

**2023 SENATE STATE AND LOCAL GOVERNMENT**

**SB 2370**

# 2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee  
Room JW216, State Capitol

SB 2370  
2/9/2023

Relating to authorizing a city or a county to engage in cooperative purchasing.

9:00 AM Chair Roeres opened the hearing. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

## Discussion Topics:

- Staffing issue
- High volume purchases
- Competition

Sherri Neis, OMB-Office of Management Budget testified in support. No written testimony.

Ben Joniaux, , Sourcewell, Green Bay, WI, testified in support #19641.

Sen Davison, testified in support with no written testimony.

Jenny Deitson, testified in support with no written testimony.

## Additional written testimony:

Tammy Rimes, Minneapolis, MN, in support #20272

Dan Schriock, Burleigh Co Engineer, in support #19867

Al Heiser, Stark County Highway Superintendent, Past President of the ND Association of county Engineers, in support. #19854

John Boling, for Brian Pallasch, Washington, DC, opposed #20033

9:25 AM Chair Roers closed the hearing.

*Pam Dever, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee  
Room JW216, State Capitol

SB 2370  
2/10/2023

Relating to authorizing a city or a county to engage in cooperative purchasing.
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11:05 AM Chair Roers opened the meeting. Present: Chair Roers, Vice Chair Barta, Sen Cleary, Sen Estenson, Sen J Lee, and Sen Braunberger.

**Discussion Topics:**

- Amendments
- Bill review

11:06 AM Chair Roers discussed possible amendments putting provisions in section 3 and 4 prohibiting of construction services in Chap 54-44.7.

11:10 AM Ben Joniaux, Sourcewell, answered questions about possible amendments.

11:17 AM Chair Roers closed the meeting.

*Pam Dever, Committee Clerk*

# 2023 SENATE STANDING COMMITTEE MINUTES

State and Local Government Committee  
Room JW216, State Capitol

SB 2370  
2/16/2023

Relating to authorizing a city or a county to engage in cooperative purchasing.

9:10 AM 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 discusses proposed amendments #21213.

Sen Estenson moved a DO PASS on amendment 23.0564.02004.

Sen Barta seconded the motion.

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 Barta moved a DO PASS as Amended.

Sen Braunberger seconded the motion.

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 Barta will carry the bill.

9:20 AM Chair Roers adjourned the meeting.

*Pam Dever, Committee Clerk*

24  
2-16-23

PROPOSED AMENDMENTS TO SENATE BILL NO. 2370

Page 1, line 17, after "state" insert an underscored comma

Page 1, line 17, after "subdivision" insert "of this state or any other state."

Page 1, line 18, remove "A county also may participate in cooperative"

Page 1, remove lines 19 through 22

Page 2, line 4, after "54-40.3" insert ". This section does not apply to construction of public improvement as defined in chapter 48-01.2"

Page 2, line 9, after "state" insert an underscored comma

Page 2, line 9, after "subdivision" insert "of this state or any other state."

Page 2, line 10, remove "A city also may participate in"

Page 2, replace lines 11 through 14 with "This section does not apply to construction of a public improvement as defined in chapter 48-01.2."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2370: 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). SB 2370 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

Page 1, line 17, after "state" insert an underscored comma

Page 1, line 17, after "subdivision" insert "of this state or any other state."

Page 1, line 18, remove "A county also may participate in cooperative"

Page 1, remove lines 19 through 22

Page 2, line 4, after "54-40.3" insert ". This section does not apply to construction of public improvement as defined in chapter 48-01.2"

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Page 2, line 10, remove "A city also may participate in"

Page 2, replace lines 11 through 14 with "This section does not apply to construction of a public improvement as defined in chapter 48-01.2."

Renumber accordingly

**2023 HOUSE GOVERNMENT AND VETERANS AFFAIRS**

**SB 2370**

# 2023 HOUSE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Pioneer Room, State Capitol

SB 2370  
3/9/2023

Relating to cooperative purchasing pursuant to a joint powers agreement.
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Chairman Schauer called the meeting to order at 2:30 PM.

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

### **Discussion Topics:**

- Responsive vendors
- Extension of authority
- Political subdivisions
- Local purchasing contracts

Sen. Davidson introduced SB 2370, speaking in support of bill.

Ben Joniaux, Government Relations Associate for Sourcewell, supportive testimony (#23226).

Genny Deintsmann, with North Dakota Association of Counties and Executive Director of North Dakota Association of County Engineers and Highway Superintendents, supportive testimony (#23070).

Marc Taylor, Owner and Government Bid Supervisor of Plains Ag, opposition testimony (#27269).

Sherry Neas, Procurement Officer for North Dakota, spoke in a neutral position.

Chairman Schauer adjourned the meeting at 3:14 PM.

*Phillip Jacobs, Committee Clerk*



# 2023 HOUSE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Pioneer Room, State Capitol

SB 2370  
3/10/2023

Relating to cooperative purchasing pursuant to a joint powers agreement.

Chairman Schauer called the meeting to order at 11:12 AM.

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

### Discussion Topics:

- Committee work

Chairman Schauer called for a discussion on SB 2370.

Rep. Hoverson moved a do not pass on SB 2370.

Seconded by Vice Chairman Satrom.

### Roll Call Vote:

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

Motion carries 8-3-2.

Carried by Rep. Hoverson.

Chairman Schauer adjourned the meeting at 11:20 AM.

*Phillip Jacobs, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**SB 2370, as engrossed: Government and Veterans Affairs Committee (Rep. Schauer, Chairman) recommends DO NOT PASS (8 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING).** Engrossed SB 2370 was placed on the Fourteenth order on the calendar.

**TESTIMONY**

**SB 2370**



February 9, 2023

RE: North Dakota Senate Bill 2370

Senator Roers and Members of the Senate State and Government Affairs Committee -

Sourcewell strongly supports Senate Bill 2370 which would allow cities and counties in the state of North Dakota to enter into cooperative purchasing agreements.

Sourcewell is a cooperative procurement organization serving government agencies in North Dakota and across the country. Cooperative purchasing contracts offer the same qualities of any government contract, and more. The solicitations are bid to meet requirements of government procurement rules including public advertising and fair solicitation evaluation where price and value are among the most important factors in determining responsible and responsive vendors.

Currently only school districts and the state of North Dakota are allowed to enter cooperative purchasing contracts. Senate Bill 2370 extends this authority to counties and cities and would allow them to enter into cooperative purchasing agreements with other political subdivisions.

Cooperative purchasing provides government efficiencies, access to industry leading goods and services, and cost savings. Cooperative purchasing combines multiple governments buying requirements into a single contract to harness volume discounts and purchasing power. By using cooperative contracts, procurement teams can further negotiate lower prices and reduce procurement time. Industry also recognizes the role cooperative purchasing plays in government procurement in that it provides them an opportunity to serve governments and satisfy their rules and regulations. The value of cooperative purchasing has long been recognized as an acceptable and legal means of government procurement by both the American Bar Association as well as the National Institute of Government Procurement. It is currently utilized widely by both the state of North Dakota and North Dakota school districts.

Sourcewell urges the passage of Senate Bill 2370 to provide another cooperative purchasing tool to cities and counties while continuing to be good stewards of public dollars.

Sincerely,

Ben Joniaux  
Government Relations Associate  
Sourcewell  
Ben.Joniaux@sourcewell-mn.gov

Testimony Prepared for the  
**Senate State and Local Government Committee**  
February 9, 2023  
By: Al Heiser, Stark County Highway Superintendent



**RE: Support for SB 2370 – Relating to counties/cities to engage  
in cooperative purchasing**

Chair Roers and members of the State and Local Government Committee, my name is Al Heiser and I am the Stark County Highway Superintendent and also serve as Past President of the ND Association of County Engineers. I am here to provide testimony in support of SB 2370.

Counties are required to bid heavy equipment over \$100,000. The process can sometimes be cumbersome, time consuming and difficult when bids are limited. The cooperative purchasing programs offer a competitive bid process, which is advertised nationwide in many cases and offer the contracts to agencies at no cost to use. This creates efficiencies for counties in the public procurement process.

Unfortunately, we have had some issues with how the Century Code has been interpreted with cooperative purchasing within our own counties. Some counties have been told by their States Attorney they can use these agreements, while other counties are told they cannot. With that being said, this option would simplify purchasing equipment that fits our needs and gives us more control on the quality of products we purchase. Surrounding states like Minnesota, South Dakota and Montana already have these cooperative purchasing programs in place. It would be great to include North Dakota in this list.

Chair Roers and Committee members, thank you for the opportunity to provide testimony and I ask for your support on SB 2370.

Testimony Prepared for the  
**Senate State and Local Government Committee**  
February 9, 2023  
By: Dan Schriock, Burleigh County Asst. Engineer



**RE: Support for SB 2370 – Relating to counties/cities to engage  
in cooperative purchasing**

Chair Roers and State and Local Government Committee members, thank you for the opportunity to provide testimony on SB 2370. I am Dan Schriock, Burleigh County Assistant Engineer, and I also serve on the legislative committee for the ND Association of County Engineers. I am here to support the bill as proposed.

Counties have used cooperative purchasing and joint powers agreements for years in buying goods and services at a more reasonable rate than purchasing these same items on their own. There are many advantages of doing cooperative purchasing when counties are looking for similar items, but it becomes more difficult when specs vary in which buying power may become limited.

For example, in our industry, we bid on large equipment like trucks, blades and loaders. We have other equipment in our inventory, such as attachments, that must work with the new equipment being purchased, so bid specs may vary depending on what each county uses. Since 53 counties aren't looking for the same equipment, the buying power and discounts will not be as high due to lower volume. This bill allows additional flexibility for counties to have more options and efficiencies when making purchases; because these agreements provide a national volume discount and we are still able to spend our local tax dollars with our local dealers.

This bill isn't requiring counties to use this mechanism for all its purchases, it is simply providing another option for counties to utilize when making purchasing decisions.

Chair Roers and Committee members, thank you for the opportunity to provide testimony on this bill and I ask for your support on SB 2370.



February 8, 2023

**Testimony regarding SB 2370 cooperative purchasing - Brian Pallasch for the International Institute of Building Enclosure Consultants (IIBEC)**

Dear Chair Roers, and members of the committee:

On behalf of the over 3,500 members of the International Institute of Building Enclosure Consultants (IIBEC), and especially our members located across the great state of North Dakota, we thank you for working diligently to ensure that public monies are wisely allocated. Nevertheless, *I respectfully request that the committee consider amending SB 2370 to protect taxpayers and ensure compliance with state requirements regarding the procurement of architecture, engineering, and land surveying services, as outlined by N.D.C.C. Chapter 54-44.7, by inserting a provision prohibiting the purchase of such services via a cooperative purchasing program.*

IIBEC members come from a diverse group of architecture, engineering and design and specialize in design, investigation, repair, and management of roofing, exterior wall, and waterproofing systems.

**SB 2370 undermines state code**

As you are aware, North Dakota uses the Qualifications-Based Selection (QBS) process for the selection of architecture, engineering, and design services (commonly referred to as ‘construction services’) for public construction projects, a process that has proven beneficial for government and the taxpayers. However, as written, SB 2370 will allow cities and counties to sidestep the QBS process if construction services are offered as a product through the cooperative purchasing program.

Section 2 of the legislation states, “A county also may participate in cooperative purchasing programs established by any organization that offers its goods or services as a result of competitive solicitation processes. Approval from the office of management and budget under section 54 - 44.4 - 13 is not required for a cooperative purchasing agreement executed under this section.” Similar language allows cities to engage in the same practice in Section 4.

Specifically, it is our experience that cooperative procurement plans allow plan participants that are offering manufactured goods to also offer “services” as an add on to the purchase. If, for example, the service is an installation fee that can be selected when purchasing new communication equipment for county vehicles, then that would likely be a good deal for the taxpayers. However, if a manufacturer offers ‘construction services’ as an add on to the purchase of a roof products, for example, then that offering would be including the purchase of architectural, engineering or design services, which normally would be selected for through the QBS process. Precisely because the legislation does not prohibit such practices, city and county procurement staff may be able to sidestep the QBS process while purchasing materials for a construction project. This mixing of product sales and design services undermines the independence of the design professional and focuses on price in contradiction of the QBS process.

**IIBEC supports Cooperative Purchasing for most products**

Cooperative purchasing has become increasingly popular due to the potential for saving state governments significant time and money. Often referred to as the Amazon.com for public entities, the service allows participants to easily differentiate between products whose price is widely available allowing them to purchase

the one that meets their needs the best at a price that meets their budget. IIBEC fully supports this wise use of taxpayer funds.

However, there is a vast difference between choosing a product based on price that you can easily determine is a deal for the taxpayers and a service, which is much more subjective. History has proven that when price is the primary determinant for construction services, corners may be cut, and public safety is put at risk. The downsides have been recognized for over a century. As a matter of fact, as far back as 1862, the Attorney General, when ruling on a case observed:

Although this policy (price competition) is certainly desirable in all cases, there are yet some to which it cannot well be applied. Such are contracts for services which require special skill and experience... In all contracts for services which presuppose trained skill and experience, the public officer who employs the service must be allowed to exercise a judicious discrimination, and to select such as, in his judgment, possesses the required qualifications.<sup>1</sup>

For decades QBS has proven that contract negotiations that start with qualifications and experience have resulted in better more cost-effective construction projects. When it comes to the design of buildings, roads, bridges, or water systems, the citizens of North Dakota are best served by the qualified professionals - not the lowest bidder.

For the record, the U.S. Federal Government has used QBS since 1972 (Brooks Act – Public Law 92-582) as incorporated into Federal Acquisition Regulation (FAR) Subpart 36.6 - Architect-Engineer Services. This process has been so successful at the federal level that it is recommended by the American Bar Association in its model procurement code for state and local government. Since then, 46 states and many more local governments have incorporated the principles of QBS into their own state procurement processes. QBS has proven to be more efficient and less costly than the use of price-based selection criteria. Note: the ABA also supports cooperative purchasing for commodities.

### **QBS Background**

QBS is a proven step-by-step process that facilitates the owner's selection of a design professional firm on the basis of qualifications and competence in relation to the scope of the project and facilitates the development of an appropriate scope of work for a specific project. The process is straightforward and easy to implement. It is objective and fair. It can be well documented, and it is open to public scrutiny.<sup>2</sup>

QBS allows procurement officials to exercise greater latitude in selecting design professionals like building enclosure consultants (BEC), by recognizing both objective and subjective criteria such as innovation, unique design approaches, sustainable design, and in identifying the best match for a project's size, scope, location, and regulatory requirements.

More recently, last March the ACEC Research Institute released the findings of a comprehensive study that found "federal and state policies that selected engineering services based on the design team's qualifications and experience had lower project costs and better on-time delivery verses selecting firms based on the cheapest bid."<sup>3</sup> Key findings of the report include:

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<sup>1</sup> Ibid, page 1.

<sup>2</sup> Qualifications-Based Selection: A Guide Including Model Local Government Policy and Procedures for Selecting Architects, Engineers and Land Surveyors, July 2000. <http://docs.acec.org/pub/9E675727-0EEE-1DC9-3B51-2A94F3CFDF3B>

<sup>3</sup> <https://program.acec.org/qbs-resources-portal>



- QBS saves money – projects where QBS was used to procure engineering services experienced less cost growth (3 percent) versus the national average (6 percent).
- QBS saves time – QBS projects perform better in terms of project delivery time, experiencing less schedule growth versus the national average (7 percent with QBS versus 10 percent without).
- QBS produces higher levels of client satisfaction – (89% of QBS projects receiving “high” or “very high” satisfaction ratings from project owners).
- QBS promotes innovation -- Projects incorporating QBS have a greater likelihood of producing innovative solutions.

**Solution**

As previously mentioned, we respectfully request the committee include a provision in section 3 and section 4 that prohibits the procurement of construction services outlined by N.D.C.C. Chapter 54-44.7 via a cooperative purchasing program.

We urge you to support a procurement process that has served the state and its taxpayers well. The QBS process is fair, transparent, and promotes open competition by qualified companies.

Thank you for the opportunity to share our concerns on this important topic.

Sincerely,



Brian Pallasch, CAE  
CEO/EVP

cc: Senator Jeff Barta  
Senator Ryan Braunberger  
Senator Sean Cleary  
Senator Judy Estenson  
Senator Judy Lee



**Jeremy Schwartz**  
Chair  
Sourcewell

February 8, 2023

**Andrea Scobie**  
Vice Chair  
OMNIA Partners

The North Dakota Senate  
Senate State and Local Government Committee

**John Orlando**  
Treasurer  
E&I Cooperative  
Services

To: Members of the Senate State and Local Government Committee

**Ronnie Barnes**  
HGAC-Buy

Subject: **Support of SB 2370** to Amend the North Dakota Century Code

**Dr. Chad Coquette**  
Sourcewell

As North America’s professional association for cooperative procurement, the National Cooperative Procurement Partners (NCPPE) **supports** SB 2370.

**Eric Frank**  
E&I Cooperative  
Services

Cooperative or joint purchasing has long been used by municipalities across the nation as an established method of procurement. This proposed legislation will amend the North Dakota Century Code, subsection 4 of 11.11.14 to empower the board of county commissioners to contract for cooperative purchases consistent with the joint-powers agreement under chapter 54-40.3, and ultimately allow cities and counties to use this contracting tool.

**Doug Looney**  
OMNIA Partners

The benefits of cooperative procurement are well documented, including:

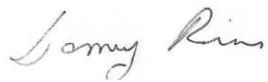
- The solicitation–starting from the advertisement and initial bid through the contract award process is an open, transparent, and public government procurement process solicited by units of government for units of government. This contracting tool helps resource-strapped procurement teams and shortens the timeframe to obtain needed goods and services.
- Cooperative organizations who solicit and award contracts for national use must comply with public procurement procedures, and any delivered services must comply with local laws and regulations.
- Cooperative contracts lend themselves to best value propositions. Pricing is very important, along with service options, warranties, and references. Multiple entities using one contract results in advantageous pricing.

The value of joint and cooperative purchasing has long been recognized as an acceptable and legal means of government procurement by both the American Bar Association and the National Institute of Government Procurement. Many suppliers

within the state, have cooperative contracts that could be offered to North Dakota local governments to drive efficiencies and savings.

SB2370 seeks to clarify the ability for political subdivisions to make cooperative purchases which will ultimately benefit North Dakota taxpayers.

Thank you for your consideration,

A handwritten signature in cursive script that reads "Tammy Rimes".

Tammy Rimes, MPA  
NCPP Executive Director

23.0564.02003  
Title.

Prepared by the Legislative Council staff for  
Senator Davison  
February 10, 2023

PROPOSED AMENDMENTS TO SENATE BILL NO. 2370

Page 1, line 17, after "subdivision" insert "of this state or any other state."

Page 1, line 18, remove "A county also may participate in cooperative"

Page 1, remove lines 19 through 22

Page 2, line 9, after "subdivision" insert "of this state or any other state."

Page 2, line 10, remove "A city also may participate in"

Page 2, remove lines 11 through 14

Re-number accordingly

Testimony Prepared for the  
**House Government & Veterans Affairs Committee**  
March 9, 2023  
By Genny Dienstmann ND Association of Counties



**RE: Support for SB 2370 – Cooperative purchasing for counties/cities**

Chairman Schauer and House Government and Veterans Affairs Committee members, thank you for the opportunity to provide testimony in support of SB 2370 on behalf of counties. I am Genny Dienstmann with the ND Association of Counties and I also serve as Executive Director for the ND Association of County Engineers and Highway Superintendents.

Counties have used cooperative purchasing and joint powers agreements for years in buying goods and services. There are many advantages of using cooperative purchasing, particularly when counties are looking for large equipment.

For example, counties are required to bid on large equipment over \$100,000 like trucks, blades and loaders. They have other equipment in their inventory, such as attachments, that must work with the new equipment being purchased, so bid specs may vary depending on what each county uses. Since 53 counties aren't looking for the same equipment at the same time, the buying power and discounts aren't as high due to lower volume when bidding on their own.

The cooperative purchasing programs offer a competitive bid process, which is advertised nationwide in many cases and offers the contracts to agencies at no cost to use. This creates efficiencies for counties in the public procurement process while still being able to spend local tax dollars with local equipment dealers.

This bill doesn't require counties to use this process for all its purchases, it simply provides another option for counties when making purchasing decisions, which we would greatly appreciate.

Chair Schauer and committee members, we support this bill and request a DO PASS recommendation on SB 2370.



March 9, 2023

RE: North Dakota Senate Bill 2370

Chairman Schauer and members of the House Government and Veteran Affairs Committee

Sourcewell strongly supports Senate Bill 2370 which would allow cities and counties in the state of North Dakota to enter into cooperative purchasing agreements.

Sourcewell is a cooperative procurement organization serving government agencies in North Dakota and across the country. Cooperative purchasing contracts offer the same qualities of any government contract, and more. The solicitations are bid to meet requirements of government procurement rules including public advertising and fair solicitation evaluation where price and value are among the most important factors in determining responsible and responsive vendors.

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Cooperative purchasing provides government efficiencies, access to industry leading goods and services, and cost savings. Cooperative purchasing combines multiple governments buying requirements into a single contract to harness volume discounts and purchasing power. By using cooperative contracts, procurement teams can further negotiate lower prices and reduce procurement time. Industry also recognizes the role cooperative purchasing plays in government procurement in that it provides them an opportunity to serve governments and satisfy their rules and regulations. The value of cooperative purchasing has long been recognized as an acceptable and legal means of government procurement by both the American Bar Association as well as the National Institute of Government Procurement. It is currently utilized widely by both the state of North Dakota and North Dakota school districts.

Sourcewell urges the passage of Senate Bill 2370 to provide another cooperative purchasing tool to cities and counties while continuing to be good stewards of public dollars.

Sincerely,

Ben Joniaux  
Government Relations Associate  
Sourcewell  
Ben.Joniaux@sourcewell-mn.gov

North Dakota Senate Bill 2370  
House Government and Veterans Affairs Committee  
Thursday, March 9, 2023  
**Marc Taylor, Plains Ag**

Mr. Chairman and committee members, my name is Marc Taylor and I, along with my partners, own the Plains Ag farm equipment dealership group. I am also the Government Bid Supervisor of our group which means I am in charge of all Government Bids.

Our family-owned business is proud to have locations in 9 communities across Western, ND. We have a dedicated team of over 200 employees who live in and support these communities. We pay 100% of the cost of health insurance for our employees and their dependents. All of the Plains Ag owners are also North Dakota residents who pay real estate and income taxes in North Dakota. We also conduct an annual program where we choose a school and provide mittens and caps for children. I tell you all of this so that you know that we are North Dakotans who invest heavily in our local communities.

There are several points that I am attempting to make:

- 1) Plains Ag and I have experience in bids dating back to 1984.
- 2) We have been very successful in securing many bids.
- 3) Plains Ag is very active in many western North Dakota communities where we pay taxes, our employees pay taxes, and all of us continue to invest.

Government Bids are an important segment of our business and we have been successful in securing many of the bids we submitted. As recently as last Wednesday, we were awarded the bid for up to 15 mowers that will be used for mowing road ditches throughout most of the state. Earlier this year, Plains Ag was also awarded the bid for tractors that will be used for mowing, snow blowing, and more.

Years ago, manufacturers were not very aggressive with government bids. However, that has changed – at least with Case IH. Based on my experience, I expect we can provide discounts that puts us in a very competitive position with nearly all bids.

As tax-paying residents we absolutely support allowing local governments to secure the best deal possible. In addition, we also believe it is in the best interests of our state for local governments to purchase products from fellow North Dakotans – provided the products are sold in a competitive environment...and there is much competition in the farm and construction equipment sector.

In addition, competitive bidding among North Dakotans often provides greater scrutiny or insight on the exact product specifications for our region. As an example, the solicitation from the North Dakota DOT had five amendments before the final bid acceptance. The amendments often expand the opportunity for additional competition by explaining various specifications in greater detail.



Several years ago, the DOT solicited a bid for mowers with a specification for a 540 RPM drive line. After a discussion with the DOT as to why those specifications were listed, I was told the drive line maintenance was too high and the DOT wanted a heavier driveline to reduce costs. I suggested changing the specification 1,000 RPM as it would experience about a 50% reduction in stress. I engaged an engineer from one of the mower companies to write a letter to back up my position and the specification change greatly reduced the maintenance.

As we consider this bill, our only request is for a level playing field that allows us to receive notice of bid opportunities and also the opportunity to submit bids for farm and construction equipment purchases.

A big question I have is, does SB 2370 allow a city or county the ability to circumvent local, North Dakota businesses and purchase equipment from an out of state business, who may not even provide the lowest bid because we and other North Dakotans were not given an opportunity to bid?

I don't know all of the details involved with this bill or the current law but, my two other questions are:

1. Does this bill promote sending our tax dollars out of North Dakota vs. keeping those dollars in state?
2. Is this bill is good for North Dakota businesses?

Mr. Chairman, members of the Committee, would you please help to ensure that North Dakota businesses and employees have a shot at providing competitive bids. Thank you for the opportunity to express my thoughts Mr. Chairman.

Marc Taylor,  
Plains Ag