<u>This section does not require the owner</u> of the property management business to be disclosed if the property management services are provided through a third party contract."

## **2023 CONFERENCE COMMITTEE**

HB 1288

#### **Government and Veterans Affairs Committee**

Pioneer Room, State Capitol

#### HB 1288 4/6/2023 Conference Committee

Relating to public improvement bids and state entities contracting for property management services, and to public improvement bids and the lease of additional space by state agencies.

Chairman Louser called the meeting to order at 4:00 PM.

Chairman Louser, Representative Satrom, and Representative Steiner present. Madam Chair K. Roers, Senator Lee, and Senator Sickler present.

#### **Discussion Topics:**

- Responsibility of bidders
- Construction risks
- Construction managers
- Cost of bids

Chairman Louser called for a discussion on HB 1288.

Madam Chair K. Roers discussed the Senate amendments to HB 1288.

Chairman Louser adjourned the meeting at 4:26 PM.

Phillip Jacobs, Committee Clerk

#### **Government and Veterans Affairs Committee**

Pioneer Room, State Capitol

#### HB 1288 4/13/2023 Conference Committee

Relating to public improvement bids and state entities contracting for property management services, and to public improvement bids and the lease of additional space by state agencies.

Chairman Louser called the meeting to order at 2:36 PM.

Chairman Louser, Representative Satrom, and Representative Steiner present. Madam Chair K. Roers, Senator Lee, and Senator Sickler present.

#### **Discussion Topics:**

- Responsibility of bidders
- Construction risks
- Construction managers
- Cost of bids

Chairman Louser called for a discussion on HB 1288.

Sen. Lee proposed an amendment to HB 1288.

Sen. Lee moved that the Senate recede from its amendments and amend as follows with 23.0626.03007 (#27872).

Seconded by Rep. Steiner.

Motion carries 6-0-0.

Carried by Rep. Louser in the House.

Carried by Sen. Lee in the Senate.

Chairman Louser adjourned the meeting at 2:43 PM.

Phillip Jacobs, Committee Clerk

23.0626.03007 Title.05000

That the Senate recede from its amendments as printed on pages 1405 and 1406 of the House Journal and pages 1157 and 1158 of the Senate Journal and that Engrossed House Bill No. 1288 be amended as follows:

Page 1, line 1, after "enact" insert "a new subsection to section 48-01.2-20 and"

Page 1, line 2, after the first "to" insert "notice requirements for construction manager at-risk contracts and"

Page 1, line 2, remove "and"

Page 1, line 4, after "agencies" insert "; and to provide for a legislative management study"

Page 1, after line 5, insert:

"SECTION 1. A new subsection to section 48-01.2-20 of the North Dakota Century Code is created and enacted as follows:

The governing body shall publish a notice of request for qualifications to enter a construction management at-risk contract under this section in a newspaper of general circulation in the county in which the public improvement is located and in a construction trade publication, electronic service, builders exchange, or other industry-recognized method in general circulation among the contractors, building manufacturers, and dealers in this state. The notice must be published for three consecutive weeks, with the first publication being at least twenty-one days before the date of opening of the request for qualifications. Upon written request, the governing body shall mail a copy of the invitation to any interested party."

Page 2, after line 11, insert:

"SECTION 4. LEGISLATIVE MANAGEMENT STUDY - INFRASTRUCTURE DEVELOPMENT BY PRIVATE OPERATORS. During the 2023-24 interim, the legislative management shall consider studying infrastructure development by private operators as provided for under chapter 48-02.1, agency construction management procurement procedures under section 48-01.2-19, and construction management at-risk delivery methods under section 48-01.2-20. The study must include input from contractor groups and other stakeholders to determine how public-private partnerships are being used and whether the use of these partnerships has been successful. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

#### 2023 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

BILL NO. 1288 as engrossed

#### House Government & Veterans Affairs Committee

#### 

- □ HOUSE accede to Senate Amendments and further amend
- □ SENATE recede from Senate amendments
- ☑ SENATE recede from Senate amendments and amend as follows
- □ **Unable to agree**, recommends that the committee be discharged and a new committee be appointed

Motion Made by: <u>Sen. Lee</u> Seconded by: <u>Rep. Steiner</u>									
Representatives	4/6	4/13	Yes	No	Senators	4/6	4/13	Yes	No
Representative Louser	X	Х	Х		Senator K. Roers	Х	X	Х	
Representative Satrom	Х	Х	Х		Senator Lee	Х	Х	Х	
Representative Steiner	Х	Х	Х		Senator Sickler	Х	Х	Х	
Total Rep. Vote					Total Senate Vote				
Vote Count	Yes: <u>6</u>	)			No: <u>0</u> A	bsent:	0		
House Carrier <u>Re</u>	p. Lou	ser			Senate Carrier <u>Sen. Lee</u>	•			
LC Number 23.06	26				03007	of a	mendn	nent	

LC Number 23.0626. 05000 of engrossment

Statement of purpose of amendment:

To include a notice requirement, request for qualifications to enter a construction management atrisk contract, and a study.

Insert LC: 23.0626.03007 House Carrier: Louser Senate Carrier: Lee

#### REPORT OF CONFERENCE COMMITTEE

**HB 1288, as engrossed:** Your conference committee (Sens. K. Roers, Lee, Sickler and Reps. Louser, Satrom, Steiner) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1405-1406, adopt amendments as follows, and place HB 1288 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1405 and 1406 of the House Journal and pages 1157 and 1158 of the Senate Journal and that Engrossed House Bill No. 1288 be amended as follows:

Page 1, line 1, after "enact" insert "a new subsection to section 48-01.2-20 and"

Page 1, line 2, after the first "to" insert "notice requirements for construction manager at-risk contracts and"

Page 1, line 2, remove "and"

Page 1, line 4, after "agencies" insert "; and to provide for a legislative management study"

Page 1, after line 5, insert:

"**SECTION 1.** A new subsection to section 48-01.2-20 of the North Dakota Century Code is created and enacted as follows:

The governing body shall publish a notice of request for qualifications to enter a construction management at-risk contract under this section in a newspaper of general circulation in the county in which the public improvement is located and in a construction trade publication, electronic service, builders exchange, or other industry-recognized method in general circulation among the contractors, building manufacturers, and dealers in this state. The notice must be published for three consecutive weeks, with the first publication being at least twenty-one days before the date of opening of the request for qualifications. Upon written request, the governing body shall mail a copy of the invitation to any interested party."

Page 2, after line 11, insert:

"SECTION 4. LEGISLATIVE MANAGEMENT STUDY - INFRASTRUCTURE DEVELOPMENT BY PRIVATE OPERATORS. During the 2023-24 interim, the legislative management shall consider studying infrastructure development by private operators as provided for under chapter 48-02.1, agency construction management procurement procedures under section 48-01.2-19, and construction management at-risk delivery methods under section 48-01.2-20. The study must include input from contractor groups and other stakeholders to determine how publicprivate partnerships are being used and whether the use of these partnerships has been successful. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."

Renumber accordingly

Engrossed HB 1288 was placed on the Seventh order of business on the calendar.

TESTIMONY

HB 1288

March 3, 2023

Jeremy Petron Lobbyist # 209 North Dakota Apartment Association

Re: In opposition to HB 1288

Chairwoman Roers and members of the Committee, my name is Jeremy Petron. I'm a lobbyist with the North Dakota Apartment Association, whose members consist of property owners, management companies, vendors, and staff in the industry. I've worked in the property management industry myself for 18 years.

Our concern with this Bill is the component regarding Contract for services - Property Management. We understand disclosure and transparency with whom the State is doing business and entities that are contracting directly with the State, but in most instances the property management company is a third-party to the lease agreement, hired by the building property entity, not directly by the State. Our concern is if this gets broadened and muddled in requiring all property management companies to list ownership, even if that property management company is contracted only directly with the building property entity. If a thirdparty to the contract would be required to list ownership, this begins to become onerous and where does the line get drawn? Would other vendors hired directly by the building property entity be required to list ownership, heating, janitorial, grounds services, etc.? Also, this Bill singles out property entities and property management companies, but does the State require ownership disclosure for any entity or contractor that does work with the State for any other reason, not just providing management services to State property or property leased by the State? 23.0626.02001 Title. Prepared by the Legislative Council staff for Representative Karls February 6, 2023

#### PROPOSED AMENDMENTS TO HOUSE BILL NO. 1288

Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 54-21 of the North Dakota Century Code, relating to state entities contracting for services; and"

Page 2, after line 2, insert:

"SECTION 2. A new section to chapter 54-21 of the North Dakota Century Code is created and enacted as follows:

#### Contract for services.

<u>A contractor, sub-contractor, engineer, construction manager, architect, or</u> <u>consultant, that enters a contract to provide services to a state entity with an office</u> <u>located on state property or leased property used by a state entity under this chapter</u> <u>shall include a list of all the owners of the business providing the service, including</u> <u>each individual with an ownership interest in a business directly or indirectly owns the</u> <u>business if the individual's aggregate ownership interest in the business is five percent</u> <u>or more.</u>"

23.0626.02002 Title. Prepared by the Legislative Council staff for Representative Roers Jones February 7, 2023

#### PROPOSED AMENDMENTS TO HOUSE BILL NO. 1288

Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 54-21 of the North Dakota Century Code, relating to state entities contracting for property management services; and"

Page 2, after line 2, insert:

"SECTION 2. A new section to chapter 54-21 of the North Dakota Century Code is created and enacted as follows:

#### Contract for services - Property management.

A property management business that enters a contract to provide services to a state entity with an office located on state property or leased property used by a state entity under this chapter shall include a list of all the owners of the business providing the service, including each individual with an ownership interest in a business that directly or indirectly owns the business if the individual's aggregate ownership interest in the business is five percent or more."



Management and Budget Testimony in Opposition to House Bill No. 1288 House Government & Veterans Affairs April 13, 2023

#### TESTIMONY OF

#### John Boyle, Director, Facilities Management Division

Good afternoon Chairman Louser and members of the conference committee on HB 1288. I am John Boyle, Director of the Facilities Management Division of the Office of Management (OMB) and Budget. Thank you for the opportunity to submit my testimony.

Amendments have been added to HB 1288 by the Senate without any testimony provided by the public.

The 59<sup>th</sup> Legislative Assembly approved a study for N.D.C.C. Chapter 48-01.1, Public Improvement Contract Bids. A committee was established consisting of members from industry organizations that represent general contractors, architects, engineers. State agencies, including OMB, were also represented. The final report prepared after more than a year of work was presented to an interim committee and eventually resulted in introduction of a bill. The 60<sup>th</sup> Legislative Assembly repealed N.D.C.C. Chapter 48-01.1, Public Improvement Contract Bids, and replaced it with N.D.C.C. Chapter 48-01.2.

Maybe it is time to revisit this section of century code. In lieu of the amendments by the Senate, language could be drafted for a study.

A couple other questions concerning the amendments are as follows:

#### Section 1 Bid Process- Public Funds

While explaining this amendment, it was mentioned there are certain public improvement projects that do not require going through the bidding process. I am not aware of any public improvement project that is subject to NDCC 48-01.2 that do not need proceed without using one of the three delivery methods identified in this chapter for projects over the current threshold of \$200,000. Can someone provide examples of such projects?

# Section 2 – The new subsection shall require the governing body to follow the bid process under this chapter.

Chapter 48-01.2-18 and 48-01.2-19 set forth the criteria used in selecting an agency construction manager or construction manager at risk. These individuals or firms are selected on a basis of qualifications, not cost. I just chaired a selection committee that interviewed three firms to provide construction manager at risk services for the new \$70 million state lab project.

## Section 3 – New Subsection to N.D.C.C. 48-01.2-19

Senator Sickler mentioned under N.D.C.C. 48-01.2-19 (5) the fee should be allocated the most points during the evaluation process. Fees are currently not part of the selection committee's evaluation criteria in this section of N.D.C.C. See N.D.C.C. § 48-01.2-19 (5) below:

- 48-01.2-19. Agency construction management procurement procedures Contract.
  (5). The selection committee shall evaluate each person interviewed on the basis of the following criteria:
  - a. The past performance of the person with respect to prior public improvements.
  - b. The qualifications of proposed personnel.
  - c. The willingness to meet time and budget requirements of the governing body.
  - d. The business location of the person.
  - e. The recent, current, and projected workloads of the person.
  - f. Any related experience performing agency construction management services on projects of similar size and scope.
  - g. Any recent or current work by the person for the agency.
  - h. The ability of the person to provide the bond for the person's portion of the work on the public improvement.
  - i. The possession by the person of a class A contractor's license.

Is the Senate amendment requiring that a fee be allocated the highest weight within the existing evaluation criteria, or do they want to add a fee as part of the criteria first and then allocate the highest weight to it? Clarification is needed.

Chairman Louser and members I would be more than happy to discuss further at your committee's convenience.

23.0626.03007 Title. Prepared by the Legislative Council staff for Senator Lee

April 12, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1288

That the Senate recede from its amendments as printed on pages 1405 and 1406 of the House Journal and pages 1157 and 1158 of the Senate Journal and that Engrossed House Bill No. 1288 be amended as follows:

Page 1, line 1, after "enact" insert "a new subsection to section 48-01.2-20 and"

Page 1, line 2, after the first "to" insert "notice requirements for construction manager at-risk contracts and"

Page 1, line 2, remove "and"

Page 1, line 4, after "agencies" insert "; and to provide for a legislative management study"

Page 1, after line 5, insert:

"SECTION 1. A new subsection to section 48-01.2-20 of the North Dakota Century Code is created and enacted as follows:

The governing body shall publish a notice of request for qualifications to enter a construction management at-risk contract under this section in a newspaper of general circulation in the county in which the public improvement is located and in a construction trade publication, electronic service, builders exchange, or other industry-recognized method in general circulation among the contractors, building manufacturers, and dealers in this state. The notice must be published for three consecutive weeks, with the first publication being at least twenty-one days before the date of opening of the request for qualifications. Upon written request, the governing body shall mail a copy of the invitation to any interested party."

Page 2, after line 11, insert:

"SECTION 4. LEGISLATIVE MANAGEMENT STUDY - INFRASTRUCTURE DEVELOPMENT BY PRIVATE OPERATORS. During the 2023-24 interim, the legislative management shall consider studying infrastructure development by private operators as provided for under chapter 48-02.1, agency construction management procurement procedures under section 48-01.2-19, and construction management at-risk delivery methods under section 48-01.2-20. The study must include input from contractor groups and other stakeholders to determine how public-private partnerships are being used and whether the use of these partnerships has been successful. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly."