

**February 10, 2025**  
**Senate Industry & Business Committee**  
**SCR 4021**

Mr. Chairman and members of the Industry and Business committee, I appreciate the opportunity to present this testimony in favor of SCR 4021. My name is Amber Schoenborn I work for Northern Improvement Company; I am a Vice President and for the last 15 years I have been the EEO Officer and DBE contact for the company.

North Dakota has several fantastic DBE companies that we work with on federally funded as well as non-federally funded projects. SCR 4021 does not imply anything negative toward DBE companies, it is strictly focused on the fact that our priority as a prime contractor should be to bring forward the most competitive bid possible.

If you could bear with me for a moment, I would like to give two of example of issues we have seen with the program.

In November of 24 we were the apparent low bidder for a federally funded Shared Use Path in Casselton with a bid of \$1.9M which was \$270K lower than the 2<sup>nd</sup> bidder, our bid was \$11K shy of the DBE goal. We used six DBEs on this project four of the DBE's we used were 33%, 35%, 45%, and 65% percent higher than their non-DBE competitors and the Good Faith Efforts committee recommended 'not award'. We did prevail in an Administrative Review and were awarded the contract, but not without additional time and effort. The DBE program is not only costing taxpayers additional money when we, as a contractor, are using quotes that are upwards of 65% higher but there is also a cost to the NDDOT, and employees of prime contractors being burdened with preparation for reconsideration meetings as well as the meetings themselves.

One final example was a project bid in November of 22 in which the Good Faith Efforts committee recommended 'not award' because we failed to send an email to 1st tier subs requesting that they utilize 2<sup>nd</sup> tier DBE's. We filed for an Administrative Reconsideration

Meeting in the meeting. I stated we are certainly not experts in the fields that our subcontractors supply quotes in, we do not feel that we should be expected to suggest how they conduct their business. In the end, the NDDOT agreed with the Good Faith Efforts committee that we didn't do enough to get adequate DBE participation. In this example all bids were rejected, the project was rebid the following year and resulted in \$400K of additional cost to taxpayers.

The DBE program costs taxpayers additional money by not allowing contractors to use the lowest quotes to put forth the most competitive bid.

Thank you for the opportunity to comment on SCR 4021, Northern Improvement Company asks that you issue a Do Pass Recommendation to this resolution in its entirety. I would stand for questions from the committee, if there are any.