• 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.

• The National Taxpayers Union (NTU) estimates that replacing our entire water infrastructure would cost $1.32 TRILLION. According to the NTU, by switching to an “open competition” process more than $371 BILLION could be saved.

• According to a study done by BCC Research, switching from a “closed competition” to “open competition” could save between 27% and 34% in pipe capital costs alone.

• The average cost to replace 12” water pipes in a “closed competition” is $84 per foot, but with “open competition” the average cost is $63 in pipe capital costs alone. This is a savings of more than $100,000 per mile. Furthermore, competition lowers costs for the existing material. Ductile iron pipe of the same diameter was found to be less costly in open competition cities than in closed cities.

MI STUDY REVEALS COST SAVINGS
CLOSED COMPETITION = HIGHER COST
OPEN COMPETITION = LOWER COSTS

CLOSED COMPETITION
Port Huron & Grand Rapids, MI

OPEN COMPETITION
Monroe & Livonia, MI

HIGHER Pipe Capital Costs

SAVINGS of up to $114,154 per mile pipe cost

Compare Costs

$250,000
$300,000
$350,000
$400,000
$450,000

2014 Total Average Pipe Capital Costs/Mile

Michigan Pipe Costs/Foot by Municipality

Closed Competition Costs

Open Competition Costs