

**FIRST ENGROSSMENT**

**ENGROSSED HOUSE BILL NO. 1445**

Introduced by

Representatives Brandenburg, Beltz, Grueneich, Kempenich, O'Brien, Pyle, VanWinkle  
Senators Erbele, Patten, Wanzek, Weber

1 A BILL for an Act to amend and reenact sections 48-01.2-01 and 48-01.2-02.1 of the North  
2 Dakota Century Code, relating to the definition of a pre-engineered structure and the threshold  
3 for procuring plans, drawings, and specifications from an architect or engineer for construction  
4 of a public improvement.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 48-01.2-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **48-01.2-01. Definitions.**

9 In this chapter, unless the context otherwise requires:

- 10 1. "Agency construction management" means a public improvement delivery method  
11 through which a person provides to a governing body experienced construction  
12 management services, including ideas on constructability, documentation of design  
13 and construction, and coordination of project schedules.
- 14 2. "Architect" means an individual registered as an architect under chapter 43-03.
- 15 3. "Common ownership" means a shared management or ownership interest in two or  
16 more entities.
- 17 4. "Construction" means the process of building, altering, repairing, improving, or  
18 demolishing any public structure or building or other improvement to any public  
19 property. The term does not include the routine operation or maintenance of existing  
20 facilities, structures, buildings, or real property or demolition projects costing less than  
21 the threshold established under section 48-01.2-02.1.

- 1       5. "Construction administration" means administrative services provided by a governing  
2       body or an architect, a landscape architect, or an engineer, and includes providing  
3       clarifications, submittal review, recommendations for payment, preparation of change  
4       orders, and other administrative services included in the agreement with the architect,  
5       landscape architect, or engineer. The term does not include supervision of the  
6       construction activities for the construction contracts.
- 7       6. "Construction management at-risk" means a public improvement delivery method  
8       through which a construction manager provides advice to the governing body during  
9       the planning and design phase of a public improvement, negotiates a contract with the  
10      governing body for the general construction bid package of the public improvement,  
11      and contracts with subcontractors and suppliers for the actual construction of the  
12      public improvement.
- 13     7. "Construction manager" means a contractor licensed under chapter 43-07 or an  
14      individual employed by a licensed contractor which has the expertise and resources to  
15      assist a governing body with the management of the design, contracting, and  
16      construction aspects of a public improvement.
- 17     8. "Construction observation" means observation of construction work and site visits by  
18      an architect, a landscape architect, or an engineer to assist the governing body in  
19      determining that the work conforms in general to the requirements of the construction  
20      contract and that the contractor has implemented and maintained the integrity of the  
21      design concept of a project as a functioning whole as indicated in the construction  
22      contract.
- 23     9. "Contract" means a type of agency agreement for the procurement of services under  
24      this chapter.
- 25     10. "Contractor" means any person, duly licensed, that undertakes or enters a contract  
26      with a governing body for the construction or construction management of any public  
27      improvement, including multiple prime contracts.
- 28     11. "Design services" means architect services, engineer services, landscape architect  
29      services, or surveyor services.
- 30     12. "Design-bid-build" means a project delivery method in which design and construction  
31      of the project are in sequential phases, and in which the first project phase involves

1 design services, the second project phase involves securing a contractor through a  
2 bidding process, and the third project phase provides for construction of the project by  
3 a contractor awarded the project.

4 13. "Emergency situation" means a sudden generally unexpected occurrence that requires  
5 immediate action to protect public health, safety, or property and which ends when the  
6 immediate threat to public health, safety, or property ceases and services are restored.  
7 The term does not include a lack of planning on the part of the governing body,  
8 architect, engineer, landscape architect, or contractor.

9 14. "Engineer" means an individual registered as an engineer under chapter 43-19.1.

10 15. "General conditions" means the written portion of a contract setting forth the governing  
11 body's minimum acceptable performance requirements, including the rights,  
12 responsibilities, and relationships of the parties involved in the performance of the  
13 contract.

14 16. "Governing body" means the governing officer or board of a state entity or a political  
15 subdivision.

16 17. "Guaranteed maximum price" means the maximum amount a construction manager  
17 at-risk may be paid under a contract to construct a public improvement.

18 18. "Landscape architect services" means landscape architecture services governed  
19 under chapter 43-03.

20 19. "Lowest responsible bidder" means the lowest best bidder for the project considering  
21 past experience, financial condition, past work with the governing body, and other  
22 pertinent attributes that may be identified in the advertisement for bids.

23 20. "Political subdivision" means a county, township, park district, school district, city, and  
24 any other unit of local government which is created either by statute or by the  
25 Constitution of North Dakota for local government or other public purposes.

26 21. "Pre-engineered structure" means a building, excluding infrastructure regulated under  
27 chapters 23.1-01 and 61-28.1, which has manufactured roof and wall components  
28 sent to a construction site to be assembled on location, has plans and specifications  
29 stamped by an architect or engineer, and is in compliance with state building code  
30 requirements under chapter 54-21.3.

1 ~~21:22.~~ "Public improvement" means any improvement undertaken by a governing body for  
2 the good of the public and which is paid for with any public funds, including public  
3 loans, bonds, leases, or alternative funding, and is constructed on public land or within  
4 an existing or new public building or any other public infrastructure or facility if the  
5 result of the improvement will be operated and maintained by the governing body. The  
6 term does not include a county road construction and maintenance, state highway, or  
7 public service commission project governed by title 11, 24, or 38.

8 ~~22:23.~~ "Subcontractor" means a person that contracts to perform work or render a service to  
9 a contractor or to another subcontractor as part of a contract with a governing body.

10 **SECTION 2. AMENDMENT.** Section 48-01.2-02.1 of the North Dakota Century Code is  
11 amended and reenacted as follows:

12 **48-01.2-02.1. Public improvement construction threshold.**

- 13 1. The threshold for bidding construction of a public improvement is two hundred  
14 thousand dollars. The threshold for procuring plans, drawings, and specifications from  
15 an architect or engineer for construction of a:
- 16 a. A public improvement is two hundred thousand dollars; or  
17 b. A pre-engineered structure to be constructed as a public improvement is  
18 two hundred fifty thousand dollars.
- 19 2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision  
20 undertakes the construction of a public improvement and there is reason to believe  
21 that engineering or architectural services are necessary to protect the health, safety, or  
22 welfare of the public, the state or political subdivision shall consider consulting with an  
23 engineer or architect.