

PIPE DREAM? REVIEW PIPE PROCUREMENT POLICIES TO KEEP TAXPAYER MONEY FROM GOING DOWN THE DRAIN

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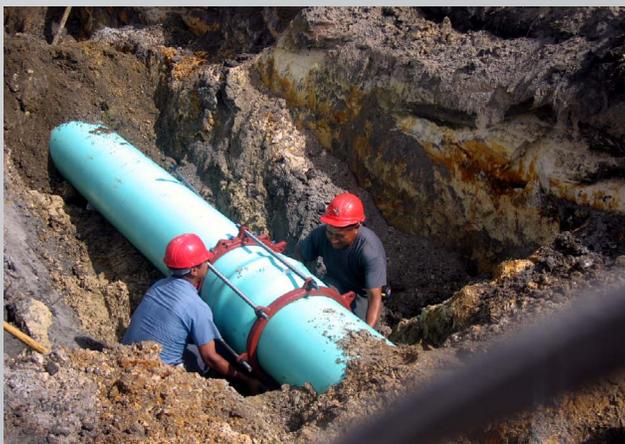
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When city councils look for ways to save money, they often don't think to look underground.

After labor costs, public works projects are the biggest financial drivers in a municipal budget. Yet councils frequently leave piping decisions to public works directors, who decide the types of piping materials the jurisdiction uses for water and sewer projects.

As part-time public servants, many council members may believe such issues should be left up to the experts or worry they're micromanaging if they question specifications. Based on the size of the locality, tens of thousands or possibly millions of dollars in cost savings could be realized by opening procurement of piping material to fair and open competition. City councils shouldn't shy away from these opportunities.



Underground piping represents 60% of the total according to the EPA. Further, the [American Society of Civil Engineers](#) estimates there are 240,000 water main breaks per year. Updating procurement policies for water and sewer piping helps municipalities realize significant cost savings and ensures that public funds are spent more cost effectively.

To ensure taxpayer dollars are spent wisely, municipalities should consider using [American Society for Testing and Materials](#) or [American Water Works Association](#) standards for all specifications or design criteria. The goal should be to construct a project at the best price and value for system customers and taxpayers.

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The [U.S. Conference of Mayors](#) endorsed an open procurement and selection process in a 2013 report. “Procurement habituation in pipe material consideration combined with a failure to take advantage of the open bidding process impedes competitive cost savings,” concludes [Municipal Procurement: Procurement Process Improvements Yield Cost-Effective Public Benefits](#). “Closed processes lead to unnecessary costs and may diminish public confidence in a local government’s ability to provide cost effective services.”



Indianapolis Mayor Greg Ballard echoed similar sentiments in the [Spring 2012 issue of the Mayors Water Council](#).

“To increase productivity and reliability, value, and cost reductions, we’ve had to challenge our traditional procurement patterns to fit each service application, especially where infrastructure investment is involved,” Ballard writes. He says aging pipes that were corroding and leaking water helped change local lawmakers’ thinking about efficiency and materials procurement.



SAVING TAXPAYER MONEY

Some jurisdictions already consider a plethora of materials, but most are locked into the old ways of doing business where no alternatives are considered. The first goal of elected officials should be to operate in the most efficient way possible to save taxpayers money without compromising services. Organizations like the [American City County Exchange](#) offer model policy on pipe procurement that can help start a conversation about open and fair competition.

Municipal budgets are often tight, and significant savings can be realized by looking in unexpected places. Councilmen and women live in a new era of budgeting where the public demands — and deserves — more accountability and transparency for every dollar spent.

Councilman Jon Russell is Director of the American City County Exchange, a branch of the [American Legislative Exchange Council](#) that advances limited government and free market principles in local government through model policies, conferences and online collaboration. He is Town Councilman in Culpeper, VA where he sits on the Finance Committee and serves as Chairman of the Public Safety, Community Development and Public Works Committees. E-mail jrussell@alec.com.