

February 12, 2021

**Senate Political Subdivisions Committee
SB 2337**

Mr. Chairman and members of the Senate Political Subdivisions Committee, my name is Russ Hanson and I am with the Associated General Contractors of North Dakota (AGC of ND). The AGC of ND is the largest construction trade association in North Dakota representing 400 members who perform all types of commercial construction (highway/bridge, vertical commercial, water/utility). Our membership also consists of equipment and material suppliers and has been in existence since 1951.

The AGC of ND is in opposition to SB 2337 which proposes to increase the design bid threshold to \$500,000. Our association has been a consistent opponent of raising bid thresholds throughout the years as they are presented to the Legislature. With public funds utilized for projects governed by NDCC 48, we believe an open and transparent system is important.

Our main reason to oppose raising the thresholds is, if enacted, SB 2337 would once again separate the design and bid thresholds. In 2015 the Legislature raised the design threshold from \$100,000 to \$150,000, while leaving the construction threshold at \$100,000. Since the inception of bid thresholds (I believe in 1991), the design and bid thresholds had been the same. When they became two different numbers, there was confusion and, subsequently, we supported realigning them to the same amount which was settled at \$150,000 by the 2017 Legislature. Then the 2019 Legislature raised both thresholds to \$200,000 and the assumption was this issue would be left alone for a while. SB 2337 obviously would decouple these thresholds and we expect similar confusion to follow should this legislation be enacted. For these reasons, we do not view SB 2337 as necessary and we would request a Do Not Pass Committee Recommendation.