

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1210

2001 HOUSE GOVERNMENT AND VETERANS AFFAIRS

HB 1210

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1210 A

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/09/01

Tape Number	Side A	Side B	Meter #
1		X	4434-END
2	X		0-4070
Committee Clerk Signature <i>Robin K. Small</i>			

Minutes:

REP. M. KLEIN called the hearing to order with all committee members present.

In favor:

REP. GLEN FROSETH, DISTRICT 6

Please see attached testimony and amendment.

REP. M. KLEIN asks about economic development, and how many employees are employed at that particular plant in FROSETH'S district. FROSETH replies that there are over 30 employees.

REP. CLEARY asks if the third part inspections are hired out of state. FROSETH replies they are local. REP. CLEARY comments to the committee that she thinks that there is no need for this bill. Wants to know why we need it. FROSETH defers the question.

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House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1210 A
Hearing Date 2/09/01

In favor:

RON ROSCHENBERGER / LEE PETERSON ECONOMIC DEVELOPMENT AND
FINANCE AGENCIES FOR THE STATE OF NORTH DAKOTA

Please see attached testimony. Urges the committee a do pass.

In favor:

REP. MARY O. EKSTROM, DISTRICT 11

EKSTROM also urges a do pass on this bill. EKSTROM owns an architectural firm.

REP. M. KLEIN wonders if that is why she signed onto this bill. REP. METCALF states that there surely are a lot of ifs.

In favor:

RICHARD GRAY, DIVISION OF COMMUNITY SERVICES

Please see attached testimony.

In favor: (Amended version)

JOEL BOESPFLUG, CITY OF BISMARCK FIRE AND INSPECTIONS CHIEF &
DIRECTOR OF THE NORTH DAKOTA FIRE CHIEFS ASSOCIATION

Please see attached testimony.

BOESPFLUG urges the amended version.

In favor:

JIM GRUENEICH, ADMINISTRATOR, COMMERCIAL GROUP WEST, LLC AND CO.

Please see attached testimony.

GRUENICH explains the inspections to the committee.

REP. CLEARY asks if the third party inspectors are from out of state. GRUENICH replies that he has a list of nationwide licensed inspectors, that have national evaluations. REP. DEVLIN

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House Government and Veterans Affairs Committee

Bill/Resolution Number HB 1210 A

Hearing Date 2/09/01

asks if the inspectors are licensed. GRUENICH replies they have to prove their license and certain requirements have to be met. REP. DEVLIN asks if the end product is inspected. GRUENICH states that it most certainly is, and also all along the assembly line.

Oppose:

DONALD OFFERDAHL, EXECUTIVE DIRECTOR OF THE NORTH DAKOTA STATE ELECTRICAL BOARD

Please see attached testimony.

OFFERDAHL speaks to the committee that he doesn't care for the fact that a third party from Pennsylvania can come into our state and do the inspecting. REP. CLEARY asks if these third party inspectors would take people out of work. OFFERDAHL replies that he doesn't think so. REP. DEVLIN has a real concern with this, and states that to the committee.

Oppose:

JERRY FREY, BISMARCK-MANDAN ELECTRICAL CONTRACTORS ASSOCIATION

Please see attached testimony.

REP. M. KLEIN asks what the difference between this and mobile homes. FREY replies that they have a lot of problems with mobile homes after they are set up. Lots of things get missed in the processing line. Many have deficiencies.

Being there was no further testimony in favor or on opposition the hearing was then closed,

Action was no taken at this time.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1210 B

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/15/01

Tape Number	Side A	Side B	Meter #
1		X	369-2195
Committee Clerk Signature <i>Robin L. Small</i>			

Minutes:

COMMITTEE WORK:

REP. M. KLEIN called the committee to order. HB 1210 was heard on Feb. 9th, 2001.

ACTION:

All members were present, except REP. BRUSEGAARD.

General discussion. REP. GRANDE motions to accept the amendments at hand, seconded by REP. MEIER. A voice vote was taken with the majority passing it. REP. CLEARY then motions for a DO NOT PASS AS AMENDED, seconded by REP. DEVLIN. The roll call vote was taken with 6 YES, 8 NO and 1 ABSENT AND NOT VOTING. The motion fails. REP. GRANDE then motions for a DO PASS AS AMENDED, seconded by REP. KASPER. The roll call vote was taken with 8 YES, 6 NO and 1 ABSENT AND NOT VOTING. The motion carries. The CARRIER of the bill is REP. M. KLEIN.

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House Government and Veterans Affairs Committee
Bill/Resolution Number HB 1210
Hearing Date 2/15/01

HB 1210: DO PASS AS AMENDED 8-6

CARRIER: REP. M. KLEIN

FISCAL NOTE

Requested by Legislative Council
01/12/2001

Bill/Resolution No.: HB 1210

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			\$10,000		\$15,000	
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The \$10,000 fiscal impact indicated is an estimate of the amount needed to go through the Administrative Rules process and then fully implement the program in the second year of the 2001-03 biennium.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

Name:	Rich Gray	Agency:	Division of Community Services
Phone Number:	328-3698	Date Prepared:	02/06/2001

VK
2/15/01

HOUSE AMENDMENTS TO HB 1210 HOUSE GVA 2/15/01
Page 1, line 3, replace "and factory-built buildings" with "residential and commercial structures"

Page 1, line 5, replace "A" with "If Senate Bill No. 2032 of the fifty-seventh legislative assembly does not become effective, a"

Page 1, line 7, replace "and factory-built" with "residential and commercial"

Page 1, line 8, after "modular" insert "residential", replace "factory-built" with "commercial", and after "structure" insert "that is built in a factory"

Page 1, line 10, after "standards" insert "during the manufacturing process in the factory"

Page 1, line 14, replace "or factory-built" with "residential and commercial"

Page 1, line 15, after "modular" insert "residential" and replace "factory-built" with "commercial"

Page 1, line 17, after "modular" insert "residential" and replace "factory-built" with "commercial"

Page 1, line 18, after "structure" insert "during the manufacturing process in the factory"

Page 1, after line 18, insert:

"SECTION 2. If Senate Bill No. 2032 of the fifty-seventh legislative assembly becomes effective, a new section to chapter 54-21.3 of the North Dakota Century Code is created and enacted as follows:

Modular residential and commercial structures - Third-party inspections - Rules. The manufacturer of a modular residential or commercial structure that is built in a factory may contract with a third party for the inspection of the structure for compliance with all applicable building, electrical, fire, and plumbing codes and standards during the manufacturing process in the factory. A third party that conducts inspections and certifies compliance with all applicable codes and standards must be approved as a certified third-party inspector by the division of community services. The department of commerce shall adopt rules for the certification of inspectors and for the procedures to be followed in conducting inspections of modular residential and commercial structures. If a manufacturer of modular residential or commercial structures contracts with a certified third-party inspector to monitor compliance with all applicable building, electrical, fire, and plumbing codes and standards for a modular residential or commercial structure, no further inspection by state or local building, electrical, fire, or plumbing inspectors may be required for that structure during the manufacturing process in the factory."

Renumber accordingly

Date: Feb. 15th, 2001

Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1210

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Accept the Amendments

Motion Made By Grande Seconded By Meier

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN			REP KROEBER		
VICE CHAIR GRANDE					
REP BELLEW					
REP BRUSEGAARD					
REP CLARK					
REP DEVLIN					
REP HAAS					
REP KASPER					
REP KLEMIN					
REP MEIER					
REP WIKENHEISER					
REP CLEARY					
REP HUNSKOR					
REP METCALF					

Vote passed

Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

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

Date: Feb. 15th. 2001

Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1210

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass As Amended

Motion Made By Cleary Seconded By Devlin

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN		✓	REP KROEBER	✓	
VICE CHAIR GRANDE		✓			
REP BELLEW		✓			
REP BRUSEGAARD					
REP CLARK		✓			
REP DEVLIN	✓				
REP HAAS	✓				
REP KASPER		✓			
REP KLEM'N		✓			
REP MEIER		✓			
REP WIKENHEISER		✓			
REP CLEARY	✓				
REP HUNSKOR	✓				
REP METCALF	✓				

Total (Yes) 6 No 8

Absent 1

Floor Assignment _____

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

Date: Feb. 15th, 2001

Roll Call Vote #: 3

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1210

House GOVERNMENT AND VETERANS AFFAIRS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Grande Seconded By Kasper

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN KLEIN	✓		REP KROEBER		✓
VICE CHAIR GRANDE	✓				
REP BELLEW	✓				
REP BRUSEGAARD					
REP CLARK	✓				
REP DEVLIN		✓			
REP HAAS		✓			
REP KASPER	✓				
REP KLEMIN	✓				
REP MEIER	✓				
REP WIKENHEISER	✓				
REP CLEARY		✓			
REP HUNSKOR		✓			
REP METCALF		✓			

Total (Yes) 8 No 6

Absent 1

Floor Assignment Rep. M. Klein

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

REPORT OF STANDING COMMITTEE

HB 1210: Government and Veterans Affairs Committee (Rep. M. Klein, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (8 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1210 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "and factory-built buildings" with "residential and commercial structures"

Page 1, line 5, replace "A" with "If Senate Bill No. 2032 of the fifty-seventh legislative assembly does not become effective, a"

Page 1, line 7, replace "and factory-built" with "residential and commercial"

Page 1, line 8, after "modular" insert "residential", replace "factory-built" with "commercial", and after "structure" insert "that is built in a factory"

Page 1, line 10, after "standards" insert "during the manufacturing process in the factory"

Page 1, line 14, replace "or factory-built" with "residential and commercial"

Page 1, line 15, after "modular" insert "residential" and replace "factory-built" with "commercial"

Page 1, line 17, after "modular" insert "residential" and replace "factory-built" with "commercial"

Page 1, line 18, after "structure" insert "during the manufacturing process in the factory"

Page 1, after line 18, insert:

"SECTION 2. If Senate Bill No. 2032 of the fifty-seventh legislative assembly becomes effective, a new section to chapter 54-21.3 of the North Dakota Century Code is created and enacted as follows:

Modular residential and commercial structures - Third-party inspections - Rules. The manufacturer of a modular residential or commercial structure that is built in a factory may contract with a third party for the inspection of the structure for compliance with all applicable building, electrical, fire, and plumbing codes and standards during the manufacturing process in the factory. A third party that conducts inspections and certifies compliance with all applicable codes and standards must be approved as a certified third-party inspector by the division of community services. The department of commerce shall adopt rules for the certification of inspectors and for the procedures to be followed in conducting inspections of modular residential and commercial structures. If a manufacturer of modular residential or commercial structures contracts with a certified third-party inspector to monitor compliance with all applicable building, electrical, fire, and plumbing codes and standards for a modular residential or commercial structure, no further inspection by state or local building, electrical, fire, or plumbing inspectors may be required for that structure during the manufacturing process in the factory."

Renumber accordingly

2001 SENATE GOVERNMENT AND VETERANS AFFAIRS

HB 1210

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1210

Senate Government and Veterans Affairs Committee

Conference Committee

Hearing Date March 9, 2001

Tape Number	Side A	Side B	Meter #
1	X		56.2-End
1		X	0.0-32.6
March 15, 2001 2		X	10.0-17.5
Committee Clerk Signature <i>James A. Rials</i>			

Minutes: Chairman Krebsbach opened the hearing on HB 1210 which relates to recognition of third-party building, electrical, fire, and plumbing inspections for modular and factory-built buildings. Appearing before the committee was **Representative Glen Froseth**, District 6, who introduced the bill to the committee. A copy of his written testimony is attached. **Senator Dever** inquired if the buildings manufactured in Kenmare stay in North Dakota or do they go to other areas. **Representative Froseth** noted that these buildings can go anywhere. The factory in Kenmare specializes in manufacturing motels. They can take orders from anywhere. They are working with a company in Alaska to ship one to Alaska. The buildings are built under the codes of the receiving state. Senator Dever indicated the point of his question was might it be more important to somebody in Alaska that they were inspected by an independent inspector than the local building inspector. **Ron Rauschenberger**, North Dakota Division of Community Services appeared and spoke in behalf of Mr. Lee Peterson, Director of the North Dakota Economic Development Finance Department. He indicated they both support the passage of HB

1210. **Mr. Rauschenberger** provided a copy of a letter from the Attorney General's Office which granted third party inspection licensure to PFS, a North Dakota corporation. **Senator T. Mathern** inquired if this letter indicates that we already have such an inspection process that can address this need. **Mr. Rauschenberger** indicated only in certain areas, electrical areas are not allowed to be under third party inspection at this time. **Jim Rennieck**, Officer of Commercial Group West, appeared before the committee. A copy of his written testimony is attached. Questions were offered by **Senators Wardner, Dever, and T. Mathern** (Tape 1, Side B, Meter #'s 10.0-18.5). **Richard Gray** with the Division of Community Services testified before the committee. A copy of his written testimony is attached. Senator Dever inquired if the real difference between the system as it exists now and as it would exist is that now our local building inspector is responsible for inspecting or oversight of PFS and we are just moving that responsibility and taking the local building inspector out of it so that PFS would have the authority to do that. **Mr. Gray** responded. **Chairman Krebsbach** inquired if this conforms with the uniformity which other states are doing? There were no further questions from the committee. Appearing in neutral position was **Don Offerdahl**, Executive Director of the North Dakota State Electrical Board. He indicated they can live with the bill as it is now. Their concern is for the finished product. They do inspect modular housing, they have for many years. They have come from out of state. There have been problems. With the amendments put into the bill on the house side difficulties were solved. There were no questions from the committee. **Maynard Lance**, retired electrician, appeared before the committee. He indicated he had 38 years in the industry. He indicated he had a few concerns because he doesn't know what all the amendments were. One concern is the rules for certification and how the certification is going to be set up. He understands that there is 1 inspector who inspects the whole structure and that

concerns him. He indicated that no one is self-sufficient or proficient enough to inspect an entire project by himself. There was no further testimony in opposition. There was nothing further at this time. Chairman Krebsbach closed the hearing on HB 1210. On March 15, 2001 the committee held a discussion on HB 1210. **Senator Kilzer** indicated that local electricians have difficulty with this bill because it bypasses local inspecting. He spoke with Jim Fleming of the Attorney General's Office because there is another bill about a licensing board being bypassed because of things like licensing across state lines. Jim Fleming indicated that this bill does not do that. **Chairman Krebsbach** indicated she thought that it was their idea to build to code for out of state requirements. **Senator Kilzer** indicated wouldn't that also be true for in state if they built these units if they were delivered for use in ND. **Senator T. Mathern** indicated he believed that the way that Senator Kilzer is viewing the bill is the way it was originally introduced. The bill was however changed to reflect those concerns. He spoke with Don Offerdahl the head of the electrical board. Mr. Offerdahl indicated the board was OK with the bill if there were no amendments. **Senator Wardner** indicated the only opposition to the bill was from a retired electrician who had come before the committee during the hearings. He indicated that he was not so sure that this fellow had been aware of the changes that had already been made. Senator Dever inquired if approval of this third party inspector came from OMB and if so is that the right place for it? **Chairman Krebsbach** indicated that was the reason we had two sections in here. For now it would be under OMB but with the passage of the commerce department it would go under that umbrella. There was no further discussion. A motion for Do Pass was made by **Senator C. Nelson**, seconded by **Senator Dever**. Roll Call Vote indicated 6 Yeas, 0 Nays, and 0 Absent or Not Voting. **Senator Dever** will carry the bill. HB 1210 was also rereferred to the Appropriations Committee.

REPORT OF STANDING COMMITTEE (410)
March 16, 2001 7:29 a.m.

Module No: SR-46-5777
Carrier: Dever
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1210, as engrossed: Government and Veterans Affairs Committee (Sen. Krebsbach, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1210 was rereferred to the Appropriations Committee.

2001 SENATE APPROPRIATIONS

HB 1210

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1210

Senate Appropriations Committee

Conference Committee

Hearing Date March 27, 2001

Tape Number	Side A	Side B	Meter #
Tape #2	x		23.2 - 40.2
Committee Clerk Signature <i>James DeTuck</i>			

Minutes:

Senator Nething opened the hearing on HB1210 - recognition of third party inspections for modular and factory built buildings.

Representative Glen Froseth, District 6, Kenmare, one of the sponsors of the bill, gave an overview of the proposed legislation. The need to create a new section -- to establish the inspection of modular building program - rules allowing a third party inspection. 36 other states allow this inspection -- this will put North Dakota in line with the surrounding area. Fiscal information, cost regarding administration costs will need to be answered by Rich Gray.

Senator Grindberg: Are there other state entities where this could be accomplished?

Representative Froseth: Don't believe so. Division of Community Services within Office of Management and Budget (OMB) best ---or if Department of Commerce is formed, that might be logical place.

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Senate Appropriations Committee

Bill/Resolution Number HB1210

Hearing Date March 27, 2001

Senator Grindberg: Rules to be established, other items necessary to succeed, are you comfortable with this entity?

Representative Froseth: Yes, the Division of Community Services is currently on building codes.

Senator Tallackson: Who would be the third party, where do you find them?

Representative Froseth: Within the area there are 15 certified, nationally recognized firms. Some North Dakota firms do the inspecting themselves, but the State of North Dakota doesn't recognize and can't ship out of state without certification.

Senator Tallackson: Do we have a third party? Minnesota?

Representative Froseth: No. Yes Minnesota has for the area.

Senator Andrist: Appears to be a 10 thousand hit for the Department of Commerce?

Representative Froseth: I defer to Rich Gray; not in the House version, Senate put it on.

Rich Gray (did not sign in, nor identify himself, position) North Dakota is one of 14 states without this program. Example: In the state of Indiana, the inspections are done internally in the factories --- allows product to be shipped without further inspection --- then once the building product is on site---it must have another inspection. We need to have the certification in factory overseeing the product --- get labeled and accepted in other states. Best guess is that we need 2 years to get this program up and going. North Dakota firms are interested in the third party system and want to put together this program. The rules are not in writing, need to be. Back next session? Perhaps.

Senator Grindberg: Could this be accomplished without State Government?

Rich Gray: No.

Senator Grindberg: Why the need for state wide recognition?

Rich Gray: State label, reciprocity with other states.

Senator Tomac: If building here, one needs a journey man for plumbing, building etc. Would the third party inspector need to hire journey men in all areas also?

Rich Gray: Third Party Inspection Firms have the procedure, along with the licensed expertise in each field to meet the qualifications, yes.

Senator Tomac: 10 thousand dollar fiscal note --- to develop an program -- aren't there fees whereby the State could recoup some dollars?

Rich Gray: This is a beginning program; estimate cost to do; once into the program, mechanism has fee structure to get labeling; program could have a recoup process then.

Senator Tomac: Need to be separated? Could be absorbed in another agency?

Rich Gray: Just developing and getting off the ground. Hopefully by next biennium. Currently don't know if we can get it to the state of labeling.

Senator Tomac: No appropriation -- nothing on bill regarding dollars?

Rich Gray: Interest point, OMB recognized fiscal note, didn't write the bill - nor were they in on the writing. We need to add Division of Community Services or Department of Commerce.

Senator Solberg: Agency, not general funds? Authorization given, find in budget?

Rich Gray: Yes, not the intent --- seek dollars.

No additional testimony - for, against or neutral. Hearing closed by Senator Nething.

Senator Andrist moved a DO PASS, seconded by Senator Holmberg. Discussion: request for time to seek additional information. Motion withdrawn by Senators Andrist and Holmberg.

3-29-01 Full Committee Action (Tape 2, Side A, Meter # 0.0 -5.3)

Senator Nething reopened the hearing on HB1210 - Third Party Inspections for Modular Building.

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Senate Appropriations Committee

Bill/Resolution Number HB1210

Hearing Date March 27, 2001

Senator Grindberg, Subcommittee Chair, led the review and reported the Subcommittee's findings. It was their recommendation to pass the bill. Discussion.

Senator Grindberg moved a DO PASS, Senator Solberg seconded. Discussion; call for the vote:

Roll Call Vote: 14 yes; 0 no; 0 absent and not voting.

Floor assignment to Senator Dever.

Date: 3-28-01

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HR 210

Senate Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken On Pass

Motion Made By Senator [Signature] Seconded By Senator [Signature]

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman					
Ken Solberg, Vice-Chairman					
Randy A. Schobinger					
Elroy N. Lindaas					
Harvey Tallackson					
Larry J. Robinson					
Steven W. Tomac					
Joel C. Heitkamp					
Tony Grindberg					
Russell T. Thane					
Ed Kringstad					
Ray Holmberg					
Bill Bowman					
John M. Andrist					

Total Yes _____ No _____

Absent _____

Floor Assignment Senator

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

Date: 3-29-01

Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 1110

Senate Appropriations Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken As Amended

Motion Made By Senator D. ... Seconded By Senator A. ...

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger	✓				
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 14 No 0

Absent _____

Floor Assignment Senator None

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

REPORT OF STANDING COMMITTEE (410)
March 29, 2001 11:40 a.m.

Module No: SR-55-7114
Carrier: Dever
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1210, as engrossed: Appropriations Committee (Sen. Nething, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1210 was placed on the Fourteenth order on the calendar.

2001 TESTIMONY

HB 1210

Testimony HB 1210
By Rep. Glen Froseth, District 6

Chairman Klein and members of the House Government and Veterans Affairs Committee. For the record my name is Representative Glen Froseth from Kenmare, representing District 6.

I appear before you today to present House Bill 1210 and urge your favorable consideration.

House Bill 1210 creates a new section to 54-21.3 of the NDCC, to allow third-party inspections of building, electrical, fire and plumbing for modular residential and commercial structures. Section 1 lists the requirements and rules of Third Party Inspections.

Currently the Division of Community Services, under the Office of Management and Budget, is required by law to adopt rules to implement the State Building Code which consists of the Uniform Mechanical Code.

This bill will create a new section of NDCC Chapter 54-21-3 to allow for third-party inspections of modular residential and commercial structures. The bill will also require Office of Management and Budget to adopt rules for the certification of third-party inspectors and for procedures to be followed in conducting inspections.

A third-party inspection firm is one that would provide services to include engineering plan review of manufactured structures and building components, structural and fire testing of building materials and components to nationally recognized standards, and product certification and labeling. These firms are nationally recognized quality assured agencies, by the National Evaluation Service. Presently all but a dozen states, including neighboring Minnesota, South Dakota and Montana, along with an additional 25 cities or counties, approve third-party inspections of modular or factory built buildings.

In his inaugural speech January 9th, Gov. John Hoeven pledged to head a government that will give citizens the tools they need to improve the state's economy. This bill will help him accomplish that goal. He further stated, "The private sector are the real visionaries, the real risk takers." "The state can create more and better paying jobs that will fund necessary government services through economic development rather than through tax increases."

Former Governor Ed Schafer said in his message to the state and his budget report in December, that manufacturing is an increasingly important industry in North Dakota with the long term prospects for the industry on the upside. The location of durable goods manufactured in the state, particularly of industrial machinery and equipment, has resulted in generally strong manufacturing employment growth.

House Bill 1210 will enhance the business climate of North Dakota and promote economic development in the building industry of our state.

Mr. Chairman, I apologize for the amendment which is attached to this testimony. As originally drafted, the reference to "factory built buildings" would include mobile homes, and that was not my intent. Therefore, "factory built buildings" is changed to "residential and commercial

Testimony HB 1210
By Rep. Glen Froseth, District 6

structures". Mobile homes come under federal guidelines set forth by HUD and would not pertain to this bill.

Also, the Amendment (Section 2) is a result of the pending legislation to create a new Department of Commerce. If it happens this legislative session, responsibility to adopt rules for third party inspections will transfer from the Office of Management and Budget to the Division of Community Services.

Mr. Chairman and committee members, I request you approve the amendments, then give House Bill 1210 a favorable recommendation.

Thank you.

TESTIMONY:

HB 1210

Mr. Chairman my name is Lee Peterson, I'm the director of the Economic Development and Finance Agency for the State of North Dakota. I strongly urge a do pass on HB 1210. This bill will put us on a level playing field with many other states in the pursuit of a growing industry which is the building of modular commercial and residential buildings is a factory. We look forward to expanding this industry in North Dakota as part of our job creation efforts.

Thank You
Lee Peterson
N.D. E.D.& F.

Testimony By Richard Gray
On
House Bill 1210

Mr. Chairman, committee members, my name is Richard Gray. I am with the Division of Community Services and under HB 1210, I will be responsible for coordinating the development of the rules for certification of inspectors and for the procedures to be followed in conducting inspections on modular residential and commercial structures.

The concept of having a certification process or program for third party inspectors for construction of modular buildings in a factory is not new. In fact, we are one of only fourteen states that does not have such a program. The State of Minnesota has had its own state program for a number of years, and they are one of the three states that started the national Industrialized Buildings Commission, An Interstate Compact.

These programs provide for the means to assure that residential and commercial structures built in a factory are built to the state or local codes for the area in which they are to be installed. They do so by monitoring the certified third party in its oversight of a manufacturer's quality assurance program and by inspecting the units constructed. HB 1210 provides the mechanism for North Dakota to develop a similar program, and to eventually participate, if desired, with other states in the Industrialized Building Commission. This has the potential to be a very beneficial venture for the manufacturer, the jurisdictions receiving the buildings, the consumer. It can help reduce a number of costs, and assure that all buildings are built to code for the protection of all.

**Testimony on House Bill 1210
Government and Veterans Affairs Committee**

By Joel Boespflug

February 9, 2001

Mr. Chairman and members of the Committee, my name is Joel Boespflug, City of Bismarck Fire and Inspections Chief and also a Director with the North Dakota Fire Chief's Association. I appear before you today in support of the amended version of House Bill 1210 as presented by Representative Froseth.

In the City of Bismarck, our department provides building, mechanical, electrical, plumbing, and fire inspection services for the purpose of ensuring minimum safety levels for the community and its residents. In order to achieve the objective of safety and to provide the necessary inspection service, the City of Bismarck Code of Ordinances authorizes our department to enter any building or upon any premises within our jurisdictional limit to inspect for compliance. It is certainly not our desire to duplicate services that may already be provided by a third-party inspector, nor is it our desire to create hardship for any customer or business. It is however our responsibility to ensure that the structure does conform to local code. Our department is not indicating that we wish to tear apart walls to ensure code compliance, but rather to have the authority to inspect and enforce more obvious issues. Examples may include egress window size, ventilation, fire protections systems and so forth.

Representative Froseth is to be commended on the amendments that he has provided as the scope of the bill is now defined to the manufacturing process in the factory. These amendments meet the actual goal of the bill without conflicting with local safety inspections programs already established throughout the state. The amended version will allow us to pursue our responsibility

to ensure that minimal levels of safety are adhered to. In addition, the amended version also allows local fire departments the opportunity to provide routine risk management and inspection services for these type structures.

Mr. Chairman and members of the Committee, I thank you for your time and I urge you to pass the amended version of this bill. Thank you for your consideration and I will be happy to answer any questions that you might have.

HOUSE BILL 1210

Chairman Klein and representatives of Government and Veteran Affairs Committee Members:

My name is Jerry Frey and I am here on behalf of the Bismarck-Mandan Electrical Contractors Association as their President and as the owner of Electric Systems Inc. of Bismarck. I would like to voice my opposition to HOUSE BILL 1210.

SECTION I:

Modular and factory built structures may contract with a 3rd party for inspections of building, electrical, fire and plumbing codes and standards.

In addressing electrical, fire and safety measures, the ND State Electrical Board inspections department and ND State licensed electricians set the uniform standards for the electrical industry.

I feel with this combination of professionals, the protection of the end consumer is well served. With a 3rd party inspector, who will be paid by a privately owned entity, uniform electrical safety codes will not be implemented with the same consistency.

When the modular unit leaves the factory and is transported to the Owner's property, that modular unit needs to be powered by a utility company. Before the utility company supplies secondary power to this unit, a licensed electrician needs to make the final connections to the meter module and main electrical panel. The electrical contractor also needs to supply a ND State Wiring Certificate to the power company which declares that the wiring is correct and

power can be safely supplied to the dwelling.

Presently, the consumer can consult with the ND State Electrical Board with problems and the electrical contractor can be contacted to repair any deficiency in the electrical system.

With a 3rd party inspector, who would be liable for repairs, damages or even loss of life due to any malfunctioning electrical installation?

I would hope that the electrical contractor who issued the certificate for the utility company to energize the modular home should not be liable, but I'm sure that's where the process would start. The electrical contractor would need to supply legal proof, which would be costly, to defend his company for an electrical installation which was not inspected by the uniformity of the ND State Electrical Board.

With a 3rd party inspection, certificates would not need to be issued nor fees paid for each modular home produced, which also means there is no liability or responsibility of the 3rd party inspector to the ND State Electrical Board who governs all electrical and fire safety issues in the state.

Let's keep our residents of ND safe and secure and leave the responsibility of electrical safety to qualified Master Electrician Inspectors of the ND State Electrical Board.

HB1210

Chairman Klein and other members of Government and Veterans Affairs Committee.

My name is Donald Offerdahl. I am the Executive Director of the North Dakota State Electrical Board.

I come before you in opposition of HB1210 with the following concerns:

This bill sets up a process to certify third party inspector. It does not state the qualifications needed to adequately perform this job correctly.

Our research into third party inspection, as for the electrical trade, has revealed very little knowledge and experience in this area. We presently do inspecting of all modular and factory built structures when they are set at the building site. This inspection is necessary to alleviate any code problems the owner might have when the building is set on site.

Enclosed are three inspection reports on three modular homes that were set in North Dakota. Two of these homes were done under a third party inspection system, with no licensed electricians that supervised the work. The third was a house that was moved in from Canada, this house was discovered when our inspector was inspecting the electrical service at the building site.

If we do not have the authority to inspect these structures, how will these code violations be discovered? Will the code violations be discovered in time before a hazard develops to person or property? Who shall be notified if an electrician is contacted about a problem in this manufactured building?

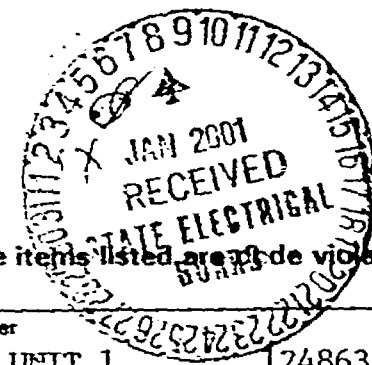
The purpose of the North Dakota State Electrical Board is the practical safeguarding of persons and property from the hazards that arise from the used of electricity. If we do not have the authority to inspect at the building site, we cannot assure the safety of people and property.

I will take any questions at this time.



ELECTRICAL INSPECTION REPORT
NORTH DAKOTA STATE ELECTRICAL BOARD
 SFN 11856 (10-95)

NORTH DAKOTA STATE ELECTRICAL BOARD
 P.O. BOX 857
 BISMARCK, ND 58502



Inspection of the following electrical installation was made and certain items were noted. The items listed are of violations and although not necessarily a hazard, corrections are required if so noted.

Date MAY 16, 2000		Certificate Number UNIT 1 124863			
Name COMMERCIAL GROUP WEST		Address 1222 N CENTRAL			
City KENNARE	County WARD	Twp.	Range	Sec.	Quarter
Name of company supplying current MDU WILLISTON		Address			
Name of electrical contractor FACTORY WIRED		Address			Lic. No.
<input type="checkbox"/> APPROVED <input checked="" type="checkbox"/> APPROVED SUBJECT TO CORRECTION <input type="checkbox"/> REJECTED		Type of building inspected HOUSE		Wiring was all new? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

CODE VIOLATION OR REMARKS	CORRECTION REQUIRED
1) TERMINALS WITH MORE THAN ONE CONDUCTOR ARE REQUIRED TO BE IDENTIFIED FOR THE PURPOSE OR TERMINATED WITH A SINGLE CONDUCTOR AS REQUIRED IN 110-14(A) 199 NEC	YES
2) EQUIPMENT GROUNDING CONDUCTORS SHALL BE ELECTIRCALLY AND MECHANICALLY SECURE AS REQUIRED IN ARTICLE 110-14(B) 1999 NEC	YES
3) PROVIDE DISCONNECTING MEANS WITHIN SIGHT OF BASEBOARD HEATERS OR LOCKABLE DEVICE IN PANEL BOARD AS REQUIRED IN 424-19(B) 1999 NEC	YES
4) PROVIDE DISCONNECTING WITHIN SIGHT OR LOCKABLE DEVICE AT PANEL FOR WATER HEATER AS REQUIRED BY 422-31 1999 NEC	YES
5) PROVIDE PROPER OVERCURRENT PROTECTION ON 4500 WATT WATER HEATER AS REQUIRED IN 422-13 1999 NEC	YES

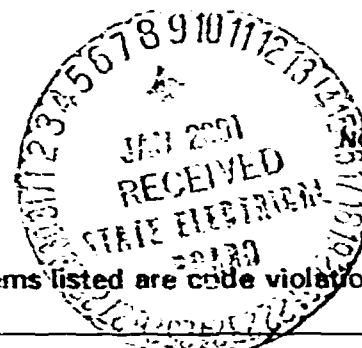
NOTE: This installation will be considered approved by the State Electrical Board if the required corrections are made and a signed copy of this report is returned to the Electrical Board office within 30 days.

Name of Inspector RON IHMELS	Signature of Licensed Electrician 	Date 1-31-01
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The North Dakota State Electrical Board will provide this form in an alternate format upon request.
 DISTRIBUTION: White Copy - To State Electrical Board Pink Copy - To Inspector Green Copy - Contractor's Record Yellow Copy - To State Electrical Board After Corrections Have Been Made



ELECTRICAL INSPECTION REPORT
NORTH DAKOTA STATE ELECTRICAL BOARD
 SFN 11856 (10-95)



PAGE 2 OF 2
 NORTH DAKOTA STATE ELECTRICAL BOARD
 P.O. BOX 857
 BISMARCK, ND 58502

Inspection of the following electrical installation was made and certain items were noted. The items listed are code violations and although not necessarily a hazard, corrections are required if so noted.

Date MAY 16, 2000		Certificate Number UNIT I - 124863			
Name COMMERCIAL GROUP WEST		Address 1222 N CENTRAL			
City KENNARE	County WARD	Twp.	Range	Sec.	Quarter
Name of company supplying current MDJ - WILLISTON		Address			
Name of electrical contractor FACTORY WIRED		Address			Lic. No.
<input type="checkbox"/> APPROVED	<input checked="" type="checkbox"/> APPROVED SUBJECT TO CORRECTION	<input type="checkbox"/> REJECTED	Type of building inspected HOUSE		Wiring was all new? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

CODE VIOLATION OR REMARKS	CORRECTION REQUIRED
6) RANGE CABLE IS REQUIRED TO HAVE PROPER BOX WITH SHEATHED CABLE ENTERING THE CABLE CLAMP BY AT LEAST 1/4" AS REQUIRED IN 370-17 1999 NEC	YES
7) RECEPTACLES IN LIVING ROOM SHALL BE INSTALLED SO THAT NO POINT ALONG THE FLOOR LINE IN ANY WALL SPACE IS MORE THAN 6 FEET MEASURED HORIZONTALLY FROM AN OUTLET IN THAT SPACE AS REQUIRED IN 210-52(a)(1) 1999 NEC	YES
8) SERVICES RATED 200 AMPS OR LARGER SHALL BE INSTALLED WITH A MINIMUM OF 40 BRANCH CIRCUIT SPACES AS REQUIRED IN 24-02-01-08(4)(B).	
9) OPERATIONS CORRECTIONS ARE REQUIRED TO BE DONE BY A ND LICENSED ELECTRICAL CONTRACTOR	YES
10) ARE ALL SPLICES IN J-BOXES AND ARE READILY ACCESSIBLE?	

NOTE: This installation will be considered approved by the State Electrical Board if the required corrections are made and a signed copy of this report is returned to the Electrical Board office within 30 days.

I certify the above required corrections have been made. 1-31-01 RD

Name of Inspector RON IHMELS	Signature of Licensed Electrician <i>[Signature]</i>	Date 1-4-01
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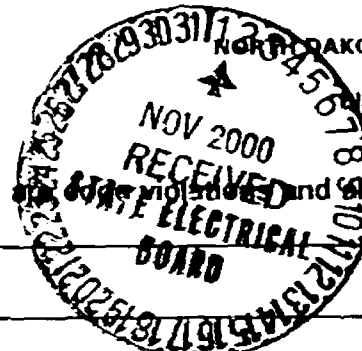
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ELECTRICAL INSPECTION REPORT
NORTH DAKOTA STATE ELECTRICAL BOARD
 SFN 11856 (10-95)



NORTH DAKOTA STATE ELECTRICAL BOARD
 P.O. BOX 857
 SMARCK, ND 58502

Inspection of the following electrical installation was made and certain items were noted. The items listed are code violations and although not necessarily a hazard, corrections are required if so noted.

Date September 25, 2000		Certificate Number "None"			
Name Commercial Group West		Address 1222 N. Central Avenue, Kenmare, ND 58746			
City Kenmare	County Ward	Twp. 161	Range 88	Sec. 22	Quarter NW
Name of company supplying current Burke-Divide Electric		Address Columbus, ND			
Name of electrical contractor		Address			Lic. No.
<input type="checkbox"/> APPROVED <input checked="" type="checkbox"/> APPROVED SUBJECT TO CORRECTION <input type="checkbox"/> REJECTED		Type of building inspected Single family dwelling		Wiring was all new? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

CODE VIOLATION OR REMARKS	CORRECTION REQUIRED
1) Reverse polarity on outside outlet.	Yes
2) Need an outside fixture installed.	Yes
3) Need an outlet in northeast corner of living room.	Yes
4) Smoke detectors 110 volt with battery backup are required in each bedroom and in hallway outside bedroom.	Yes
5) Water heater is required to have a disconnecting means by it.	Yes
6) A wiring certificate is required on this work.	Yes
7) Corrections are required to be completed by a N.D. licensed electrical contractor.	Yes

NOTE: This installation will be considered approved by the State Electrical Board if the required corrections are made and a signed copy of this report is returned to the Electrical Board office within 30 days.

I certify the above required corrections have been made.

Name of Inspector Ron Ihmels	Signature of Licensed Electrician	Date
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The North Dakota State Electrical Board will provide this form in an alternate format upon request.

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ELECTRICAL INSPECTION REPORT
NORTH DAKOTA STATE ELECTRICAL BOARD
 SFN 11556 (10-95)

NORTH DAKOTA STATE ELECTRICAL BOARD
 P.O. BOX 857
 BISMARCK, ND 58502

OK Ed Schuber 7/3/01

Inspection of the following electrical installation was made and certain items were noted. The items listed are code violations and although not necessarily a hazard, corrections are required if so noted.

Date 92: 10/10/00	Certificate Number NONE	Owner Address 3388-B 81ST NW TOKIO WOOD LAKE			
Name CURT HOFFSTAD (GRANDEUR HOUSING LTD)	Address BOX 2260 WINKLER, MAN RLV4B9				
City TOKIO	County BEASON	Twp. 151	Range 64	Sec. 15	Quarter NW
Name of company supplying current Sheyenne Valley EL CO		Address Finley			
Name of electrical contractor NONE		Address ---			Lic. No.
<input type="checkbox"/> APPROVED <input checked="" type="checkbox"/> APPROVED SUBJECT TO CORRECTION <input type="checkbox"/> REJECTED		Type of building inspected Modular Home			Wiring was all new? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

CODE VIOLATION OR REMARKS	CORRECTION REQUIRED
① Kitchen counter outlets to be GFCI protected.	Yes
② Kitchen counter outlets to be rated at 20 AMPS circuit at 20.	Yes
③ Bathroom circuits to be rated at 20 AMPS	Yes
④ All Bedrooms to have battery backup smoke detectors AND INTERCONNECTED TO HALLWAY smoke detectors	Yes
⑤ Island outlet to be GFCI protected	
⑥ Wiring Certificate required by Licensed North DAKOTA Electrical Contractor	Yes

NOTE: This installation will be considered approved by the State Electrical Board if the required corrections are made and a signed copy of this report is returned to the Electrical Board office within 30 days.

I certify the above required corrections have been made.

Name of Inspector <i>[Signature]</i>	Signature of Licensed Electrician <i>[Signature]</i>	Date 1-17-01
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The North Dakota State Electrical Board will provide this form in an alternate format upon request.

LAKE REGION ELECTRIC

White Copy - To State Electrical Board Pink Copy - To Inspector Green Copy - Contractor's Personal Record Yellow Copy - To State Electrical Board After Corrections Have Been Made

Date: February 9, 2001

To: Chairman Matt Klien and members of the House Government
And Veterans Affairs Committee

From: Jim Grueneich, Administer, Commercial Group West, LLC
A North Dakota company

Re: House Bill 1210

My purpose today is to represent Commercial Group West, LLC as well as similar companies that produce modular factory built residential and commercial structures.

That being my purpose, I am here in support of House Bill 1210, which will allow third party inspections of this type product in our state.

Third party inspection firms offer professional services to manufacturers, regulatory agencies and consumers. Duties performed by third party inspectors are: plan review, design consulting, plant inspections, testing quality control, evaluations, and certification. Inspection of each manufacturing facility and its production is done thoroughly and with such frequency as is necessary to verify that the Production Process Quality Control Program is in compliance with current regulations. The presence of the third party trademark certification and labeling the product is your assurance that compliance has been met. All third party firms are nationally recognized quality assurance agencies by the National Evaluation Service (NES) as evidenced by the sample enclosed. Independent Third Party Inspection and Certification Agencies are certified to perform these duties on behalf of over forty states, cities and counties across the nation. I have attached, for example and reference, a typical recognition list for your review.

My support of House Bill 1210 was prompted by my position with Commercial Group West, LLC. It became apparent that Third Party firms would allow greater efficiency and at the same time assure a safe, quality product. Production is often delayed under the present system due to the need for scheduling electricians and plumbers. It is impossible to plan to the exact hour these trades would need to arrive, as factory line production is not always predictable. Delays in production could be avoided thus being more cost effective. All of this would be avoided using Third Party Firms.

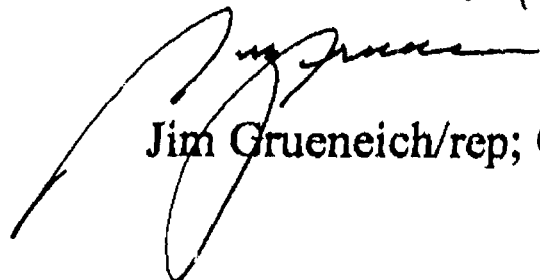
Our support of House Bill 1210 has no intent to jeopardize the licensed plumber or electrician in our state. These licensed trades would have a significant role in the modular business. Once on site, as was realized in Kenmare North Dakota, the motel required the licensed trade at a cost to the company of approximately \$50,000 to \$80,000. We need to look at the new jobs that are being brought to the state, which in turn generate additional opportunities for these same state licensed trades.

Former Governor Ed Schafer and Governor John Hoeven have publicly supported recruiting new businesses to the state. In order to accomplish this goal, we must create a business friendly atmosphere. This is just one of many steps that will set a positive move in a very positive direction.

Mr. Chairman and Committee Members, your support would be greatly appreciated and will be a major factor in the future our state plays in expanding its economic base. You now have an opportunity in meeting this much-needed challenge.

Thank you for giving North Dakota this opportunity and allowing me to make this most important point.

Sincerely,



Jim Grueneich/rep; CGW



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Midwest Region
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608/ 221-3361

Goshen, IN
219/ 533-8084

Southeast Region
Raleigh, NC
919/ 845-8450

PFS CORPORATION

Headquarters

2402 Daniels Street, Madison, WI 53718 • Phone: 608/ 221-3361 • Fax: 608/ 221-0180

PFS CORPORATION RECOGNITION LIST

PFS Corporation is recognized by many model code organizations, federal, state and municipal agencies across the nation as an independent full service testing and listing agency. Although all states do not provide for formal recognition of laboratories, wherever such formal procedures do exist, PFS has made application and has been accepted.

CODES/STANDARDS

ALSC - American Lumber Standards Committee

Accepted as an agency inspecting pressure treated wood products in accordance with the AWP Standards C2, C9 and C22 - 1993.

BOCA - Building Officials and Code Administrators International, Inc.

Research Report No. 86-127. Recognized as a testing laboratory for ASTM E 119, ASTM E 84 and ASTM E152 - 1987.

Research Report No. 90-46. Recognized as a testing laboratory for fire and physical testing of building materials and systems - 1991.

EPA - United States Environmental Protection Agency

Accredited by EPA for certification testing of wood heaters - 1987.

HUD - Dept. of Housing and Urban Development - Federal Housing Administration

Recognized as a qualified independent testing and inspection agency - Approximately 1965.

Approved as a Primary Inspection Agency (DAPIA and IPIA) under Title IV of HUD Mobile Homes Procedural and Enforcement Regulations - 1976.

HUD has accepted the official opinion of PFS concerning fire resistance of building assemblies - 1976.

Recognized Agency in Field Glued Plywood and Wood Frame Structural Floor Systems (AFG-01) under Bulletin UM 60 - 1970.

Accepted as a testing and labeling agency for cabinets - 1976.

Accepted as an administrator for wood windows as defined in Bulletin UM 59 - 1980.

Accepted for approval of plastic bathtub units for installation in mobile homes under IAPMO-TSC-11-72 test standard - 1981.

Rev. 02/06/98 rh



Accredited by the National Voluntary
Laboratory Accreditation Program for the
specific scope of accreditation under
Lab Code 100421-0

IBC - Industrialized Building Commission

Interstate compact-recognized third party for evaluation, inspection and labeling of all modular units being shipped into a member state (modular units include industrialized or modular buildings or building components). As of August 1, 1993, member states include New Jersey, Rhode Island and Minnesota - 1993. Expanded June 12, 1997 to include the State of Kentucky.

ICBO - International Conference of Building Officials

Research Report No. TL-109. Recognized as a laboratory for physical testing, structural assembly testing and testing of fireplaces, room heaters, inserts and supplementary furnaces to UL Standards Nos. 127, 737, 1482, proposed 907 and 391 and fire testing under U.B.C. Standard No. 43-1 - 1989. Expanded in 1997 to include all of the following test standards: ANSI A 208.1; ANSI/AITC A 190.1; APA AFG-01; ASTM C 271, C 272, C 273, C 297, C 365, C 393, C 481, D 198, D 905, D 1037, D 1101, D 1183, D 1761, D 2016, D 2559, D 4442, D 5055, D 5456, E 72, E 661; UBC 15-5; UL 127, 391, 737, 907, 1482; and U.S. Dept. of Commerce PS-1 and PS-2. - 1997

NER - National Evaluation Service Committee

Research Report No. NER-QA251. Recognized as compliance assurance and/or inspection agency for prefabricated assemblies, prefabricated fire resistance-rated assemblies, solid-fuel-burning appliances, structural wood products, wood-based panel products, structural adhesives for plywood and structural glued-laminated timber - 1991. Revised in 1996 to include liquid- and waste-oil-burning appliances.

NVLAP - National Voluntary Laboratory Accreditation Program

NVLAP Lab Code 100421-0. Accredited as a testing laboratory for wood based products, including: general wood products; particleboard and medium-density fiberboard; formaldehyde; structural-use panels; hardwood plywood; structural composite lumber, glulam, I-Joists, LVL; and sandwich constructions - 1995.

NWPCA - National Wooden Pallet and Container Association

Approved to perform plant and pallet inspections - 1982.

RPTIA - Recreational Park Trailer Industry Association, Inc.

Accepted as a third party inspection agency - 1994.

RVIA - Recreational Vehicle Industry Association

Recognized as a testing and listing agency of RV components - 1987.

SBCCI - Southern Building Code Congress International, Inc.

Research Report No. TL-9541. Recognized as a testing laboratory for fire, structural, electrical, mechanical, plumbing, heating units and material properties - 1990.

TPI - Truss Plate Institute

Approved to perform quality control inspections of the fabrication of metal-plate-connected wood trusses - 1985.

U.S. Army, Corps of Engineers

Registered with Department of Army, Corps of Engineers for architect/engineer and related services - 1989. Qualification Data #012865.

STATES

ALABAMA

Recognized as a nationally-recognized testing and listing laboratory for heating appliances - 1982.

ARIZONA

Accepted as a listing agency on manufactured products accepted by ICBO and which fall under the jurisdiction of the Division of Mobile and Manufactured Housing Standards (now the Office of Manufactured Housing) - 1979.

ARKANSAS

Accepted as a third-party certification agency for heating appliances - 1982.

CALIFORNIA

Approved as a design approval (DAA) and quality assurance agency (QAA) for the California Factory-Built Housing Program - 1987.

Approved as a design approval (DAA) and quality assurance agency (QAA) for recreational vehicles, commercial coaches, special purpose commercial coaches and mobilehomes - 1989.

Approved as a testing and listing agency for mobilehomes, commercial coaches and recreational vehicles for structural components and fire safety, and heating appliances - 1971.

COLORADO

Approved as an Authorized Inspection Agency to perform inspections in the following areas: factory built/modular homes; factory built nonresidential structures; recreational and park trailer vehicles - 1998.

CONNECTICUT

Approved as a third party evaluation and inspection agency for mobile and modular housing - 1974.

Recognized and approved for testing of waste oil heaters distributed and installed within the State of Connecticut - 1983.

DELAWARE

Approved as an independent evaluation and inspection agency of manufactured housing - 1985.

Recognized as a third party inspection agency on rough wiring inspections only on the mobile and modular homes coming into the State of Delaware - 1976.

FLORIDA

Under contract with the Department of Community Affairs to inspect factory-built housing for manufacturers as listed with the State of Florida - 1971.

GEORGIA

Under Agreement with the Industrialized Buildings Agency as an inspection agency, evaluation agency and a design approval agency as provided in the Georgia Rules for Industrialized Buildings - 1988.

HAWAII

Approved as a testing and quality control agency for manufacturers as listed by the State of Hawaii - 1971.

IDAHO

Approved as a third party agency for factory-built housing and commercial coaches - 1992.

Recognized for PFS certification of solid-fuel-burning heating appliances based on ICBO Report AA-504 - 1982.

ILLINOIS

Approved as an inspection agency in the interest of the State of Illinois in accordance with the Illinois Mobile Homes Safety Act, Administrative Rules and Regulations and Future Amendments - 1975.

Approved as an independent testing laboratory for third party testing and as a certification agency for solid-fuel-burning appliances - 1979.

INDIANA

Approved as a third party evaluation and inspection agency for mobile and modular structures - 1972.

IOWA

Approved as a third-party agency for the following: plan and specification review and certification, manufacturing facilities and quality control review and certification; in-plant inspection and certification of seal and code compliance - 1973.

Accepted as testing agency for solid fuel burning appliances - 1979.

KANSAS

Approved as a third party testing, inspection and certification agency under the Kansas Uniform Standards Code for Mobile Homes and Recreational Vehicles - 1974.

Accepted as a testing agency for solid-fuel-burning appliances based on ICBO approval - 1980.

KENTUCKY

Reciprocity agreement with the IBC as an interstate compact-recognized third party for inspection and labeling of all modular units being shipped into a member state (New Jersey, Minnesota, Rhode Island) - 1997

LOUISIANA

Recognized as an approved third-party certification for heating appliances - 1982.

MAINE

Approved as an evaluation and inspection agency as defined in the Rules and Regulations for Certification of Mobile Homes, Article III, and the Rules and Regulations for Certification of Industrialized Housing, Article III, hereinafter called the Mobile Home Regulations respectively, adopted by the Maine State Housing Authority - 1974.

Approved for testing of solid fuel burning appliances to State of Maine Standard - 1980.

MARYLAND

Approved as a Maryland Approved Testing Facility (ATF) as defined in Article 41, Section 83B, Subsection 6-202 of the Maryland Industrialized Building and Mobile Home Act - 1972.

MASSACHUSETTS

Certified in the Massachusetts Manufactured Building Program as a third party inspection agency (TPIA) - 1975.

Approved as an accredited testing laboratory to test and label both solid and liquid fuel burning appliances - 1979.

Approved testing laboratory and inspection agency for waste oil heaters, fire testing and fire rated products, and structural testing and listing of wood building components. Listed in Appendix "O" of Massachusetts State Building Code - 1990.

MICHIGAN

Approved to conduct Inplant construction inspection for approval of premanufactured units on behalf of the Construction Code Commission - 1974.

Recognized as an approved testing laboratory to the following standards: ASTM E 84, ASTM E 119 and ASTM E 152 - 1993.

Approved as an independent testing laboratory - 1978.

Accepted as testing agency for solid fuel burning appliances - 1980.

MINNESOTA

Reciprocity agreement with the IBC as an interstate compact-recognized third party for inspection and labeling of all modular units being shipped into a member state (New Jersey, Rhode Island) - 1993.

Approved as an evaluation agency to review and approve construction documents for manufactured structures for compliance with the requirements of the Minnesota Building Code - 1978.

Approved as an inspection agency qualified to conduct and supervise compliance assurance programs relating to manufactured buildings - 1972.

Approved as a quality control inspection agency to approve and certify wood roof trusses for compliance with the Minnesota Building Code - 1973.

Approved by Minnesota Department of Building Codes and Standards as evaluation and inspection agency in accordance with Minnesota Prefabricated Structures and Manufactured Building Codes Section of the Minnesota State Building Code - 1983.

MISSOURI

Approved as an independent inspection agency authorized to inspect to mobile homes built or sold in the State of Missouri - 1975.

Approved as an independent inspection agency authorized to inspect to BOCA/UBC required codes for commercial modular homes built or sold in the State of Missouri. Approval in Missouri based on HUD approval - 1986.

MONTANA

Approved as a third party inspection agency concerning the construction of recreational vehicles and factory-built buildings - 1978.

Accepted as a third party testing and listing agency for solid fuel burning appliances based on ICBO's listing of PFS - 1980.

Accepted as third-party testing and listing agency for heating appliances based on ICBO's listing of PFS - 1982.

NEBRASKA

Under contract with the Department of Health of the State of Nebraska as an independent third party inspection agency relative to the administration of the Nebraska Uniform Standards for Modular Housing Act - 1977.

Recognized as a quality assurance and inspection agency to perform electrical inspections by the Nebraska State Electrical Board using only nationally certified electrical inspectors - 1997.

Authorized to practice engineering, Certificate Number CA0599E - 1998.

NEVADA

Approved as an inspection agency for factory-built housing, including testing, listing and inspections - 1972.

Approved as a third party testing facility under Nevada's rules and regulations covering plumbing, heating and electrical standards for mobile homes and travel trailers - 1972.

Recognized by the Department of Commerce as a third-party inspection agency for modular construction with approval for individual projects and/or manufacturers - 1989.

NEW HAMPSHIRE

Recognized as an accredited third party inspection agency in accordance with RSA 205C and SAF-C 3300 - 1992.

Recognized as an accredited third party laboratory for modular building systems, building materials and heating appliances including waste oil heaters - 1991.

NEW JERSEY

Reciprocity agreement with the IBC as an interstate compact-recognized third party for inspection and labeling of all modular units being shipped into a member state (Kentucky, Minnesota, Rhode Island) - 1993.

Approved as in-plant inspection agency for the following subcodes: building, electrical, plumbing and fire protection; permitted to approve building systems and compliance assurance programs - 1977.

Accepted as testing agency for solid fuel burning appliances - 1979.

NEW MEXICO

Approved by the Construction Industries Division as a third-party inspection agency for modular construction - 1987.

NEW YORK

Approved as a quality assurance agency for manufactured structures - 1990.

NEW YORK (cont.)

Laboratory accredited for structural testing of building assemblies, building components and waste oil heaters - 1990. Additionally, accredited for the observation and reporting of ASTM E 84, ASTM E 119, and ASTM E 152 tests at an approved test facility - 1992.

Laboratory accredited to test and list liquid and solid fuel heating appliances - 1991.

Laboratory acceptance as a testing or inspection agency for kerosene heaters - 1982.

NORTH CAROLINA

Approved as a third party certification agency for buildings of modular construction - 1981.

Accredited as a testing/listing agency for oil fired heating equipment and accessories, oil fired appliances, solid fuel heating equipment and gas fire heating appliances - 1988. Expanded in 1992 to include air conditioning equipment and accessories and heat pump equipment and accessories - 1992.

Accepted as a fire testing and listing agency for assemblies and components to ASTM E 84, ASTM E 119 and ASTM E 152 standards - 1989.

Approved to practice Engineering as a Business Firm; Certificate No. F-0485 - 1995.

NORTH DAKOTA

Recognized as a testing and certification agency for heating appliances - 1982.

Designated as a third party inspection agency for the inspection of mobile homes shipped into the State of North Dakota - 1973.

OHIO

Recognized by the Ohio Board of Approval as an approved testing and listing agency for fire testing of fire-rated products and safety testing of heating appliances in the State of Ohio - 1982.

Approved as testing laboratory for ASTM E 84, E 119, E 152 and UL 1482 as referenced in the Ohio Basic Building Code (OBBC) - 1982. Expanded to approval for ASTM E 72 in December 1984. Expanded again in March 1996 by the Ohio Department of Commerce to encompass those tests listed in PFS' NVLAP Scope of Accreditation - general wood based products; particleboard and medium-density fiberboard; formaldehyde; structural-use panels; hardwood plywood; structural composite lumber; glulam; I-joists; LVL; and sandwich constructions - 1996.

Recognized as an inspection agency for factory-built structures using PFS inspectors certified by the State of Ohio Board of Building Standards - 1997.

OREGON

Approved as a certified testing laboratory for solid fuel burning appliances, including waste oil burning stoves - 1980.

PENNSYLVANIA

Approved as a third party evaluation and inspection agency under the Pennsylvania Industrialized Housing Act - 1974.

PENNSYLVANIA (cont.)

Accepted organization to perform electrical inspections on one- and two-family residences - 1979.

Approved as a testing laboratory covering all devices or equipment pursuant to Section 49.1 of the Fire and Panic Regulations - 1991.

RHODE ISLAND

Approved as a third-party inspection agency in accordance with the rules and regulations for manufactured buildings and building components - 1977. Now under a reciprocity agreement with the IBC as an Interstate compact-recognized third party for inspection and labeling of all modular units being shipped into a member state (Kentucky, New Jersey, Minnesota) - 1993.

Approved testing agency for solid fuel burning appliances based on BOCA, ICBO and SBCCI approvals - 1979.

Approved testing laboratory based on NVLAP accreditation - 1982.

SOUTH CAROLINA

Approved as a third party inspection agency under the rules of the South Carolina Modular Buildings Construction Act - 1988.

SOUTH DAKOTA

Approved as an electrical inspection agency for manufactured structures for the State of South Dakota - 1978.

Reauthorized by the South Dakota State Electrical Commission - 1991.

TENNESSEE

Approved as a construction inspection agency and a design review agency for modular building units - 1986.

TEXAS

Registered as an industrialized housing third party inspection agency - 1986.

Registered as an industrialized housing third party design review agency - 1994.

UTAH

Approved by the Department of Commerce as a third-party inspection agency for recreational vehicles and park trailers in lieu of RVIA for individual manufacturers - 1991.

VIRGINIA

Approved testing and inspection quality assurance agency under the Virginia Industrialized Building and Manufactured Home Safety Regulations - 1976.

WASHINGTON

Accredited as a testing and inspection agency for electrical products associated with residential and commercial heating, air conditioning and refrigeration equipment and electrical equipment associated with solid fuel burning appliances (categories #18, #19 and #29) - 1989.

WISCONSIN

Approved testing and labeling agency for solid fuel burning appliances to UL Standards 737, 727, 1482 and 127 - 1978.

Wisconsin Material Approval No. 960079-C. Approved as an independent testing and certification laboratory for ASTM E 84, ASTM E 119 and ASTM E 152 tests. Also approved for the testing of gas, fuel oil, waste oil and solid fuel appliances - 1990.

Approved as an agency for listing steel tanks for aboveground use in compliance with UL 80 or UL 142 - 1993.

Authorized to practice Engineering; Certificate No. 957 - 1998

CITIES/COUNTIES

ARIZONA - CITY OF PHOENIX

Approved as a certification agency to certify factory-built buildings and mobile homes - 1971.

CALIFORNIA - CITY OF DAVIS

Recognized as an approved listing agency for solid fuel burning appliances - 1983.

CALIFORNIA - CITY OF LOS ANGELES

Approved as a testing agency for glued wood products and wood trusses, #24627 - 1987.

CALIFORNIA - CITY/COUNTY OF SAN FRANCISCO

Approved by the City and County of San Francisco as an inspection agency for testing and labeling of room heaters, factory-built fireplaces and fireplace stoves - 1982.

COLORADO - CITY/COUNTY OF DENVER

Recognized testing laboratory for solid fuel burning appliances - 1980.

Approved as a third party inspection agency for prefabricated dwelling assemblies - 1977. Reapproved in 1987.

FLORIDA - DADE COUNTY

Approved as a compliance assurance and/or inspection agency - 1990.

Approved as a compliance assurance and/or inspection agency and a testing laboratory in accordance with Dade County Building Code Compliance and Protocol PA301-94 to perform the following tests: per certification by SBCCI Compliance Report #TL-9337 and per BOCA Research and Evaluation Committee Report #90-46, includes Main office only (revised yearly)- 1994. Revised in 1996 to include: ...per SBCCI Compliance Report TL-9541, excluding section III(7) (revised yearly); per NVLAP Code 100421-0 (revised yearly); and per TPI 1-95.

ILLINOIS - CITY OF CHAMPAIGN

Approved to inspect, test and certify the electrical systems for modular homes - 1971.

ILLINOIS - CITY OF DECATUR

Approved as a third party agency for inspecting manufactured building systems for placement in the City of Decatur - 1975.

IOWA - CITY OF DES MOINES

Accepted as an approved heating appliance testing agency based on CABO NER-QA251 - 1992.

KANSAS - CITY OF WICHITA

Accepted as testing agency for heating appliances based on ICBO approval - 1980.

LOUISIANA - CITY OF NEW ORLEANS

Accepted to inspect and approve manufactured buildings and/or building components for which plans and specifications have been submitted to and approved by the New Orleans Department of Safety and Permits - 1989.

MICHIGAN - CITY OF DETROIT

Approved as testing agency for solid fuel burning appliances - 1981.

MINNESOTA - CITY OF FAIRMONT

Accepted as a testing lab and quality assurance agency for heating appliances based on ICBO report - 1991.

MINNESOTA - CITY OF MINNEAPOLIS

Accepted as testing and labeling agency for solid fuel burning appliances under UL Standards 127, 737 or 1482 - 1981.

NEVADA - CLARK COUNTY

Approved as an inspection and testing agency - 1987.

NEW HAMPSHIRE - TOWN OF BOW

Recognizes PFS certification, trademark, and data plate as adequate evidence of in-plant inspection and compliance with Bow Building Code for factory-built modular homes - 1976.

NEW HAMPSHIRE - TOWN OF WINDHAM

Accepted to act as third party inspection agency for industrialized dwellings - 1975.

NEW YORK - NASSAU COUNTY

Approved testing and labeling agency for kerosene heaters distributed by Glo International - 1981.

NEW YORK - CITY OF NEW YORK

Accepted as a testing service for the witnessing of fire tests performed at National Gypsum Co., Gold Bond laboratory facility for ASTM E 119 tests; laboratory acceptance #MEA 095-90-L - 1990.

TENNESSEE - CITY OF KNOXVILLE

Recognized as a quality control inspection agency - 1971.

TEXAS - CITY OF HOUSTON

Registration N. 1036 - Approved as an inspection agency for wood trusses - 1985.

WISCONSIN - CITY OF APPLETON

Approved as a certifying agent for all aspects of building construction - 1975.

WISCONSIN - CITY EAU CLAIRE

Approved for technical services with regard to manufactured housing and structural components - 1974.

WISCONSIN - CITY OF FOND DU LAC

Approved for evaluation and inspection of prefabricated buildings, manufactured buildings and building components - 1975.

For a more specific nature of approval (e.g., manufactured buildings, mobile homes, wood roof trusses, components, heating appliances, etc.), the official letter of approval is on file at the PFS offices.

Persons interested in reviewing, in detail, the letters of approval may request copies from the PFS office in Madison, Wisconsin.

Testimony HB 1210

By Rep. Glen Froseth, District 6

Senator Krebsbach and members of the Senate GVA Committee, for the record my name is Rep. Glen Froseth from Kenmare, representing District 6, which is all of Bottineau and Renville Counties and the northern portion of Ward County.

I appear before you today to present HB 1210 and ask for your favorable consideration.

HB 1210 creates a new section to NDCC 54-21.3, to allow third party inspections of building, electrical, fire and plumbing for modular residential and commercial structures that are built in a factory.

This bill will allow the state of North Dakota to establish a modular building program. It will do this by authorizing the Division of Community Services to set up administrative rules for the modular building industry to operate. A part of those rules will be to allow for third party inspections and certifications of modular residential and commercial structures.

A third-party inspection firm is one that would provide services to include engineering plan review of manufactured structures and building components, structural and fire testing of building materials and components to nationally recognized standards, and product certification and labeling. These firms are nationally recognized quality assured agencies, certified by the National Evaluation Service.

An accompanying page to this testimony explains what a third party inspection firm is and the process that is followed when third party inspections and certifications are used for modular construction. Third party inspections are allowed in 36 other states in the nation, including neighboring Minnesota, South Dakota and Montana. Also an additional 25 cities or counties approve the use of third-party inspections of modular buildings. HB 1210 will put North Dakota in line to compete with these states for the growing demand being realized in the modular building industry.

In his inaugural speech on Jan. 9th, Gov. Hoeven pledged to head a government that will give citizens the tools they need to improve the state's economy. This bill will help him accomplish that goal. He further stated, "The private sector are the real visionaries, the real risk takers." "The state can create more and better paying jobs that will fund necessary government services through economic development rather than through tax increases."

HB 1210 will enhance the business climate in North Dakota and make our state competitive in the development of our modular building industry.

Madam Chairman and members of the committee, I urge your favorable recommendation to HB 1210. Thank you.

Third-Party Inspections

Senator Krebsbach and members of the GVA Committee, I'll be the first to admit that this is sort of confusing, as this is something new to North Dakota and we are breaking new ground here, but HB 1210 will put our state in line with 36 other states, and allow us to be competitive in the modular building industry.

A brief explanation of what a Third-Party Inspection and Certification firm is and what they do is as follows:

First off, there are several Third-Party Inspection firms in the nation. The modular manufacturing company in Kenmare which, by the way, specializes in buildings motels, has contracted with PFS Corporation, one of the largest third-party inspection firms in the nation. When the Kenmare factory contracted with PFS, they came in and totally inspected the factory and certified that it met with all building procedures, and that equipment and staff were in compliance with all building standards.

When the Kenmare factory is successful in obtaining a contract to build a motel, classroom, medical clinic, daycare facility, housing unit, or any other modular building, they submit the plans and specifications to PFS for their review, to make sure the plans and specs meet with all the building codes of the receiving state and city. When these plans and specs have been approved by PFS and the receiving state, they are returned to the Kenmare factory, and the construction process can begin.

While the modular units are being constructed in the factory, PFS (the third-party inspection firm) oversees the inspections, which are all made according to all building codes involved. When the units are completed, PFS does a final inspection, and certifies that it meets all the building code requirements of the receiving state and city.

Once the modular units arrive at their final location, they are again subjected to all the local inspections necessary before final hook-ups, etc. are completed.

In the long run, this process may be much more thorough, and may produce a much safer product than the traditional "stick built" construction of residential and commercial buildings.

Rich - Fgt



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STATE OF NORTH DAKOTA

Ildi Hellkamp
IRNEY GENERAL

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01-328-2226

umer Protection
Trust Division
28-3404
72-2607
ee in North Dakota
28-3409 (TDD)
01-328-3535

ng Division
28-4848
01-328-3536

ing Section
28-2329
01-328-3535

OL COMPLEX
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ick, ND 58505-0041
01-328-4300

Ligation
28-3640

al Resources
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ig Commission
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ick, ND 58502-1054
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99-7126
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April 21, 1999

Roselyn D. Hamilton
Assistant to the President
PFS Corporation
2402 Daniels Street
Madison WI 53718-6798

Dear Ms. Hamilton:

Thank you for your request of April 13, 1999, regarding PFS Corporation being recognized in North Dakota as a third party quality control and inspection agency. After reviewing the documentation you enclosed, an approval as a third party quality control and inspection agency for manufactured buildings brought into the State of North Dakota is granted to PFS Corporation.

If our office can be of further assistance, feel free to contact us.

Sincerely,

John Elstad
Chief Deputy State Fire Marshal

lh

Cover Page

Contents:

- 1. Testimony**
- 2. National Evaluation Service, Inc.**
- 3. Right of Entry**
- 4. Organizational Structure**
- 5. Installation Control (on site)**

Date: February 9, 2001

To: Senator Krebsbach and Members of the
Senate GVA Committee

From: Jim Grueneich, Administer, Commercial Group West, LLC
A North Dakota Company

Re: House Bill 1210

My purpose today is to represent Commercial Group West, LLC as well as similar companies that produce modular factory built residential and commercial structures.

That being my purpose, I am here in support of House Bill 1210, which will allow third party inspections of this type product in our state.

Third party inspection firms offer professional services to manufacturers, regulatory agencies and consumers. Duties performed by third party inspectors are: plan review, design consulting, plant inspections, testing quality control, evaluations, and certification. Inspection of each manufacturing facility and its production is done thoroughly and with such frequency as is necessary to verify that the Production Process Quality Control Program is in compliance with current regulations. The presence of the third party trademark certification and labeling the product is your assurance that compliance has been met. All third party firms are nationally recognized quality assurance agencies by the National Evaluation Service (NES) as evidenced by the sample enclosed. Independent Third Party Inspection and Certification Agencies are certified to perform these duties on behalf of over forty states, cities and counties across the nation.

My support of House 1210 was prompted by my position with Commercial Group West, LLC. It became apparent that Third Party firms would allow greater efficiency and at the same time assures a safe, quality product. Production is often delayed under the present system due to the need for scheduling electricians and plumbers. It is impossible to plan to the exact hour these trades would need to arrive, as factory line production is not always predictable. Delays in production could be avoided thus being more cost effective. All of this would be avoided using Third Party Firms.

Our support of House Bill 1210 has no intent to jeopardize the licensed plumber or electrician in our state. These licensed trades would have a significant role in the modular business. Once on site, as was realized in Kenmare North Dakota, the motel required the licensed trade at a cost to the company of approximately \$50,000 to \$80,000. We need to look at the new jobs that are being brought to the state, which in turn generate additional opportunities for these same state licensed trades.

Former Governor Ed Schafer and Governor John Hoeven have publicly supported recruiting new businesses to the state. In order to accomplish this goal, we must create a business friendly atmosphere. This is just one of many steps that will set a positive move in a very positive direction.

Senator Krebsbach and Committee Members, your support would be greatly appreciated and will be a major factor in the future our state plays in expanding its economic base. You now have an opportunity in meeting this much-needed challenge.

Thank you for giving North Dakota this opportunity and allowing me to make this most important point.

Sincerely,

Jim Grueneich/rep; CGW



National Evaluation Service, Inc.

Participating Members:

BOCA Evaluation Services, Inc.

ICBO Evaluation Service, Inc.

SBCCI Public Safety
Testing and Evaluation Services, Inc.

4051 West Flossmoor Road
Country Club Hills, Illinois 60478-6796
(708) 789-2306

6360 Workman Mill Road
Whittier, California 90601-2299
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900 Montclair Road, Suite A
Birmingham, Alabama 35213-1206
(205) 699-9800

NATIONAL EVALUATION REPORT

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Report No. NER-QA251

Reissued December 1, 1996

COMPLIANCE ASSURANCE AND/OR INSPECTION AGENCY FOR PREFABRICATED CONSTRUCTION, PREFABRICATED FIRERESISTANCE-RATED ASSEMBLIES, LIQUID- AND WASTE- OIL- BURNING APPLIANCES, SOLID-FUEL-BURNING APPLIANCES, STRUCTURAL WOOD PRODUCTS, WOOD-BASED PANEL PRODUCTS, STRUCTURAL ADHESIVES FOR PLYWOOD AND STRUCTURAL GLUED-LAMINATED TIMBER

**PFS CORPORATION
2402 DANIELS STREET
MADISON, WI 53704**

Branch Office:

3637 Motor Avenue, Suite 380
Los Angeles, CA 90034

1.0 SUBJECT

Compliance Assurance and/or Inspection Agency for Prefabricated Construction, Prefabricated Fireresistance-rated Assemblies, Liquid- and Waste- Oil- Burning Appliances, Solid-fuel-burning Appliances, Structural Wood Products, Wood-based Panel Products, Structural Adhesives for Plywood and Structural Glued-laminated Timber.

2.0 PROPERTIES FOR WHICH EVALUATION IS SOUGHT

Compliance Assurance and/or Inspection Agency.

3.0 DESCRIPTION

Compliance Assurance and/or Inspection Services are provided to verify that manufactured products are representative of the products described in the reported test results. The services provided are subject to the limitations of Section 5.0 Conditions of Use.

- 3.1 Prefabricated construction
- 3.2 Prefabricated fireresistance-rated assemblies
- 3.3 Liquid- and waste- oil- burning appliances
- 3.4 Solid-fuel-burning appliances
- 3.5 Structural wood products
- 3.6 Wood-based panel products
- 3.7 Structural adhesives for plywood
- 3.8 Structural glued-laminated timber

4.0 EVIDENCE SUBMITTED

4.1 Reports prepared by PFS Corporation, Book 1, Corporate Structure and Status of PFS Corporation; Book 2, Professional and Physical Resources of PFS Corporation; Book 3, Systems and Procedures of PFS Corporation; and Quality Control and Trademarking Requirements Covering Testing, Inspection and Certification of Products. The reports include the following:

- 4.1.1 Description of the organization, facilities and personnel.
- 4.1.2 Organization chart.
- 4.1.3 Facsimile of stamp/logo.
- 4.1.4 Affidavit of agency's third party independence.
- 4.1.5 Sample agreements with manufacturers.
- 4.1.6 Quality control manuals.
- 4.1.7 Quality control inspection forms.

4.2 PFS Corporation requirements for Testing, Inspection and Certification of Products:

- PFS-1301 Factory Built Systems
- PFS-1309 Sandwich Panels
- PFS-1310 Wood Composite Panels
- PFS-1311 Fire Rated Products
- PFS-1313 Structural Glued Laminated Timber
- PFS-1315 Sandwich Panels with Foam
- PFS-1316 Wood-I-Joists
- PFS-1317 Composite Structural Lumber
- PFS-1321 Heating Appliances
- PFS-1325 Construction Adhesives

5.0 CONDITIONS OF USE

The National Evaluation Service Committee finds that the PFS Corporation meets the requirements for recognition as a Compliance Assurance and/or Inspection Agency for the products listed in Section 3.0. Description of this report, provided the products labeled or listed by PFS Corporation are specifically evaluated in a current NES, BOCA-ES, ICBO ES OR SBCCI PST & ESI or individual model code agency evaluation report.

5.1 This report is subject to re-examination on a periodic basis. For information on the current status of this report, contact one of the participating members of the NES.

This report is limited to the specific product and data and test reports submitted by the applicant in its application requesting this report. No independent tests were performed by the National Evaluation Service, Inc. (NES), and NES specifically does not make any warranty, either expressed or implied, as to any finding or other matter in this report or as to any product covered by this report. This disclaimer includes, but is not limited to, merchantability. This report is also subject to the limitation listed herein.



PFS CORPORATION

Headquarters

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East Region
Indianapolis, IN
317-533-8084

South East Region
Raleigh, NC
919-8450



Accredited by the National Voluntary
Accreditation Program for the
scope of accreditation under
Lab Code 100421-0

PFS CORPORATION RECOGNITION LIST

PFS Corporation is recognized by many model code organizations, federal, state and municipal agencies across the nation as an independent full service testing and listing agency. Although all states do not provide for formal recognition of laboratories, wherever such formal procedures do exist, PFS has made application and has been accepted.

CODES/STANDARDS

ALSC - American Lumber Standards Committee

Accepted as an agency inspecting pressure treated wood products in accordance with the AWPAC Standards C2, C9 and C22 - 1993.

BOCA - Building Officials and Code Administrators International, Inc.

Research Report No. 86-127. Recognized as a testing laboratory for ASTM E 119, ASTM E 84 and ASTM E 152 - 1987.

Research Report No. 90-46. Recognized as a testing laboratory for fire and physical testing of building materials and systems - 1991.

EPA - United States Environmental Protection Agency

Accredited by EPA for certification testing of wood heaters - 1987.

HUD - Dept. of Housing and Urban Development - Federal Housing Administration

Recognized as a qualified independent testing and inspection agency - Approximately 1965.

Approved as a Primary Inspection Agency (DAPIA and IPIA) under Title IV of HUD Mobile Homes Procedural and Enforcement Regulations - 1976.

HUD has accepted the official opinion of PFS concerning fire resistance of building assemblies - 1976.

Recognized Agency in Field Glued Plywood and Wood Frame Structural Floor Systems (AFG-01) under Bulletin UM 60 - 1970.

Accepted as a testing and labeling agency for cabinets - 1976.

Accepted as an administrator for wood windows as defined in Bulletin UM 59 - 1980.

Accepted for approval of plastic bathtub units for installation in mobile homes under IAPMO-TSC-11-72 test standard - 1981.

IBC - Industrialized Building Commission

Interstate compact-recognized third party for evaluation, inspection and labeling of all modular units being shipped into a member state (modular units include industrialized or modular buildings or building components). As of August 1, 1993, member states include New Jersey, Rhode Island and Minnesota - 1993. Expanded June 12, 1997 to include the State of Kentucky.

ICBO - International Conference of Building Officials

Research Report No. TL-109. Recognized as a laboratory for physical testing, structural assembly testing and testing of fireplaces, room heaters, inserts and supplementary furnaces to UL Standards Nos. 127, 737, 1482, proposed 907 and 391 and fire testing under U.B.C. Standard No. 43-1 - 1989. Expanded in 1997 to include all of the following test standards: ANSI A 208.1; ANSI/AITC A 190.1; APA AFO-01; ASTM C 271, C 272, C 273, C 297, C 365, C 393, C 481, D 198, D 905, D 1037, D 1101, D 1183, D 1761, D 2016, D 2559, D 4442, D 5055, D 5456, E 72, E 661; UBC 15-5; UL 127, 391, 737, 907, 1482; and U.S. Dept. of Commerce PS-1 and PS-2. - 1997

NER - National Evaluation Service Committee

Research Report No. NER-QA251. Recognized as compliance assurance and/or inspection agency for prefabricated assemblies, prefabricated fire resistance-rated assemblies, solid-fuel-burning appliances, structural wood products, wood-based panel products, structural adhesives for plywood and structural glued-laminated timber - 1991. Revised in 1996 to include liquid- and waste-oil-burning appliances.

NVLAP - National Voluntary Laboratory Accreditation Program

NVLAP Lab Code 100421-0. Accredited as a testing laboratory for wood based products, including: general wood products; particleboard and medium-density fiberboard; formaldehyde; structural-use panels; hardwood plywood; structural composite lumber, glulam, I-Joists, LVL; and sandwich constructions - 1995.

NWPCA - National Wooden Pallet and Container Association

Approved to perform plant and pallet inspections - 1982.

RPTIA - Recreational Park Trailer Industry Association, Inc.

Accepted as a third party inspection agency - 1994.

RVIA - Recreational Vehicle Industry Association

Recognized as a testing and listing agency of RV components - 1987.

SBCCI - Southern Building Code Congress International, Inc.

Research Report No. TL-9541. Recognized as a testing laboratory for fire, structural, electrical, mechanical, plumbing, heating units and material properties - 1990.

TPI - Truss Plate Institute

Approved to perform quality control inspections of the fabrication of metal-plate-connected wood trusses - 1985.

U.S. Army, Corps of Engineers

Registered with Department of Army, Corps of Engineers for architect/engineer and related services - 1989.
Qualification Data #012866.

Right of Entry

I. Permission for Inspection

Commercial Group West, L.L.C. has provided the State having jurisdiction with written permission for the State Enforcement Agencies and/or Third Party Inspection Agencies to inspect the facility, products, and building sites at any reasonable hour without prior notice.

II. Inspections By The State Enforcement Agency

Detailed plans for inspections by the State Enforcement Agency and/or the Third Party Inspection Agency are located in Appendix A.

1.0 Organization Structure

1.1 Introduction

A Quality Control Program is an essential feature of any manufacturing endeavor. Experience and common sense dictate that a properly executed Quality Control Program is necessary to ensure compliance with design specifications in addition to a minimum of callback costs. Considerable evidence exists to demonstrate that the quality and cost savings realized by early detection and/or prevention of deficiencies more than offset the expense of a reasonably scaled and efficiently operated Quality Control Program.

The greatest value to the consumer can be assured through the careful blending of quality construction, esthetics, safety, and convenience at the lowest practical cost. The careful blending of the above factors is required to obtain the greatest overall value from the Quality Control Program.

With this philosophy in mind, and the practical experience gained from producing manufactured buildings for many years, the Quality Control Program contained herein has been instituted. It includes the features which have proven most effective through experience.

This manual provides both manufacturing personnel and code enforcement agencies with a description of this company's policies for maintaining an effective and economical Quality Control Program, planned and developed in conjunction with other corporate planning functions. It has been arranged in such a way to facilitate conceptual understanding of Quality Assurance and the actual performance of activities designated as "Quality Control".

This Quality Control Manual is addressed to a number of different people with different intents but, with the same goal of producing quality products at a reasonable cost. These groups include:

- The Third Party Inspection Agency
must read and approve these procedures.
- Commercial Group West, L.L.C. Personnel
must implement these procedures in the production process.
- Customers
for whom parts of this manual are excerpts from published material given to them for their approval and signature.

1.2 Quality Control Objectives

The Quality Control Program is designed primarily to assist in maintaining a consistently high level of product quality. The primary methods for achieving this objective consist of the following:

- Assure compliance with applicable codes and specifications,
- Provide a continuing and current record for appraisal of manufacturing operations to ensure the highest quality product,
- Isolate and identify problem areas for corrective action,
- Coordinate activities between departments, and
- Reduce material waste and re-work.

1.3 Revisions To This Manual

This manual is issued to all key management personnel and to appropriate manufacturing personnel as an integral part of policy and procedure. This manual and all Quality Control forms shall be continually monitored for applicability to and conformance with current production practices and procedures. Necessary revisions to these policies will require management approval in addition to re-submission and acceptance of the changes by applicable inspection and/or code enforcement agencies. No revisions will be implemented until all necessary approvals have been obtained.

Any condition that has the potential to threaten the safety of any or all employees of Commercial Group West, L.L.C., persons outside the organization, and/or inspection personnel, may be immediately responded to by the Quality Control Manager prior to the implementation of procedures as above.

2.0 Organization Requirements

2.1 Organization

An Organization Chart depicting the administrative function assignments within Commercial Group West L.L.C. appears on page 4. This organizational structure has been devised in a manner which allows personnel involved in the Quality Control Program to operate independently of production concerns to the maximum extent possible. All Quality Control personnel have direct access to Corporate Management personnel without consulting those personnel whose primary concern is production. All Quality Control personnel will also be prohibited to participate in production incentives set forth by management.

2.2 Administration

Administration of the Quality Control Program is the direct responsibility of the Quality Control Manager.

As in any Quality Control endeavor, ultimate success depends upon the full cooperation and active participation of all personnel, including production and sales personnel as well as engineering and administrative personnel. This fact is stressed to all personnel at every available opportunity and is particularly stressed whenever problems develop. Every effort is made to obtain the active participation of each and every employee in striving to produce the highest quality product possible. A continuing program of motivation is directed towards impressing all personnel with the fact that the continued welfare of the company, and ultimately of each employee, depends to a great extent upon the production of a high quality product at a reasonable cost.

Periodic meetings are held with management personnel representing material procedure, engineering, manufacturing, sales, field operations and quality control. These meetings will be convened by the President and will be for the purpose of reviewing and evaluating the overall effectiveness of the Quality Control Program, Inspection Reports, and current problem areas. These meetings will also be utilized to discuss revisions or additions to standards and/or procedures necessitated by new products or designs.

2.3 Position Descriptions

The following is a list of company positions involved in the Quality Control Program, their responsibilities and required qualifications.

- **President and Chief Executive Officer**

The Chief Executive Officer of Commercial Group West, L.L.C. has overall responsibility for all phases of operation.

- **Vice President**

The responsibilities of the Vice President are to keep Commercial Group West, L.L.C. employees informed of all customer requirements and coordinate daily activities of management personnel.

- **Director of Manufacturing**

The Director of Manufacturing of Commercial Group West, L.L.C. has the overall responsibility for production of the product.

- **Director of Engineering**

- A. **Responsibilities**

1. Product design in accordance with management specifications and in compliance with all applicable regulations, codes, and standards.
2. Coordination with all applicable authorities to obtain necessary approvals and certification insignia.
3. Revision of Quality Control checklists as required by changes in specifications prior to production.
4. Coordination of shop drawings and specifications with approved documents.
5. Distribution of approved and/or working plans and specifications to appropriate personnel.

- B. **Qualifications Required**

1. College graduate or equivalent experience
2. Thorough knowledge of all applicable codes and standards.
3. Thorough understanding of engineering techniques

and principles

4. Sufficient experience necessary to perform required tasks.

- **Quality Control Manager**

- A. **Responsibilities**

1. To assure compliance with all necessary rules, regulations, codes, and standards.
2. Supervision and maintenance of all Quality Control functions, including complete records.
3. Revision of Quality Control checklists as required by changes in specifications prior to production.
4. Coordination of shop drawings and specifications with approved documents.
5. Distribution of approved and/or working plans and specifications to appropriate personnel.

- B. **Qualifications Required**

1. High school graduate or equivalent.
2. Thorough knowledge of all applicable codes and standards.
3. Basic understanding of engineering techniques and principles.
4. Ability to motivate and communicate well with people.

- **Quality Control Line Inspector**

The Quality Control Line Inspector has immediate control over and responsibility for the Quality and Compliance of the finished product. All production and storage areas concerned with either Quality or Compliance are within the jurisdiction of the Quality Control Line Inspector.

- A. **Responsibilities**

1. Maintenance of Quality Assurance records as directed by the Engineering and Quality Control Manager.
2. Continuous inspection of materials in storage and all phases of production.
3. Conduction or Supervision of all required test procedures.
4. Coordination with outside inspection personnel.

- B. **Qualifications Required**

1. Familiarity and experience with all aspects and departments of production.
2. Working knowledge of all applicable codes and standards.
3. Ability to motivate and communicate with people.

- **Materials Purchasing Manager**

The materials Purchasing Manager shall be responsible for the functions related to Quality Assurance.

- A. **Responsibilities**

1. Selection of vendors capable of supplying quality products that meet or exceed specifications.
2. Supervision of incoming materials to assure that all materials meet or exceed specifications and materials are of first quality.

3. Coordinate with vendors any changes or additions to Commercial Group West, LLC requirements.
4. Supervision of material storage areas to assure that materials are stored in a proper manner, which includes stock rotation and precludes damage.

2.4 Auditing

Quality Assurance is designed to assure an effective Quality Control Program via an audit of the Quality Control Program by an independent outside agency and various State agencies as dictated by marketing requirements. These agencies will perform inspection audits of the manufacturing facilities to assure that requirements contained in this manual are being effectively implemented. Inspections will include all areas of manufacturing, storage, material control inspection records, testing records, and any other deemed pertinent to effective Quality Control. Reports of each inspection shall be prepared and available at the time of subsequent inspections.

2.5 Records

Records shall be maintained on file for each unit of production. The records will include all drawings and approval documents. These records shall identify each unit by serial number, model, and destination. Record files shall contain all inspection and test results for the unit and serial numbers of each installed unit. All hard copies and electronic files are stored in a locked container accessible only to the Quality Control Manager. Files are stored and maintained for a period of ten years.

2.6 Changes

Any change in production or inspection procedure requires the approval of the Third Party Inspection Agency. All requests for changes are submitted in writing by the Quality Control Manager and will not be implemented until all approvals from appropriate agencies are granted.

2.7 Conformance To Approved Building Systems

Before production of any unit, the plans are reviewed to assure the working drawings, specifications, and documents conform to the approved building standards. No unit will go into production until plans have been approved.

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2.8 Serial Numbers

Serial numbers shall consist of ten (10) digits. The first three digits will always be CGW for Commercial Group West, L.L.C.. The second two will identify the year of production. The next three are the sequential serial number of the unit as it was put into production. The last two digits are the alphabetical box identification of the unit. The serial number will be painted on the beginning of the production line on the gable end perimeter band of the unit in such a manner as to be easily identifiable and difficult to alter.

2.9 Labels

Labels or State certification of compliance insignias are attached to every unit of production. Labels are ordered by the Quality Control Manager based upon the requirements of the issuing agency and the demands of production. Accurate records of the disposition of all certification insignia shall be prepared and forwarded to all appropriate agencies.

All certification insignia shall be maintained in a locked storage area by the Quality Control Manager. Upon satisfactory completion of required tests and inspections, and upon final execution of all Inspection and Testing Documents and upon inspection and approval by the Third Party Inspection Agency, the Quality Control Manager shall issue for each module so constructed to an approved building systems and inspected to an approved compliance assurance program, a certification label. Such certification label is to be permanently attached so as to be readily accessible and visible. Locations chosen for labels within each module are to be designated on the construction documents.

2.10 Data Plate

To each assemblage of modules, meant in their aggregate to represent a building, the Quality Control Manager shall issue a Data Plate (see Appendix A). Such data plate shall be permanently attached so as to be readily accessible and visible.

3.0 Material Control

3.1 Materials Procurement

All procurement of materials shall be under the control of the Materials Purchasing Manager. Material specifications shall be coordinated with the Quality Control Manager to assure conformance with design requirements. All materials shall be clearly specified in each purchase order document. Any deviation from the specifications as received from the Quality Control Manager prior to implementation in production.

3.2 Materials Inspection

Each shipment of materials received at the manufacturing facility shall be inspected by the Purchasing Manager or his designee for conformance to the purchase specifications and damage or defects. Materials, which do not meet these specifications, will be refused.

3.3 Material Storage

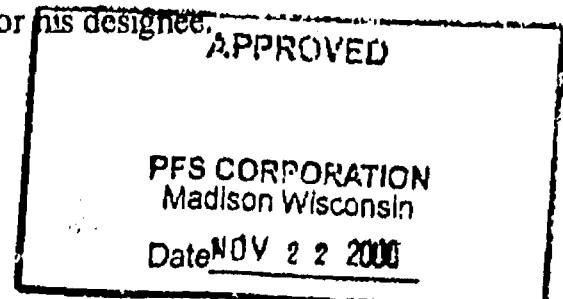
All materials will be wrapped and undercover in a manner to protect the condition and integrity of the materials. Materials will be used in a first come, first used manner in order to limit exposure time. All materials will be stored in a manner to limit damage due to the weight of the load during storage.

3.4 Material Disposal

Damaged and/or defective materials shall be removed to a designated and clearly marked storage bin outside marked in a suitable manner to prevent their accidental introduction into production. The markings shall also, where practicable, indicate the reason for rejection. Disposition of such materials shall be under direct control of the Purchasing Manager and shall be coordinated with the Quality Control Manager. Where deemed advisable, the concurrence of the President and/or material supplier shall also be sought.

3.5 Material Reuse

Material that is damaged and/or defective may be reused for other applications in the production process as long as the material is of first quality for the new intended use. All material that is reused shall be under the discretion of the Quality Control Manager or his designee.



4.0 Production Control

4.1 Inspection Procedures

At the completion of each phase of production, the Quality Control Manager or his designee shall inspect all work performed for compliance with all applicable requirements. Discrepancies shall be noted. Major discrepancies and discrepancies which would be difficult or impossible to correct at a later production area shall be corrected prior to any further action. Upon completion of a satisfactory inspection the Quality Control Manager or his designee shall sign the quality control documentation as an indication that the unit is ready to progress to the next production area. A checklist form will be provided for each scheduled unit on production.

The Quality Control Manager shall ensure that all personnel are kept continually aware of their responsibilities in the area of Quality Control.

4.2 Testing Procedures

Tests shall be conducted on each unit manufactured as specified in the approved plans and specifications and in accordance with any requirements of the authority whose jurisdiction is in the area the unit is to be erected. Applicable forms for test documentation are in Appendix A.

Tests shall be performed by personnel who have demonstrated their proficiency to the satisfaction of the Quality Control Manager and the Third Party Inspection Agencies.

A. Water Supply Test Procedure

1. Close all faucets.
2. Connect test gauge to water supply inlet.
3. Connect airline and pressurize system to 80 psi.
4. Disconnect airline.
5. Wait a minimum of 15 minutes.
6. Check gauge reading. If gauge reads 80 psi, testing is complete. If gauge reading has dropped, re-pressurize to 80 psi and locate leak.
7. Repair leak.
8. Return to step 3.

B. Domestic Waste & Vent System Test

The described test shall be performed on site.

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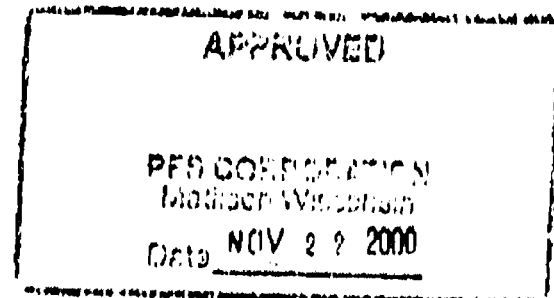
- C. Miscellaneous Electrical Testing Procedures On Site
- D. Polarity Test In Factory
- E. Operational Test In Factory

4.3 Testing Equipment

All test equipment shall be visually inspected on a daily basis by the production personnel for ordinary wear. The Quality Control Manager or his designee shall also visually inspect the testing equipment on a random basis. All testing equipment shall be checked for proper calibration at least once each calendar year or as specified by the manufacturer of the equipment.

Required Testing Equipment

- a. Water Supply System Test
Pressure gauge (range 0-150(min) psi in increments of 5 psi or less).
- b. Ground Continuity Test
Commercial continuity tester or fabricate tester from a common doorbell and transformer.
- c. Polarity Test
Commercial polarity tester.



Dielectric strength tester with a minimum output of 1080 volts or more. Unit should have automatic breakdown and manual reset switch and conform to U.L. standard 499.

- e. Pre-Appliance LPG Piping System Test
Pressure gauge or manometer (range 0-5(min) psi in increments of 0.1 psi or less).
- f. Final LPG Piping System Test
Pressure gauge (range 0-35(min) psi
Or, slope gauge or manometer (range 8"-16" w.c. in increments of 1" w.c. or less).

4.4 Schematic

A schematic drawing of the manufacturing facility showing location of inspection stations and "Hold" points for mandatory inspections is located in the plant layout.

4.5 Defective Work

Upon discovery of work and/or material he deems defective, the Quality Control Manager or his designee shall make determinations regarding its quality.

1. Authority to Reject

The Quality Control Manager shall have the right and final authority to reject work and/or material.

2. Authority to Carry out Compliance Assurance

The Quality Control Manager's designee is authorized to cause any work to be repaired, which in his judgment, is not in conformity with these documents.

5.0 Finished Product Control

5.1 Final Inspections

At the completion of production, the Quality Control Manager or his designee shall inspect each unit of production. At the completion of this inspection, any discrepancies discovered shall be noted and any re-work deemed necessary shall be completed and re-inspected prior to further action. At the satisfactory completion of this inspection, the Quality Control documentation shall be signed by the Quality Control Manager or his designee, all applicable labels shall be applied to each unit of production as required, and all Quality Control documents shall be filed.

5.2 Finished Product Storage

All completed units shall be covered with a weather-proof membrane, if necessary, and stored outside in a level or near level position. Units stored for over one month shall be inspected periodically for evidence of deterioration.

5.3 Delivery of Modules

Modules are quickly and safely transported on strong modern modular carriers especially designed and built for CGW. CGW owns and operates its own fleet of top notch totes, driven by experienced drivers. Their goal is to deliver safely and on time. CGW reserves the right to hire sub-contracted delivery companies to transport modular units.

1. Delivery - Equipment and Conditions Defined

CGW shall convey to the construction site, modules and components, loaded on carriers and towed by its own drivers. Upon the "drop-off" of the carriers in the location designated by the builder, all subsequent moving of the carriers including positioning of the carriers and modules at the time of set, shall be the responsibility of the builder.

2. Delivery Sign-Off Package

- a. Drivers Liability release on delivery form
- b. Ship loose list
- c. Unit Delivery Condition sign-off form
- d. Receipt of documents sign-off form
- e. Delivery inspection report

3. Damaged/Defective Merchandise Policy

All units must be inspected by a representative of the primary builder upon delivery. It is the primary builders responsibility to have knowledgeable person at the site at the time of delivery.

All claims for damages/defects must be matched with a correct home serial number and must be made in writing. All claims for damages that cannot be discovered during the delivery inspection must be made in writing to CGW postmarked within 10 days from the date of delivery. Claims made after this time period will not be honored.

All appliances supplied by CGW are covered under their manufacturer's warranty and are serviced by the manufacturer's local service group. The builder may contact the local service group directly for prompt service.

All units manufactured by CGW are warranted to be free of defects in workmanship of manufacture. Exceptions would be those items falling under a manufacturer's warranty.

All items covered herein will be sent to the builder via CGW truck, UPS, common carrier, shipped loose in another unit, or may be picked up at the CGW factory during normal business hours.

- a. All replacements of damaged merchandise will be sent to the builder or picked up by the builder on a C.O.D. basis accompanied by an invoice.
- b. Upon receipt of the actual damaged/defective merchandise along with an invoice at the CGW factory, CGW will issue the proper credit to the builders account.
- c. If the damaged/defective merchandise is not received at the CGW factory within thirty (30) days of the builders receipt of the replacement parts, no credit will be issued.

Note: If the builder wishes to pick up materials at the CGW factory, CGW must be notified three (3) working days prior to the builders visit to the factory. Pick-up's will not be allowed after normal business hours, Saturdays, Sundays, or Holidays.

5.4 Field Repairs

In the event of a discrepancy which is noticed after the setting of the unit, CGW shall perform an on-site inspection and repair all deficiencies caused during the manufacturing process of the unit.

5.5 Disposal of Rejects

Units which are unable to be repaired on-site will be returned to the factory for repairs. If the unit cannot be repaired, all labels, insignias, and data plates are removed and returned to the appropriate agencies. All materials that can be salvaged for reuse, including appliances, will be removed and the remaining of the unit will be disposed of.

INSTALLATION CONTROL

INSTALLATION PROCEDURES INCLUDING COMPONENT PLACEMENT, EQUIPMENT AND PROCEDURES, FIELD ERECTION AND FINISH WORK, UTILITY CONNECTION INSTRUCTION, AN APPROPRIATE ON-SITE INSPECTION CRITERIA AND TEST DESCRIPTIONS

ON-SITE WORK BY OTHERS

The following operations must be performed at the site of the installation:

1. Survey of property and preparation of site conforming to local code requirements.
2. Secure Building Permit.
3. Excavate for and construct basement or crawl space. Lolly column to be installed during set of unit.
4. Install water service piping from street main to unit, or install private well and service piping. Complete water piping in basement (unit is shipped with water lines stubbed off at the bottom of first floor joists).
5. Connect to public sewage system or install private sewage system. Complete drainage system piping in basement (unit is shipped with drainlines stubbed off at bottom of first floor joists).
6. Tap onto utility lines at property line and run electric service to the unit. Complete electrical hookups in junction boxes and/or amp connectors provided in the underside of first floor. Install service equipment and meter.
7. Install gas service piping in basement or crawl space of unit, if applicable.
8. Connect hot water heating system, if applicable.
9. Install telephone.
10. Complete final grading, driveway and landscaping.
11. Secure all necessary approvals after inspection of on-site work; obtain Certificate of Occupancy.
12. If a state requires a licensed official present during the erection of a unit, it is the responsibility of the builder/dealer to make the arrangements.