



## MEMORANDUM

J/E  
To: Randy Barker  
From: J. Terron Evertson, P.E.  
Date: September 26, 2018  
Re: Corrugated Metal Pipe – #1601-050 – Contech Engineered Solutions

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Corrugated Metal Pipe was bid in February 2016, with Williamson County Road and Bridge selecting Contech Engineered Solutions as the sole vendor. The contract was renewed using the same bid prices in March 2017. Upon request for renewal, Contech requested to renew with a 5% price increase on all bid items. Contech submitted paperwork as justification per requirements from Purchasing. Their increase is based on raw steel material pricing volatility in the open market. In June 2018, Contech requested a new price increase on bid items due to continued increases in raw steel material pricing through early to mid-year 2018. Their request would increase the pricing 20-30% on all bid items.

Road and Bridge investigated corrugated metal pipe and the steel industry pricing to verify the price increase justification. We checked with the following resources:

- IHS Markit – Commodity Forecasting
- TxDOT Highway Cost Index, September 2018
- Engineering News Report cost index and forecast
- TxDOT counterparts in Austin District

We have concluded that Contech's price increase request was warranted based on market changes in 2018. However, Contech is the sole vendor on the contract and it is a renewal of one originally created in 2016. I recommend termination of the current 1601-050 contract with Contech and pursuing a new contract for corrugated metal pipe. This will allow multiple vendors to bid competitively based on the most current market forecasts and trends.

Cc: Dianne West  
Blake Skiles  
Melissa Gurka  
James R. Williams