

# MICROFILM DIVIDER

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ROLL NUMBER

DESCRIPTION

1113

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*Yolanda Rickford*  
Operator's Signature

*10/2/03*  
Date

2003 HOUSE TRANSPORTATION

HB 1113

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*Halima Rickford*

Date

*10/2/03*

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1113

House Transportation Committee

☐ Conference Committee

Hearing Date January 10, 2003

Tape Number	Side A	Side B	Meter #
1	X		61.4 (Backwards)
			48.8 end
Committee Clerk Signature <i>Lauren J. Fife</i>			

Minutes:

Rep. Weisz, Chairman opened the hearing on HB 1113, a bill for an Act to amend and reenact section 24-02-17 of the North Dakota Century Code, relating to bidding of highway contracts; and to declare an emergency.

Gary Berreth, Director of Operations for the North Dakota Department of Transportation spoke on behalf of this department sponsored bill. A copy of his prepared testimony is attached.

Rep. Delmore: ( 59.2 ) ---asked whether there was a reason or purpose for the 'coma' in line 10?

Gary Berreth: No.

Rep. Weisz, Chairman: How do you intend to 'time stamp' receipt of the data when it comes in?

Gary Berreth: I can tell you how some the states are doing that now. Generally the way it works is that the agency would use a software packaged which was developed by the Association of

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Date

Page 2

House Transportation Committee

Bill/Resolution Number HB 1113

Hearing Date January 10, 2003

Transportation and Highway Officials and using a third party communications vendor who is the go-between using the internet -- everything is in codes and every user has their own codes -- the bidders have their own codes and nobody can use another's code -- bidding deadlines will be setup and observed the same as now. These times will be set in the internet and after the set deadlines have expired no transmissions could be accepted or transmitted. Prior to the deadline the bidder would have access to his bid data to correct errors, change entries, --- DOT would have a code "key" to access the box.

Rep. Delmore: Will this bill limit the bidders who can bid?

Gary Berreth: No it will not.

Rep. Delmore: What I am asking is, does everybody who would bid has access to this technology?

Gary Berreth: Our plan is not to deny anyone and to begin with we will be using a dual system ( both the way do it now and electronically).

Rep. Weisz, Chairman: ( 56.1 ) Isn't your intent though to eventually eliminate the paper?

Gary Berreth: The way we are proceeding now is to work toward a time when we are sure that everyone can go electronic. It appears there are very few now who are not able to implement this now --- industry seems to be way ahead of us now -- Rep. Weisz, Chairman: have been working with them ---but we will be using parallel systems to begin with.

Rep. Bernstein: ( 55.1 ) Is it your intention then to send out notifications electronically or will you still send out notices for bids by hard copy?

Page 3

House Transportation Committee

Bill/Resolution Number HB 1113

Hearing Date January 10, 2003

Gary Berreth: Right now both ways are being used as far as notices. Contractors are now using our web site to gather bid information and to order plans. They seem to be evolving very well on their own. It seems that it is easier for them with less travel.

Rep. Thorpe: ( 53.9 ) Can you divulge what the emergency on this bill is?

Gary Berreth: The capability exists now and with the emergency this electronic usage could be implemented sooner. The sooner this can be phased in with industry.

Rep. Ruby: Just a question on the time frame for setting up codes, can they apply and be on line the same day with their codes?

Gary Berreth: I am not sure but with this bill the procedures could be setup and established.

Rep. Ruby: Would there have to be a way to verify the bid bond?

Gary Berreth: Yes and there are mechanism now which other states are using.

Rep. Delmore: Do you have an estimated cost to implement this?

Gary Berreth: Not precisely but it is thought that efficiencies would offset the cost.

Rep. Delmore: I know that eventually it would cost initially to develop the software.

Gary Berreth: I don't know the cost to other states but can get that for you. I do know that one of the software packages does cost \$10,000 to use the one which the Highway Officials developed and are using. There is a cost or fee for using security codes, keys, which are the users need to pay.

Rep. Price: Do you currently accept bids by Fax?

Gary Berreth: No, it is required that an original signature be on the documents. That is another reason for asking for this bill is that electronic signatures can be accepted.

Page 4  
House Transportation Committee  
Bill/Resolution Number HB 1113  
Hearing Date January 10, 2003

p. Weisz, Chairman: You made the statement that you had great confidentiality in electronic data security, bid information and how are going to insure and verify that electronic signature-- is that already in place?

Gary Berreth: There are some of other state who have entered into these areas and they report 99.5 per cent accuracy which is good.

Curt Peterson: I am here today representing AGC of North Dakota. Our people have been working with the DOT, that is our members here instate and out of state. Our members have the technology to go with this. The DOT appears to have covered all the bases and our members believe that they will save time and travel.

Rep. Delmore: ( 46.9 ) Are there problems in the bidding process now that you see this is a solution for?

Curt Peterson: I guess there will always be problems but I don't that this will increase or decrease the problems.

Rep. Hawken, Vice Chairman: I would like to see the language in line 10 corrected -- that is remove the coma and a motion to that effect.

Rep. Schmidt: I would move to remove the coma and move a do pass for HB 1113.

Rep. Ruby: I move a second.

On a roll call vote the motion carried unanimously.

Rep. Headland was designated by the Chairman to carry HB 113 on the floor.

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1113

House Transportation Committee

☐ Conference Committee

Hearing Date 1-16-03

Tape Number	Side A	Side B	Meter #
3		xx	0-5
Committee Clerk Signature <i>Lauren Fink</i>			

**Minutes:**

**Chairman Weisz:** What are the committee's wishes in regard to HB 1113.

**Rep. Price:** I move to reconsider the action by which HB 1113 pass.

**Rep. Dosch:** Seconded.

**Voice vote:** Carried.

**Rep. Bernstein:** I move a Do Pass as amended, 38169.0101 and be rereferred to Appropriations.

**Rep. Price:** Seconded.

**13 YES 0 NO 0 ABSENT DO PASS AS AMENDED and referred to Appropriations**

**CARRIER: Rep. Headland**

**FISCAL NOTE**  
Requested by Legislative Council  
01/15/2003

Amendment to: HB 1113

**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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$76,000		(\$14,000)
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 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.

This bill would allow the DOT to accept bids electronically for highway construction bid openings. After the initial, one time third party processor costs of \$52,000 and the one-time data conversion costs of \$38,000, the DOT would save approximately \$14,000 per biennium.

It is expected the construction industry would realize some savings and benefits such as increased bid accuracy resulting in lower review costs, and the ability to modify bids up to the bid deadline.

**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.

The DOT conducts about 20 construction bid openings per biennium. The DOT should realize savings of approximately \$14,000 per biennium as a result of reduced time for the bidding process, bid data entry, and bid checking (20 bid openings X 35 hrs. per bid opening X \$20 per hour).

In addition, it is possible the DOT will realize other savings such as reduction in paper usage, reduction in filing and data retrieval costs, and a reduction in needed storage space. However, we have no way of determining the extent of such benefits and thus we cannot determine an amount for those items at this time.

The first biennium the DOT will experience a net increase in expenditures of approximately \$76,000 as a result of the initial, one-time third party processor costs of \$52,000, the one-time data conversion costs of approximately \$38,000, and the offsetting \$14,000 biennial cost savings (\$52,000 third party processor costs + \$38,000 data conversion costs - \$14,000 per biennium cost savings = \$76,000).

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10/2/03  
Date



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:	Shannon Sauer	Agency:	ND Dept. of Transportation
Phone Number:	328-4375	Date Prepared:	01/16/2003

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10/2/03  
Date

38169.0101  
Title.0200

Adopted by the Transportation Committee  
January 10, 2003

VR  
1/10/03

HOUSE AMENDMENT TO HB 1113 TRANS 1-13-03

Page 1, line 10, remove the underscored comma

Renumber accordingly

Page No. 1

38169.0101

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10/2/03  
Date

Date: January 10, 2003  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1113

House TRANSPORTATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 38169.0101

Action Taken Do Pass as Amended

Motion Made By Rep. Schmidt Seconded By Rep. Ruby

Representatives	Yes	No	Representatives	Yes	No
Robin Weisz - Chairman			Lois Delmore		
Kathy Hawken - Vice Chairman			Arlo E. Schmidt		
LeRoy G. Bernstein			Elwood Thorpe		
Mark A. Dosch			Steven L. Zaiser		
Pat Galvin					
Craig Headland					
Clara Sue Price					
Dan J. Ruby					
Dave Weiler					

Total Yes 13 No 0

Absent 0

Floor Assignment Rep. Headland

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

**REPORT OF STANDING COMMITTEE (410)**  
January 13, 2003 9:24 a.m.

Module No: HR-05-0462  
Carrier: Headland  
Insert LC: 38169.0101 Title: .0200

**REPORT OF STANDING COMMITTEE**  
HB 1113: Transportation Committee (Rep. Welaz, Chairman) recommends  
**AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**  
(13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1113 was placed on the  
Sixth order on the calendar.

Page 1, line 10, remove the underscored comma

Renumber accordingly

(2) DESK, (3) COMM

Page No. 1

HR-05-0462

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*Yolanda Rickford*  
Operator's Signature

*10/2/03*  
Date

Date: 1/16/03  
Roll Call Vote #: 1

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1113

House TRANSPORTATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 38169.0101

Action Taken Do Pass as Amended and referred to appropriation

Motion Made By Rep. Bernstein Seconded By Rep. Price

Representatives	Yes	No	Representatives	Yes	No
Robin Weisz - Chairman	✓		Lois Delmore	✓	
Kathy Hawken - Vice Chairman	✓		Arlo E. Schmidt	✓	
LeRoy G. Bernstein	✓		Elwood Thorpe	✓	
Mark A. Dosch	✓		Steven L. Zaiser	✓	
Pat Galvin	✓				
Craig Headland	✓				
Clara Sue Price	✓				
Dan J. Ruby	✓				
Dave Weiler	✓				

Total Yes 13 No 0

Absent 0

Floor Assignment Rep. Headland

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

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Yolanda Rickford  
Operator's Signature

10/2/03  
Date

**REPORT OF STANDING COMMITTEE (410)**  
January 17, 2003 8:10 a.m.

Module No: HR-09-0701  
Carrier: Headland  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**

HB 1113, as engrossed: Transportation Committee (Rep. Welaz, Chairman) recommends  
**DO PASS** and **BE REREFERRED** to the Appropriations Committee (13 YEAS,  
0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1113 was rereferred to the  
Appropriations Committee.

(2) DESK, (3) COMM

Page No. 1

HR-09-0701

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2003 HOUSE APPROPRIATIONS

HB 1113

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Valista Rickford  
Operator's Signature

10/2/03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1113

House Appropriations Committee

☐ Conference Committee

Hearing Date 02-05-03

Tape Number	Side A	Side B	Meter #
2	X		11.5 - 20.0
Committee Clerk Signature <i>Chris S. Nylund</i>			

Minutes:

**Chairman Svedjan** Opened HB 1113 for discussion.

**Rep. Wald** I move to remove line #12 and to make the bill effective on 01-01-04. 2nd by  
**Rep. Carlson.**

**Rep. Wald** I had a conversation with a couple of contractors over the weekend and they were concerned with the impact that this bill mandates. The technology will come, but we shouldn't force it.

**Rep. Timm** When we were at the DOT last week we discussed this particular bill. The question was whether or not the individual contractors would have to pay an implementation fee.

**Grant Levi** This also benefits contractors, and maybe we should assess them a fee.

**Chairman Svedjan** Would a fee be a disincentive for them to move electronically? I don't know.

**Levi** We have talked about a \$25 dollar fee.

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*10/2/03*  
Date



Page 2

House Appropriations Committee

Bill/Resolution Number HB 1113

Hearing Date 02-05-03

**Rep. Kempenich** I think we should wait with a fee.

**Chairman Svedjan** It isn't part of the motion.

**Rep. Aarsvold** Will all other agencies who accept bids want their own form of hardware and software. I would prefer that we look to ITD to get a software that would address all agencies needs in state government.

**Motion Carries**

**Rep. Wald** I move Do Pass As Amended. 2nd by Rep. Monson. Motion carries 20 yea, 1 nay, 2 A/NV. Rep. Wald will carry this bill.

38169.0201  
Title.

Prepared by the Legislative Council staff for  
House Appropriations  
February 5, 2003

**PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1113**

Page 1, line 2, replace "declare an emergency" with "provide an effective date"

Page 1, line 11, replace "EMERGENCY. This Act is declared to be an emergency measure"  
with "EFFECTIVE DATE. This Act becomes effective on January 1, 2004"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

HOUSE - This amendment replaces the emergency clause with an effective date of January 1, 2004.

Page No. 1

38169.0201

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Operator's Signature

*10/2/03*  
Date

**REPORT OF STANDING COMMITTEE (410)**  
February 6, 2003 4:07 p.m.

Module No: HR-23-1915  
Carrier: Wald  
Insert LC: 38169.0201 Title: .0300

**REPORT OF STANDING COMMITTEE**

**HB 1113: Appropriations Committee (Rep. Svedjan, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (20 YEAS, 1 NAY, 2 ABSENT AND NOT VOTING). HB 1113 was placed on the Sixth order on the calendar.**

Page 1, line 2, replace "declare an emergency" with "provide an effective date"

Page 1, line 11, replace "EMERGENCY. This Act is declared to be an emergency measure" with "EFFECTIVE DATE. This Act becomes effective on January 1, 2004"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

HOUSE - This amendment replaces the emergency clause with an effective date of January 1, 2004.

2003 SENATE TRANSPORTATION

HB 1113

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Operator's Signature

*Valista Rickford*

Date

*10/2/03*

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1113

Senate Transportation Committee

☐ Conference Committee

Hearing Date 2-27-03

Tape Number	Side A	Side B	Meter #
1	X		4500-end
1		X	0-510
Committee Clerk Signature <i>Mary K Monson</i>			

Minutes:

**Chairman Senator Thomas Trenbeath** opened the hearing on HB 1113 relating to bidding of highway contracts and to provide an effective date. HB 1113 contains a fiscal note.

**Grant Levi** (Deputy Director for Engineering ND DOT) See attached testimony in support of HB 1113.

**Senator Bercier** asked about the ability to resubmit a bid before the bid deadline.

**Grant Levi** replied that the system would be capable of checking that bid calculations were appropriate. If the bid is submitted electronically, it can be changed anytime before the deadline when the electronic file is closed.

**Senator Espegard** asked how the bid bond gets to the DOT.

**Grant Levi** reported that all the details have not been worked out yet.

**Senator Nething** asked what other states are doing.

Page 2  
Senate Transportation Committee  
Bill/Resolution Number HB 1113  
Hearing Date 2-27-03

Grant Levi reported that there are eight states that have fully implemented it. Other states are working on it.

Senator Nething asked what the House amended.

Grant Levi said that the House removed the emergency clause that was originally part of the bill and put an effective date of January 1, 2004.

Senator Nething asked if there were people from the industry that objected to it.

Grant Levi said that to the best of his knowledge there was nobody from the industry that objected to it.

Senator Espegard asked if a contractor could still submit a bid the old way if he chose.

Grant Levi answered that they would work with the industry and probably run the paper process for a pretty good time until everyone is comfortable with the electronic system.

Mark Dougherty (Membership Services Director for the Associated General Contractors of ND)

Testified in favor of this bill. They have used the program in the past submitting a disc along with the paper. There was a concern with double inputs that errors would be made but that is being fixed. There is some thought that for those who want to continue with the paper way there could be an extra charge for dealing with the paper.

Senator Bercier asked Mr. Levi about the size of computer needed to manage this and the software that would be compatible.

Grant Levi reported that those details have not yet been worked out but most computers today would be capable. He doesn't view it as a complex problem.

Senator Bercier asked about who would submit for the smaller subcontractors.

Page 3

Senate Transportation Committee

Bill/Resolution Number HB 1113

Hearing Date 2-27-03

Grant Levi replied that they envision working with the prime contractor. The smaller subcontractors would give their information to the prime contractor who would submit the bid.

Senator Espegard asked if they anticipate more bids from outside the state.

Grant Levi doesn't see that happening.

The hearing of HB 1113 was closed

Senator Espegard moved a Do Pass and Refer to Appropriations. Seconded by Senator

Taylor. Roll call vote 6-0-0. Passed. Floor carrier is Senator Taylor.

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*Yolanda Rickford*

Date

*10/2/03*

Date: 2-27-03  
Roll Call Vote #:

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1113

Senate TRANSPORTATION Committee

☐ Check here for Conference Committee

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

Action Taken Do pass and refer to appropriations

Motion Made By Senator Espgaard Seconded By Senator Taylor

Senators	Yes	No	Senators	Yes	No
Senator Thomas Trenbeath, Chair	✓		Senator Dennis Bercier	✓	
Senator Duaine Espgaard, V. Chair	✓		Senator Ryan Taylor	✓	
Senator Duane Mutch	✓				
Senator Dave Nething	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Taylor

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

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Operator's Signature

10/2/03  
Date



**REPORT OF STANDING COMMITTEE (410)**  
February 27, 2003 1:19 p.m.

Module No: SR-35-3598  
Carrier: Taylor  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
HB 1113, as reengrossed: Transportation Committee (Sen. Trenbeath, Chairman)  
recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee  
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1113 was  
rereferred to the Appropriations Committee.

(2) DESK, (3) COMM

Page No. 1

SR-35-3598

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*Salvatore Rickford*  
Operator's Signature

*10/2/03*  
Date

**2003 SENATE APPROPRIATIONS**

**HB 1113**

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*Salvatore Rickford*

Date

*10/2/03*

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1113

Senate Appropriations Committee

☐ Conference Committee

Hearing Date 3-13-03

Tape Number	Side A	Side B	Meter #
1		X	642-2023
Committee Clerk Signature <i>Sandra Davison</i>			

Minutes: CHAIRMAN HOLMBERG opened the hearing to HB 1113. A bill relating to the bidding of highway contracts. A rereferral from the Transportation committee.

(Meter 642) GRANT LEVI, Deputy Director for Engineering at the ND DOT testified in support of HB 1113. See written testimony Exhibit 1.

(Meter 1175) SENATOR SCHOBINGER asked what the policy committee thought as far as the policy goes on this bill? Since there is not an appropriation is this something that is handled within the current budget? (Meter 1216) GRANT LEVI responded this was not taken to the policy committee; it came through the Transportation committee and they approved it. It was also approved by the House Appropriations and the Senate Transportation committee. The funds provided are included in the budgets that were presented to the committee last week.

(Meter 1260) SENATOR MATHERN asked why the department is even asking this, why not just do it? (Meter 1285) GRANT LEVI responded because of the state statue was specific with respect of signatures, signatures being required on information. (Meter 1307) SENATOR

Page 2  
Senate Appropriations Committee  
Bill/Resolution Number HB 1113  
Hearing Date 3-13-03

MATHERN asked if we had a law regarding signature transfer? (Meter 1312) GRANT LEVI stated that the department's legal staff felt this was necessary for the DOT to process and visiting with the Legislative Council, they also believed this was necessary.

(Meter 1357) SENATOR KILZER asked if GRANT if the DOT does a lot of their business on the Internet? GRANT stated that the DOT is trying to move in that direction onto those types of business and trying to offer services on the Internet such as the motor vehicle registration fees.

(Meter 1416) SENATOR KILZER then inquired from OMB if any other state agencies that receive bids on the Internet and if so, this sort of bill would be coming from every agency? (Meter 1428) JOE MORRISSETTE, OMB replied that he knows there are some information available to perspective bidders over the Internet to state contractors but is not sure how automated that system is or how much is done. (Meter 1473) SENATOR KILZER then continued and asked if there was some amendment process or encompassing bill that would give that authority to any or all agencies, otherwise they will be dealing with all agencies with this sort of a bill. (Meter 1498) JOE MORRISSETTE stated that for a lot of agencies the bidding requirements are handled through the state accrument office.

(Meter 1523) SENATOR ANDRIST curious if the fiscal cost is for software? (Meter 1526) GRANT LEVI stated that the fiscal cost would be for allowing for the DOT to do some internal work with IT to do a data conversion. And the other portion would be to enter into an agreement with a third party vendor to put their software in a position to handle the DOT's information. The software itself would be something the contract would end up purchasing and the DOT would be given that software to allow them to process. A contractor may be asked to pay a \$30 a monthly fee and \$50 per ID. The ID their signature and it would be up to them how many ID's they

*Yalosta Rickford*  
Operator's Signature

10/2/03  
Date

Page 3

Senate Appropriations Committee

Bill/Resolution Number HB 1113

Hearing Date 3-13-03

(contractors) would want for their company. (Meter 1633) SENATOR ANDRIST made the comment that he feels if IT is developing any software product, it should be generic and transportable to address the issues SENATOR KILZER pointed out. It is something other agencies could be compatible with and use as well. (Meter 1672) GRANT LEVI stated if this passes they do intend to work with other agencies to see what would be possible.

(Meter 1727) SENATOR THAN E stated that it is understandable that major contractors would not have any problem gearing up to submit Internet bids but what about subcontractors, would that be under the general contractor? (Meter 1790) GRANT LEVI replied that the prime contractor would include the subcontractors.

(Meter 1894) Curt Peterson, testified his organization supports this bill.

(Meter ) SENATOR ROBINSON made a motion of a DO PASS and seconded by SENATOR KRAUTER. The bill passed with 11 yeas, 0 nays, and 3 absent. The bill will be carried by Transportation, Senator Taylor.

Hearing closed on HB 1113.

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Date: 2-13-03  
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1113

Senate Appropriations Committee

☐ Check here for Conference Committee

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

Action Taken Do PASS

Motion Made By Robinson Seconded By Krauter

Senators	Yes	No	Senators	Yes	No
Senator Holmberg, Chairman	✓				
Senator Bowman, Vice Chair	✓				
Senator Grindberg, Vice Chair	✓				
Senator Andrist	✓				
Senator Christmann	✓				
Senator Kilzer	✓				
Senator Krauter	✓				
Senator Kringstad	✓				
Senator Lindaas	✓				
Senator Mathern	✓				
Senator Robinson	✓				
Senator Schobinger	✓				
Senator Tallackson	✓				
Senator Thane	✓				

Total (Yes) 11 No \_\_\_\_\_

Absent 3

Floor Assignment Transportation

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

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**REPORT OF STANDING COMMITTEE (410)**  
March 13, 2003 11:36 a.m.

Module No: SR-45-4650  
Carrier: Taylor  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
HB 1113, as reengrossed: Appropriations Committee (Sen. Holmberg, Chairman)  
recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING).  
Reengrossed HB 1113 was placed on the Fourteenth order on the calendar.

Page No. 1

SR-45-4650

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*10/2/03*  
Date

2003 TESTIMONY

HB 1113

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**House Transportation Committee  
January 10, 2003**

**Gary Berreth, Director of Operations  
North Dakota Department of Transportation**

**HB 1113**

Chairman Weisz and members of the House Transportation Committee: For the record, my name is Gary Berreth and I'm Director of Operations for NDDOT. I'm here today to testify in support of House Bill 1113.

Page 1, lines 8-11 add language to Section 24-02-17 of the N.D. Century Code, which allows NDDOT to accept bids and bid bonds submitted by electronic media such as the Internet.

The new language would allow the NDDOT director to adopt the procedures and rules necessary to allow the electronic transfer of bid data between NDDOT and bidders using the Internet.

**Benefits to bidders:**

- access to project (bidding) information 24 hours a day, 7 days a week
- error checking (system checks calculations and will reject bids missing data)
- increased ease of submitting bids
- no paper copy of bid information required
- convenience of submitting bids from home office without the risk of last minute delays
- ability to resubmit bids before the bid submission deadline
- security and confidentiality of the bid information
- savings in time and expenses by eliminating travel to the letting location.

**Benefits to NDDOT:**

- secure, reliable exchange with bidders
- elimination of bidding errors (system checks calculations and will reject bids missing data)
- bids received in a consistent format
- bid submission cut-off times are enforced
- streamlined bidding process by eliminating paper bidding and reducing costs
- no data entry necessary

Today at least eight DOTs have fully implemented an Internet bidding system. If this bill passes, NDDOT intends to implement the process in the 2003-2005 biennium.

Mr. Chairman, this concludes my testimony on House Bill 1113. I would be happy to answer any questions the committee would have.

**House Appropriations Committee  
January 28, 2003**

**Grant Levi, Deputy Director for Engineering  
North Dakota Department of Transportation**

**HB 1113**

Good afternoon, Mr. Chairman and members of the committee. I'm Grant Levi, the Deputy Director for Engineering at the North Dakota Department of Transportation. I'm here today to testify in support of House Bill 1113.

**Page 1, lines 8-11** add language to Section 24-02-17 of the N.D. Century Code, giving the NDDOT Director clearer authority to adopt the procedures and rules necessary to implement Internet bidding.

Authority to pursue and implement Internet bidding is the sole intent of this bill.

The department has not yet studied all the various programs and providers that could be used for Internet bidding. However, based on current information, we have estimated the costs as follows:

Cost	1-time cost?	Purpose	Included in budget?
\$38,000	yes	programming data conversion software	yes
\$52,000	yes	service from third-party vendor to ensure accurate, confidential bidding (encryption, electronic signatures, passwords, etc.)	yes
\$90,000 Total			

**Benefits to bidders:**

- access to project (bidding) information 24 hours a day, 7 days a week
- error checking (system checks calculations and will reject bids missing data)
- increased ease of submitting bids
- no paper copy of bid information required
- convenience of submitting bids from home office without the risk of last minute delays
- ability to resubmit bids before the bid submission deadline
- security and confidentiality of the bid information
- savings in time and expenses by eliminating travel to the letting location

**Benefits to NDDOT:**

- secure, reliable exchange with bidders
- elimination of bidding errors (system checks calculations and will reject bids missing data)
- bids received in a consistent format
- bid submission cut-off times are enforced
- streamlined bidding process by eliminating paper bidding and reducing costs
- no data entry necessary

Currently, at least eight DOTs have fully implemented an Internet bidding system, and several other DOTs are developing such a system. If this bill passes, NDDOT intends to implement the process in the 2003-2005 biennium.

**SENATE TRANSPORTATION COMMITTEE**

**February 27, 2003**

**Grant Levi, Deputy Director for Engineering  
North Dakota Department of Transportation**

**HB 1113**

*Same  
testimony  
given to  
Senate  
Appropriations  
on 3-13-03*

Good morning, Mr. Chairman and members of the committee. I'm Grant Levi, the Deputy Director for Engineering at the North Dakota Department of Transportation. I'm here today to testify in support of House Bill 1113.

Page 1, lines 8-11 add language to Section 24-02-17 of the N.D. Century Code, giving the NDDOT Director clearer authority to adopt the procedures and rules necessary to implement Internet bidding. Authority to pursue and implement Internet bidding is the sole intent of this bill.

Last year the NDDOT awarded its largest construction program in history, \$225 million. To accomplish this, a lot of extra effort was put forth by the NDDOT and the contracting industry. The bid process is becoming more complex for the construction industry and the amount of paperwork involved has increased. Implementing the electronic bidding process will assist the construction industry in submitting their bids and help the NDDOT in processing the bids. Some of the other benefits to contractors and the NDDOT are listed below:

**Benefits to bidders:**

- access to project (bidding) information 24 hours a day, 7 days a week
- error checking (system checks calculations and will reject bids missing data)
- increased ease of submitting bids
- no paper copy of bid information required
- convenience of submitting bids from home office without the risk of last minute delays
- ability to resubmit bids before the bid submission deadline
- security and confidentiality of the bid information
- savings in time and expenses by eliminating some travel to the letting location

**Benefits to NDDOT:**

- secure, reliable exchange with bidders
- elimination of bidding errors (system checks calculations and will reject bids missing data)
- bids received in a consistent format
- bid submission cut-off times are enforced
- streamlined bidding process by eliminating paper bidding and reducing costs
- no data entry necessary

Page 1 of 2

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*10/2/03*

The department has not yet studied all the various programs and providers that could be used for Internet bidding. However, based on current information, we have estimated the costs as follows:

Cost	1-time cost?	Purpose	Included in budget?
\$38,000	yes	programming data conversion software	yes
\$52,000	yes	service from third-party vendor to ensure accurate, confidential bidding (encryption, electronic signatures, passwords, etc.)	yes
<b>\$90,000 Total</b>			

The funds for implementing Internet bidding have been included in our budget.

Currently, at least eight DOTs have fully implemented an Internet bidding system and several other DOTs are developing such a system. If this bill passes, NDDOT intends to implement the electronic bidding process in the 2003-2005 biennium. The NDDOT will work closely with the construction industry to ensure all contractors are able to utilize electronic bidding before the process is fully implemented.

Mr. Chairman, that concludes my testimony. I would be happy to answer any questions the committee may have.