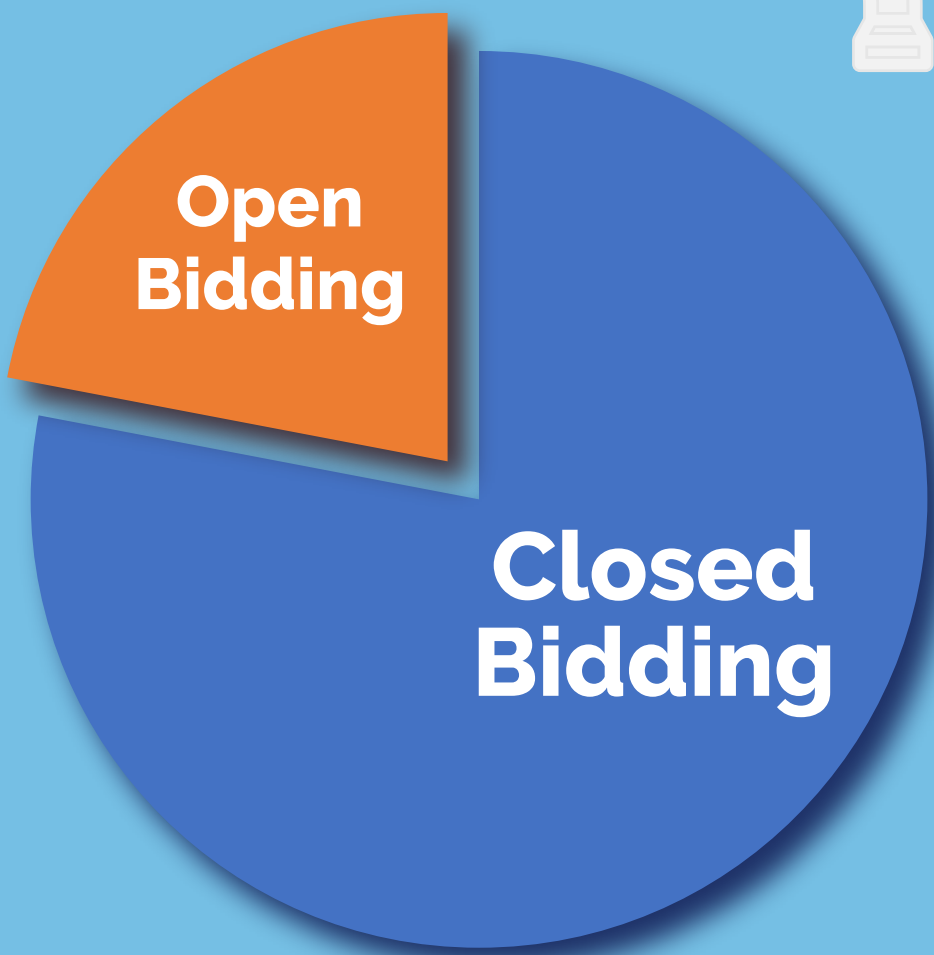


# Closed Competition is Leaving Cities Under Water



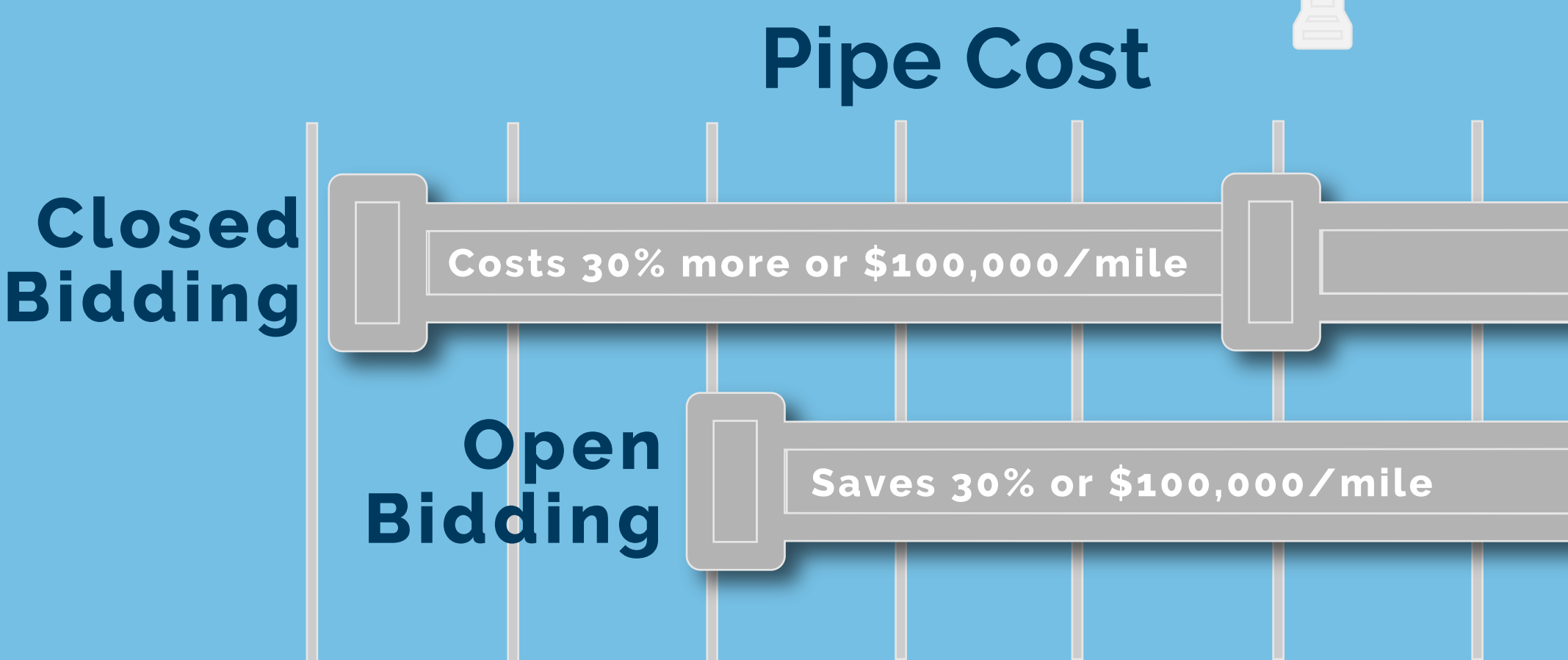
A report from the **U.S. Conference of Mayors** on municipal procurement shows that **closed bidding practices cost cities millions of dollars** compared to open competition. All pipe materials that meet recommended standards should get equal consideration in an open bid process. This will introduce competition and result in lower prices.

An estimated **78% of municipalities** allow for only one type of material in certain applications (closed bidding) leading to virtual monopolies.



Nationally, open competition could save an estimated **\$42.8 Billion** in pipe material costs alone over the next 10 years.

Open bidding can, on average, **save local governments 30 percent in capital costs on pipe**, or roughly **\$100,000/mile**.



*"As mayor, it is my responsibility to explore options that will get our rate payers the best bang for the buck. ... [Open competition] not only forced suppliers to sharpen their pencils, it ended up saving the city of Burton over \$2 million by using PVC pipe instead of ductile iron (DI) pipe. ... Even if we would have chosen to use DI pipe, the open procurement process forced the cost reduction of the DI materials that would have saved about \$200,000 in the project."*

— **Burton (MI) Mayor Paula Zelenko** —

## Costs of Pipe Replacement Projects by State: Open Competition vs. Closed Competition



Closed Competition - \$114.61 per ft.  
Open Competition - \$61.39 per ft.  
TAXPAYERS SAVE - \$275,000 per mile



Closed Competition - \$57.73 per ft.  
Open Competition - \$28.21 per ft.  
TAXPAYERS SAVE - \$150,000 per mile



Closed Competition - \$51.83 per ft.  
Open Competition - \$33.33 per ft.  
TAXPAYERS SAVE - \$100,000 per mile



Closed Competition - \$84 per ft.  
Open Competition - \$63 per ft.  
TAXPAYERS SAVE - \$100,000 per mile

Source: United States Conference of Mayors 2018 Report on Municipal Procurement