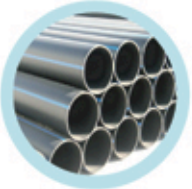




CASE STUDY



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HOBBS, NM

CASE STUDY

LOCATION:

Hobbs, NM

PROJECT SCOPE:

\$2.8 million project to install both water and waste water lines

APPLICATION:

15,914 feet of 10 to 20-inch waterlines
10,889 feet of 8-inch sewer lines

PROJECT DATES:

Autumn of 2008 to early 2009

KEY CONTACTS:

Todd Randall, city engineer for the City of Hobbs
Robert Mendoza, owner of RPM Construction, LLC
Tyler Henning, public relations specialist - McElroy

SUMMARY

As the pressure to increase domestic oil production builds, cities such as Hobbs, New Mexico are booming. Located on the oil fields of west Texas and eastern New Mexico, Hobbs is facing serious population growth. The population growth, in turn, creates the need to provide utilities to new residential developments in the city. So much of the town's population is at work in the oilfields that the 24-hour Wal-Mart closes at 10 p.m., due to the lack of workers for a night shift. While the pressure to produce oil had some things in Hobbs out of whack, one thing not out of whack was the city relying on high-density polyethylene pipe (HDPE).

In early October, workers from RPM Construction, LLC, worked on a 120-foot stretch of 12-inch HDPE that was to be threaded through a tunnel created by a directional drilling machine. The bore is underneath a 100-foot stretch of Dal Paso Street, one of the municipality's main thoroughfares. The line will supply water to a new subdivision full of duplexes built for the influx of oilfield workers. Overall, this 120-foot stretch of pipe is a small piece of a large-scale project. In March 2008, the City of Hobbs approved a \$2.8 million bid by RPM Construction to install 15,914 feet of 10- to 20-inch waterlines, 10,889 feet of 8-inch sewer lines, 34 manholes, 51 water service connections and 51 sewer service connections. The contract between the city and RPM has a \$5,000-per-day bonus to be rewarded should work finish before scheduled. Likewise, a \$5,000-per-day penalty could be assessed for each day over the deadline.

One interesting part of the contractual process was that a contractor could choose the materials included as part of the bid. RPM and the City of Hobbs agreed that HDPE would be advantageous for the project. "Allowing alternative pipe materials provides competition between suppliers of various pipe material and contractors," explains Todd Randall, city engineer for the City of Hobbs. "Acceptable materials were established in the specifications. HDPE becomes more competitive when you have large areas of improvements that would have to be replaced with open-trench construction. In our project, the utilities are in the roadway of a major arterial, so the roadway and pavement thickness is substantial."

Robert Mendoza, owner of RPM, knew that choosing HDPE would pay for itself in the long run. "Polyethylene is a little more expensive up front, but not tearing stuff up evens out the cost," said Mendoza. Mendoza and his crew were experienced with HDPE in gas applications, but recruited the expertise of Cody Tippy and McElroy distributor Milford Pipe and Supply to learn more about water solutions involving HDPE and McElroy equipment. The crew also observed on water jobsites in Texas before bidding the job. Scheduled to complete in early 2009, RPM workers were already very optimistic about attaining the fruits of the bonus in the contract. The use of McElroy fusion equipment and HDPE has put them far ahead of schedule.

Source: McElroy article by Tyler Henning

*Please do not hesitate to contact the Alliance with any questions or comments.
Contact Steve Shur at 202-347-3077, sshur@pepipe.org*

www.pepipe.org

