



March 8, 2021

The Honorable Ken Helm, Chair
House Committee on Water
Oregon State Legislature
900 Court St. NE
Salem, Oregon 97301

RE: HB 2310 (-1 Amendments) – Support

Dear Chairman Helm:

The American Chemistry Council (ACC) supports the -1 amendments to HB 2310, legislation that seeks to bring greater transparency to the procurement bidding process for state funded water pipe infrastructure projects.

Importantly, the new language in HB 2310 does not mandate the use of any specific material or otherwise restrict choice by directing a water utility or local government to a specific product. Rather the legislation preserves the ability of project engineers to consider all materials and select the best option based on merit and the performance requirements of their project. HB 2310 recognizes that each project is different and various materials will be suitable for various projects. **It simply provides for valuable transparency in the engineering and procurement process. We believe this will build public confidence, support innovation, and reduce procurement costs.**

As you may know, some local governments have policies in place that mandate the use of a specific construction material. HB 2310 would require water infrastructure projects that utilize state funding to provide to the public the following:

- Notice of the piping materials to be used and why those materials were specified;
- Any conclusions of an evaluation or comparison of piping materials, or an explanation of why no evaluation or comparison was conducted; and
- A copy of any restriction to evaluation, comparison, or use of various piping materials.

HB 2310 is timely given the growing water infrastructure challenges currently facing the state. The League of Oregon Cities' 2016 Infrastructure Survey (Water) Report concluded that \$7.6 billion is required for several critical drinking water projects in Oregon and the American Society of Civil Engineers (ASCE) 2019 Report Card for Oregon catalogs an additional backlog of \$5 billion in wastewater infrastructure needs over the next 20 years. As significant state and local funds are spent on critical water and wastewater projects, transparency will help retain the public's support and confidence in its elected officials and civil servants.

Meeting these challenges will also require the efficient use of state tax dollars and HB 2310 may help reduce project costs. A study from BCC research showed that municipalities in Oregon could save between 9% and 78% on pipe materials, regardless of which material is used, when multiple pipe materials were allowed to be considered. Basing its research on public records and bid documentation, the report compared the costs of ductile iron pipe in two Oregon cities that have a single-material system with two cities in Washington that have specifications allowing for multiple materials. The study found that the same size, same material iron pipe was 42% more expensive in a closed system. These savings are not based on choosing a less expensive material, but rather reflect the proven impact of competition.



We believe the reporting and transparency requirements as set forth in HB 2310 will spur more thorough evaluation and comparison of material options. This will have two effects. First, it will lead to quicker uptake of market innovations. Second, we believe it will lead to greater use of multi-material bidding processes that have been shown to save money.

The underlying concept is not new. A 2018 report by the US Conference of Mayors Water Council stated “adopting practices and policies that encourage standardized comparisons of different pipe materials for water, sewer and stormwater projects provides mayors with an opportunity to reduce the local costs of pipes and maintain equal or better public safety and material performance levels.” The report also stated “...communities with open procurement policies have been able to lower their costs for purchasing pipes even in cases where the same material is used. In fact, going from a closed to an open policy on average can save local governments 30 percent in capital costs on pipe, or roughly \$100,000/mile.”

For these reasons, ACC urges your committee to pass HB 2310. Thank you for the opportunity to share these views. If you have any questions, please do not hesitate to contact me at 916-448-2581 or tim_shestek@americanchemistry.com. You may also contact ACC’s Oregon-based representative Matt Markee at 503-378-0412 or matt@markee.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Ti Sh", with a long horizontal flourish extending to the right.

Tim Shestek
Senior Director, State Affairs

cc: Members, Oregon House Committee on Water