

**1999 SENATE TRANSPORTATION**

**SB 2077**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2077

Senate Transportation Committee

Conference Committee

Hearing Date JANUARY 7, 1999

| Tape Number                                        | Side A | Side B | Meter #  |
|----------------------------------------------------|--------|--------|----------|
| 1                                                  | X      |        | 1-1412   |
| 1                                                  | X      |        | 2556-END |
|                                                    |        |        |          |
| Committee Clerk Signature <i>Norm A. Schaeffer</i> |        |        |          |

Minutes:

SENATE BILL 2077 RELATES TO HIGHWAY PATROL BID PROCEDURES.

SENATOR STENEHJEM CALLED THE HEARING TO ORDER AT 9:30 AM IN THE LEWIS AND CLARK ROOM. ALL COMMITTEE MEMBERS WERE PRESENT: SENS. STENEHJEM, (CHAIRMAN); SCHOBINGER, COOK, MUTCH, O'CONNELL, THOMPSON, AND BERCIER.

SEN. STENEHJEM, CHAIRMAN OPENED THE HEARING ON SB 2077.

DAVID KLEPPE, HIGHWAY PATROL SUPPORT SERVICES COMMANDER WE WERE ASKED BY THE OFFICE OF MANAGEMENT AND BUDGET TO TAKE A LOOK AT SOME OF THE SECTIONS IN THIS BILL THAT ARE NO LONGER NECESSARY. THERE ARE SECTIONS THAT ARE IN CONFLICT WITH OTHERS STATUTES THAT WE COULD ELIMINATE.

SEN. MUTCH WHAT TYPE OF EQUIPMENT DO YOU BUY THAT YOU DON'T WANT TO BOTHER RUNNING AN AD?

DAVID KLEPPE ACTUALLY OMB DOES ALL OF OUR BIDDING ALREADY AND SO THEY DO THE ADVERTISING.

SEN. MUTCH HOW DOES ANYONE FIND OUT ABOUT OMB? DO THEY ADVERTISE?

DAVID KLEPPE OMB DOES ADVERTISE BUT I'M NOT SURE HOW OR WHERE.

SEN. THOMPSON IF WE DON'T KNOW FOR SURE HOW THE PUBLIC IS BEST SERVED, THEN HOW DO WE PROTECT THE PUBLIC INTEREST?

DAVID KLEPPE OMB PURCHASING IS HANDLED IN A FAIR MANNER. IT IS, GENERALLY, A SIX TO EIGHT WEEK PROCESS. I BELIEVE THERE IS AN APPLICATION IN ORDER FOR SOMEONE TO GET ON A VENDER LIST AND DO BUSINESS WITH THE STATE.

SEN. MUTCH THERE SHOULD BE SOMEONE HERE FROM OMB TO DISCUSS HOW THEY GO ABOUT ADVERTISING FOR BUSINESS. IT WOULD BE INTERESTING TO SEE A BID LIST FOR OMB.

DAVID KLEPPE I WOULD FEEL MORE COMFORTABLE IF SOMEONE FROM OMB WOULD BE HERE. THE PROCESS SHOULD BE EXPLAINED.

SEN. STENEHJEM I'M CONCERNED WITH REPEALING THE STATUTES BECAUSE BY REPEALING THEM POWER IS GIVEN TO HIGHWAY PATROL TO DO WHAT THEY WANT WHEN IT COMES TO BIDDING. I THINK WE SHOULD MAKE A RULE TO TAKE THE HIGHWAY PATROL OUT OF THE BIDDING AND ADD A SECTION THAT

STATES THAT ALL PURCHASES THAT REQUIRE BIDS ARE RUN THROUGH THE OFFICES OF OMB.

DAVID KLEPPE THAT WOULD NOT BE A PROBLEM AT ALL. WE HAD THE ATTORNEY GENERAL'S OFFICE DRAFT THIS LANGUAGE AND I'M SURE THEY COULD COME UP WITH SOMETHING ELSE.

SEN. STENEHJEM IT JUST TAKES THE BID REQUIREMENT OF THE HIGHWAY PATROL OUT AND TRANSFERS IT OVER TO OMB.

DENISE LAWSON, THE NORTH DAKOTA NEWSPAPER ASSOCIATION , SPOKE IN OPPOSITION OF BILL 2077 (SEE ATTACHED TESTIMONY).

SEN. THOMPSON WOULD YOU HAVE A DIFFERENT VIEW IF WE HAVE THE ASSURANCE OF OMB TO ADVERTISE?

DENISE LAWSON WE WOULD SUPPORT IT AS LONG AS IT'S ASSURED.

SEN. MUTCH WHAT WOULD HAPPEN IF WE KILLED THIS BILL? THEY ARE NOT ADVERTISING FOR BIDS NOW ANYWAY.

SEN. STENEHJEM SENATOR MUTCH, YOU ARE CORRECT. THEY ARE PROBABLY IGNORING OR NOT USING THESE SECTIONS IN THE BILL ANYWAY.

SEN. THOMPSON WE HAVE TWO CHOICES. WE CAN EITHER KILL THIS BILL OR AMEND IT. IT SATISFIES OMB AND THE NEWSPAPER ASSOCIATION.

SEN. STENEHJEM I AGREE, HOWEVER ,WE SHOULD NOT KILL THE BILL BUT AMEND IT AND SAVE THESE TWO PARTIES THE TIME AND EXPENSE.

SEN. THOMPSON I AGREE, WE NEED TO HAVE THE HIGHWAY PATROL OR OMB PUT IN FOR ANOTHER AMENDMENT.

SEN. MUTCH WE NEED TO FIND OUT WHAT OMB IS DOING. LET'S GET SOMEONE FROM OMB HERE TO TESTIFY AND GIVE US MORE INFORMATION.

SEN. STENEHJEM THE HEARING ON SENATE BILL 2077 WILL BE SUSPENDED UNTIL WE GET A REPRESENTATIVE IN HERE TO TESTIFY.

TAPE METER # 1422

CONTINUED DISCUSSION ON BILL 2077

TAPE METER #2556

SEN. STENEHJEM WE WILL REOPEN DISCUSSION ON BILL 2077.

PAM SHARP, OFFICE OF MANAGEMENT AND BUDGET THIS BILL WAS INTRODUCED TO ELIMINATE THE CONFLICTS BETWEEN STATUTES. IT ALLOWS OMB THE AUTHORITY TO PURCHASE FOR EVERYONE AND THE HIGHWAY PATROL DEPARTMENT HAS BEEN USING OMB ANYWAY.

SEN. COOK CAN YOU EXPLAIN THE PROCEDURES IN BIDDING? ARE ANY PUBLISHED IN THE NEWSPAPER? WHERE WOULD I GO IF I WANTED TO SELL AN ITEM.

PAM SHARP THERE ARE VENDING LISTS AT STATE PURCHASING. ANYTHING OVER \$1000.00 IS REQUIRED TO GO OUT IN A STATE BID.

SEN. MUTCH HOW DO YOU FIND OUT ABOUT THE BIDDING PROCEDURE?

PAM SHARP THE VENDERS ARE REGISTERED BY APPLICATIONS ; THESE SHOW WHAT THEIR COMMODITIES ARE.

Page 5

Senate Transportation Committee  
Bill/Resolution Number SB2077 MIN  
Hearing Date JANUARY 7, 1999

SEN. STENEHJEM THERE APPEARS TO BE A CONFLICT CONCERNING BIDDING IN THE LAW. IT REQUIRES HIGHWAY PATROL TO BID BUT ALSO ALLOWS OMB TO BID FOR THEM.. WHICH STATUTE ARE THEY SUPPOSED TO FOLLOW?

SEN. BERCIER WILL ONE HOLD A HIGHER PRECEDENT THAN THE OTHER?

SEN. STENEHJEM I AM NOT AN ATTORNEY BUT I BELIEVE THE LAST BILL SIGNED BY THE GOVERNOR IS THE MOST CORRECT. THE ISSUE IS CONFLICTING LAWS AND ONE NEEDS TO BE CORRECTED.

SEN. MUTCH ARE THERE OTHER AGENCIES BESIDES HIGHWAY PATROL THAT HAVE CONFLICTING STATUTES.

PAM SHARP THERE IS ANOTHER BILL VERY SIMILAR ; IT IS NOT TO THE DEGREE AS THIS ONE CONCERNING THE HIGHWAY PATROL.

JACK MCDONALD, NORTH DAKOTA NEWSPAPER ASSOCIATION, WE HAVE NO OBJECTION IN PASSING THIS BILL, BUT WE DO FEEL ADVERTISING FOR BIDS WOULD BE A GOOD IDEA.

SEN. MUTCH I WOULD BE INTERESTED IN LOOKING AT AN AMENDMENT FOR THIS BILL.

CLOSED HEARING ON BILL 2077

DISCUSSION WAS HELD ON BILL 2077.

SENATOR COOK MOVED DO PASS BILL; SENATOR BERCIER SECONDED THAT MOTION. MOTION PASSED 7-0-0. SENATOR B. STENEHJEM WILL CARRY THE BILL.

## FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2077 Amendment to: \_\_\_\_\_

Requested by Legislative Council Date of Request: 12-30-98

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

**Narrative:**

The sections to be repealed are redundant as the Highway Patrol is subject to and has been following the bid procedures specified by the policies of the North Dakota Office of Management and Budget in accordance with the related sections of the ND Century Code.

- State fiscal effect in dollar amounts:

|               | 1997-99 Biennium |               | 1999-2001 Biennium |               | 2001-03 Biennium |               |
|---------------|------------------|---------------|--------------------|---------------|------------------|---------------|
|               | General Fund     | Special Funds | General Fund       | Special Funds | General Fund     | Special Funds |
| Revenues:     | -0-              | -0-           | -0-                | -0-           | -0-              | -0-           |
| Expenditures: | -0-              | -0-           | -0-                | -0-           | -0-              | -0-           |


- What, if any, is the effect of this measure on the appropriation for your agency or department:

- For rest of 1997-99 biennium: \_\_\_\_\_ -0-
- For the 1999-2001 biennium: \_\_\_\_\_ -0-
- For the 2001-03 biennium: \_\_\_\_\_ -0-

- County, City, and School District fiscal effect in dollar amounts:

| 1997-99 Biennium |        |                  | 1999-2001 Biennium |        |                  | 2001-03 Biennium |        |                  |
|------------------|--------|------------------|--------------------|--------|------------------|------------------|--------|------------------|
| Counties         | Cities | School Districts | Counties           | Cities | School Districts | Counties         | Cities | School Districts |
| -0-              | -0-    | -0-              | -0-                | -0-    | -0-              | -0-              | -0-    | -0-              |

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Captain David A. Kleppe

Department North Dakota Highway Patrol

Date Prepared: 1/4/99

Phone Number 328-2455

Date: 1/7/99

Roll Call Vote #: \_\_\_\_\_

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB2077

Senate Transportation Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Senator Cook Seconded By Senator Bercier

| Senators                 | Yes | No | Senators | Yes | No |
|--------------------------|-----|----|----------|-----|----|
| Senator Bob Stenehjem    | X   |    |          |     |    |
| Senator Randy Schobinger | X   |    |          |     |    |
| Senator Dwight C. Cook   | X   |    |          |     |    |
| Senator Duane Mutch      | X   |    |          |     |    |
| Senator David O'Connell  | X   |    |          |     |    |
| Senator Vern Thompson    | X   |    |          |     |    |
| Senator Dennis Bercier   | X   |    |          |     |    |
|                          |     |    |          |     |    |
|                          |     |    |          |     |    |
|                          |     |    |          |     |    |
|                          |     |    |          |     |    |
|                          |     |    |          |     |    |
|                          |     |    |          |     |    |
|                          |     |    |          |     |    |

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator B Stenehjem

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



REPORT OF STANDING COMMITTEE (410)  
January 7, 1999 11:05 a.m.

Module No: SR-03-0366  
Carrier: B. Stenehjem  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2077: Transportation Committee (Sen. B. Stenehjem, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2077 was placed on the Eleventh order on the calendar.**

1999 HOUSE TRANSPORTATION

SB 2077

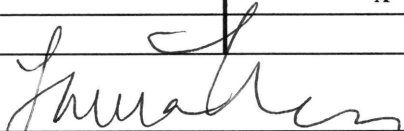
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2077

House Transportation Committee

Conference Committee

Hearing Date February 25, 1999

| Tape Number                                                                                                 | Side A | Side B | Meter #   |
|-------------------------------------------------------------------------------------------------------------|--------|--------|-----------|
| 1                                                                                                           | x      |        | 20.5-24.6 |
| 1                                                                                                           |        | x      | 28.0-30.0 |
| Committee Clerk Signature  |        |        |           |

Minutes:

CHAIRMAN KEISER OPENED THE HEARING ON SB 2077; A BILL RELATING TO HIGHWAY PATROL BID PROCEDURES.

DEANN STECKLER, Office of Management and Budget introduced SB 2077 on behalf of the Highway Patrol. She said that it simply takes off part of the bill that contradicts with the OMB. As the law is now, it is costing the state more money and taking more time to register bids. This will simply eliminate a step. Currently, any jobs done over a certain dollar amount must go through the OMB. This law would make bid procedures easier.

CHAIRMAN KEISER CLOSED THE HEARING ON SB 2077.

GENERAL DISCUSSION TOOK PLACE.

COMMITTEE ACTION

Page 2

House Transportation Committee

Bill/Resolution Number sb 2077

Hearing Date February 25, 1999

REP. MEYER moved a DO PASS on SB 2077. REP. JENSEN seconded the motion. The motion carried.

ROLL CALL - 12 YEA, 0 NAE, 3 ABSENT AND NOT VOTING.

FLOOR ASSIGNMENT - REP. SCHMIDT

Date: 2/25  
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2077

House Transportation Committee

- Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DO PASS

Motion Made By Rep Meyer Seconded By Rep Jensen

| Representatives                  | Yes | No | Representatives       | Yes | No |
|----------------------------------|-----|----|-----------------------|-----|----|
| Representative Keiser, Chair     | ✓   |    | Representative Thorpe | ✓   |    |
| Representative Mickelson, V. Ch. | ✓   |    |                       |     |    |
| Representative Belter            | ✓   |    |                       |     |    |
| Representative Jensen            | ✓   |    |                       |     |    |
| Representative Kelsch            | ✓   |    |                       |     |    |
| Representative Kempenich         | ✓   |    |                       |     |    |
| Representative Price             |     |    |                       |     |    |
| Representative Sveen             | ✓   |    |                       |     |    |
| Representative Weisz             |     |    |                       |     |    |
| Representative Grumbo            | ✓   |    |                       |     |    |
| Representative Lemieux           | ✓   |    |                       |     |    |
| Representative Mahoney           |     |    |                       |     |    |
| Representative Meyer             | ✓   |    |                       |     |    |
| Representative Schmidt           | ✓   |    |                       |     |    |

Total (Yes) 12 No 0

Absent 3

Floor Assignment Rep Schmidt

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

REPORT OF STANDING COMMITTEE (410)  
February 25, 1999 11:22 a.m.

Module No: HR-34-3533  
Carrier: Schmidt  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

**SB 2077: Transportation Committee (Rep. Keiser, Chairman)** recommends **DO PASS**  
(12 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). SB 2077 was placed on the  
Fourteenth order on the calendar.

1999 TESTIMONY

SB 2077

January 7, 1999

**SENATE TRANSPORTATION COMMITTEE**  
**SB 2077**

**CHAIRMAN STENEHJEM AND COMMITTEE MEMBERS:**

My name is Denise Lawson. I'm appearing today on behalf of The North Dakota Newspaper Association. We oppose **SB 2077** and urge that you give it a **DO NOT PASS**.

The bill repeals the laws requiring the highway patrol to advertise for and request bids for any equipment, materials or supplies costing over \$1,000. The advertisements are in *The Bismarck Tribune* and in a trade publication of general circulation among state motor vehicle dealers and suppliers.

While there may be some advantage to changing the dollar amounts requiring bids, we believe it is just good government to advertise for bids. Bids not only assure a government agency that it is getting the best price, but they also make it possible for a wider variety of suppliers to participate.

Inevitably, without bids, government purchases gradually tend to go to a smaller, and more "select" group of suppliers. By advertising for the bids, the highway patrol gives more North Dakota businesses the opportunity to make the sale. And, if the dollar amount is kept reasonably low, it will give some beginning businesses, or small town businesses, the opportunity to do business with the state.

The highway patrol has made its purchases by the bid system for the past 43 years. We think it just make good sense and good government to continue doing business that way.

We respectfully request a **DO NOT PASS** on this bill.

If you have any questions, I'll be happy to answer them. THANK YOU FOR YOUR TIME AND CONSIDERATION.