



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 6690
May 20, 2025
Consent Agenda

AGENDA BILL INFORMATION

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| TITLE: | AB 6690: Contractor Selection for Water Supply Pipeline | <input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution |
| RECOMMENDED ACTION: | Approve Scarsella Brothers, Inc. as the Heavy Civil General Contractor/Construction Manager for the Water Supply Pipeline Project and authorize the City Manager to sign any necessary contract documents with the GC/CM. | |

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| DEPARTMENT: | Public Works |
| STAFF: | Jason Kintner, Public Works Chief of Operations Clint Morris, Capital Division Manager Elayne Grueber, Utilities Engineer Allen Hunter, Utilities Operations Manager |
| COUNCIL LIAISON: | n/a |
| EXHIBITS: | 1. Project Location Map 2. Water Supply Pipeline Project |
| CITY COUNCIL PRIORITY: | 3. Make once-in-a-generation investments to update and modernize aging infrastructure, capital facilities, and parks. |

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| AMOUNT OF EXPENDITURE | \$ n/a |
| AMOUNT BUDGETED | \$ n/a |
| APPROPRIATION REQUIRED | \$ n/a |

EXECUTIVE SUMMARY

The purpose of this agenda item is to approve Scarsella Brothers, Inc. as the Heavy Civil General Contractor/Construction Manager (GC/CM) Manager for the new water supply pipeline for the City of Mercer Island. This project will improve the resiliency of the City's water distribution system by replacing 3,500 feet of aging Seattle Public Utilities (SPU) supply pipeline with 4,800 feet of earthquake resistant ductile iron pipe in a new alignment.

- In April 2024, a leak from the Seattle Public Utilities (SPU) 24-inch diameter water supply pipeline on Mercer Island was discovered. This is the supply pipeline that brings water to the City's reservoirs (Exhibit 1).
- The leak limited the Island's water supply until repairs to SPU's pipeline were completed in August 2024.

- During the water supply emergency, the City began exploring options to replace this segment of the SPU pipeline with a more resilient, earthquake-resistant supply pipeline in an alternative alignment away from the steep slope on SE 40th Street (Exhibit 2).
- In October 2024, the City Council authorized staff to include design and construction of the new water supply pipeline in the 2025-2030 Capital Improvement Plan ([AB 6530](#)).
- The scope of the project includes water infrastructure improvements, as well as roadway and pedestrian enhancements to improve efficiency, scheduling, and reduce overall construction impacts.
- The City is utilizing an alternative delivery method for this project, which was approved by the Washington State Project Review Committee in December 2024.
- The City completed an interview and scoring process for selection of the GC/CM and selected Scarsella Brothers, Inc. in April 2025 as the GC/CM for the water supply pipeline project.
- Retaining the Scarsella Brothers, Inc. as the GC/CM at this stage of the project is needed to aide with design and construction considerations as the project moves thru the design phase which supports a more efficient and cost-effective project outcome.
- Design and permitting is anticipated to be completed this year, with construction schedule to begin in late 2025 or early 2026.

BACKGROUND

SPU is the sole provider of potable water to Mercer Island (Exhibit 1). The SPU 24-inch water supply pipeline was constructed in 1956. A portion of the pipeline is located in the SE 40th Street public right-of-way and has required several leak repairs over the decades. Most recently, in April 2023 ([AB6281](#)) and April 2024, the City was notified of major system failures on the SPU water supply pipeline. Although circumstances for each event were different, both events resulted in major water emergencies impacting the community.

The City and Shorewood Apartments are the two wholesale customers served by SPU's water supply pipeline. The City is responsible for 97.2% of the costs associated with this water pipeline; the balance is the responsibility of Shorewood Apartments. Given the overwhelming cost responsibility held by the City, and the importance of this water supply pipeline, the City began exploring options to replace this segment of the SPU pipeline with a more resilient, earthquake resistant supply pipeline in an alternative alignment away from the steep slope on SE 40th Street.

APRIL 2024 EVENT

On April 3, 2024, the City learned that the SPU 24-inch water supply pipeline to Mercer Island was leaking in the steep sloped area in the SE 40th Street public right-of-way, just north of where Mercerwood Drive meets SE 40th Street. Consequently, SPU crews significantly reduced and then shut off flow to the pipeline, eliminating its use as the primary water supply pipeline. Mercer Island received water through a smaller backup pipeline beginning April 4, 2024, and implemented emergency conservation actions due to the constrained water supply.

SPU and their specialty contractor, in coordination and collaboration with the City, completed repairs and testing, restoring flow through the SPU water supply pipeline on August 1, 2024. The repaired section was slip-lined with approximately 1,300 feet of structural liner, reducing its diameter from 24-inches to 17.4-inches. This loss of carrying capacity was analyzed to determine the impact on the City's water supply and was deemed acceptable.

REPLACEMENT SUPPLY PIPELINE PROJECT

In October 2024, the City Council authorized staff to include design and construction of the new water supply pipeline in the 2025-2030 Capital Improvement Plan ([AB 6530](#)). Although the primary driver for construction includes the installation of a new water supply pipeline, the project scope also includes other infrastructure improvements aimed at optimizing construction costs, scheduling, and minimizing impacts. The following is a summary of the primary project components.

New Water Supply Pipeline

The project includes the construction of an earthquake-resistant 24-inch diameter water supply pipeline along a new alignment (Exhibit 2). This pipe will replace a significant segment of the existing SPU 24-inch diameter concrete cylinder water pipeline. The existing SPU pipeline is not considered resilient in seismically active areas, even under conditions of minor slope movement.

The planned alignment for the new 24-inch water supply pipeline starts at SPU water supply pipeline near the Boat Ramp area, then continues north on East Mercer Way, west on SE 36th Street, southwest along SE Gallagher Hill Road to SE 40th Street, and east on SE 40th to 92nd Avenue SE (Exhibit 2).

AC Watermain Replacement

To minimize construction disruptions along SE Gallagher Hill Road and achieve cost savings through economies of scale, the replacement of an existing asbestos-cement (AC) water main within the roadway has been incorporated into this project (Exhibit 2). In recent years, the City has prioritized removing AC pipe from the water system with the goal of having all AC water main replaced by 2030. There is approximately 4 miles of AC pipe remaining in the City's water distribution system. This project will replace approximately 1,500 feet of existing 8-inch and 10-inch AC pipeline, along with a large Pressure Reducing Valve (PRV) at the bottom of SE Gallagher Hill Road.

Roadway Improvements

Roadway improvements will be constructed, following the water supply pipeline installation, testing, and startup. The scope of these improvements include:

- **SE 36th Street (Gallagher Hill Road to East Mercer Way)** – Restore roadway and sidewalks removed for pipeline construction, upgrade all sidewalk ramps to meet current ADA standards, mill and repave the roadway with a hot mix asphalt (HMA) overlay, raise utilities to grade, and install new pavement markings.
- **Gallagher Hill Road (SE 40th Street to SE 36th Street)** – Construct new curb and sidewalk along the east side (downhill lane), provide a paved shoulder suitable for bicycle use on the west side (uphill lane), install a HMA overlay, raise utilities to grade, and install new pavement markings.
- **SE 40th Street (Gallagher Hill Road to 93rd Avenue)** – Construct new curbs, sidewalks and bike lanes on both sides of the road, install a HMA overlay, raise utilities to grade, and install new pavement markings.

Together, these improvements will repave approximately one mile of arterial roadways. These road projects are identified in the TIP for construction in 2026, funded through the Street Fund.

Shorewood Apartment Connection

Shorewood Apartments is currently a direct customer of SPU and is served through a connection along SE 40th Street (Exhibit 1). However, with the construction of a new water supply pipeline, the existing SPU supply pipeline may be decommissioned, and Shorewood Apartments will require a new water connection. The City Council approved the installation of two connections and master meters, fed from SE 36th Street at 88th and 90th Avenues SE (Exhibit 2), as part of this project to provide water service to Shorewood Apartments. Following the completion of these connections, Shorewood Apartments will become a wholesale customer of the City of Mercer Island.

Design

The City successfully completed the procurement process for engineering services. RH2 was selected as the design firm for the project in January 2025 and is currently working on the preliminary design for the project. The final design for the project is expected to be completed by December 2025.

ISSUE/DISCUSSION

The City has chosen to utilize the GC/CM project delivery method as an alternative approach to design and construction for this project. This method allows the City to bring a contractor on board early in the design phase to work collaboratively with the design team. The GC/CM contributes valuable expertise in construction feasibility, cost estimation, and scheduling, which supports a more efficient and cost-effective project outcome.

Unlike the low-bid process used in design-bid-build, the GC/CM is selected through a qualifications-based process. The City received six Statements of Qualifications (SOQs) from interested construction firms. The SOQs were evaluated based on key criteria including relevant project experience, proposed project team, past performance, and capacity to successfully deliver the work. Four firms were shortlisted for interviews, which focused on their experience with similar infrastructure projects, approach to collaboration, and understanding of the GC/CM delivery method. Following the interviews, two firms were invited to submit cost proposals. Final selection was based on a combined score from both the interview and cost proposal evaluations.

Scarsella Brothers, Inc. was selected as the GC/CM for this project based on their strong qualifications and overall value. They are an experienced GC/CM with a proven track record in delivering complex utility and infrastructure projects. Notably, Scarsella successfully completed a similar project in the City of Puyallup involving the replacement of over 8,000 feet of 24-inch water main along city and residential streets. This work included careful coordination to minimize impacts on the community. Reference checks confirmed their history of successful project delivery, effective communication, and collaborative work with public agencies. Their qualifications and approach align well with the needs of this project.

Staff recommend approving the selection of Scarsella Brothers, Inc. as the GC/CM for the water supply pipeline project.

NEXT STEPS

Once approved, Scarsella Brothers, Inc. will work with RH2 on the design of the new water supply pipeline project which is expected to be completed by December 2025. Following design, Scarsella Brothers, Inc. will be the contractor for the construction of the project.

Staff will return to the City Council in Q3 2025 with a project update that includes proposed budget and appropriation amounts for the construction phase of the project. This update will also incorporate funding received through the state legislature, currently anticipated at \$1.2 M.

RECOMMENDED ACTION

Approve Scarsella Brothers, Inc. as the Heavy Civil General Contractor/Construction Manager (GC/CM) for the Water Supply Pipeline Project and authorize the City Manager to sign any necessary contract documents with the GC/CM.