



# OR STUDY REVEALS COST SAVINGS

CLOSED BIDS = HIGHER COST

OPEN BIDS = LOWER COSTS

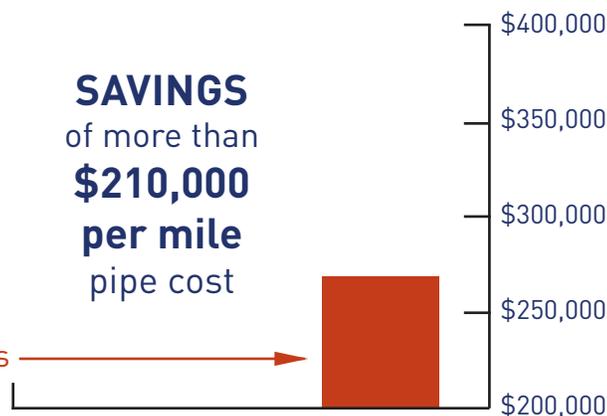
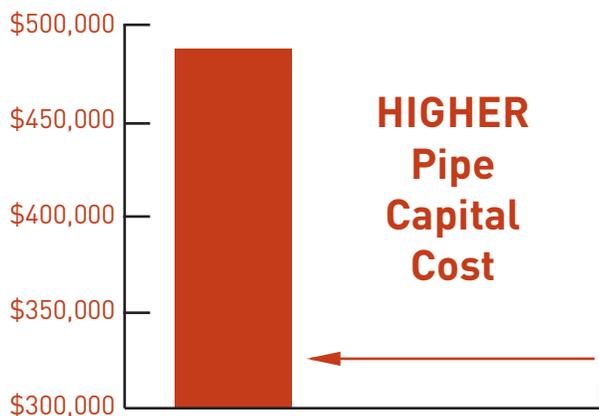
## CLOSED COMPETITION

Portland and Bend

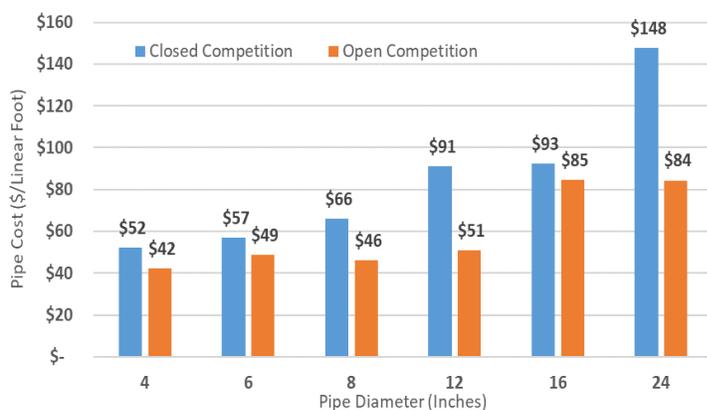
## OPEN COMPETITION

Olympia and Richland/West Richland

2015-2018 Average Pipe Capital Costs/Mile 12-inch



- Much of the **United States' water infrastructure systems** were built decades if not a hundred years ago or more. They are nearing the end of their life spans and **must be updated**.
- Modernizing these systems will be costly and time consuming. Many communities use "closed competition," creating a virtual monopoly for one pipe material.
- According to a study done by BCC Research, switching from a "closed competition" to "open competition" [bidding process] could save between 43% and 78% for the most common diameters in pipe capital costs alone.



2015-2018 Average Capital Costs by Pipeline Diameter, for Portland and Bend, OR, and Olympia and Richland/West Richland, WA  
Source: BCC Research

- For a hypothetical installation of 12-inch water main pipe, **"open competition" will save more than \$210,000 per mile** compared to "closed competition". Furthermore, competition lowers costs for the existing material. In similar studies, pipes of the same materials and diameter were found to be less costly in open competition cities than in closed cities.
- Furthermore, **pipe of the same material and diameter** was found to be less costly in open bid cities than in closed bid cities by an average of 42%.