



Construction Auditing Services Request for Qualifications New Water Supply Pipeline Project

RFQ No. 25-19

Released: April 18, 2025

Due: 2 pm (PST), May 5, to bids@mercerisland.gov

INTRODUCTION

This Request for Qualifications (RFQ) is for selecting a firm to provide Construction Audit Services for the City of Mercer Island (City) Water Supply Pipeline project. For this project, the City will enter into a Heavy Civil General Contractor/Construction Manager (GC/CM) contract with a Total Contract Cost estimated to be \$15 million.

The City has contracted engineering services with RH2 to design a new 24-inch water supply pipeline. The City is currently in the process of selecting the Heavy Civil General Contractor/Construction Manager (GC/CM) for this project. RCW 39.10.385 requires an audit to confirm proper tracking and accounting of costs.

BACKGROUND & PROJECT DESCRIPTION

The following lists the major components of the projects, also shown on Figure 1 on page 6.

New Water Supply Line: The new 24-inch water supply line will run from the Boat Ramp area, heading north on East Mercer Way, west on SE 36th Street, and southwest along SE Gallagher Hill Road to SE 40th Street, continuing east on SE 40th to 92nd Ave SE. Additionally, the project will involve relocating the SPU master meter and upsizing an existing 12-inch water line section of supply line at the intersection of 89th Avenue SE and SE 43rd Street to 24-inch pipe.

AC Watermain Replacement: Approximately 1,500 feet of existing 8-inch and 10-inch AC pipeline will be replaced, as well as the replacement of a large Pressure Reducing Valve (PRV) at the bottom of SE Gallagher Hill Road. Additionally, the project will extend the pipeline to the top of SE Gallagher Hill Road and establish a new connection at the intersection of SE 40th Street and SE Gallagher Hill Road.

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

- **SE 36th Street (Gallagher Hill Road to East Mercer Way)** – Restore 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 and sidewalks on both sides, install bike lanes on both sides, install a HMA overlay, raise utilities to grade, and install new pavement markings. Together, these improvements will repave approximately 0.9 miles of arterial roadways.
- **Shorewood Apartment Connection:** Two connections and master meters will be installed to provide water service to Shorewood Apartments.

SCOPE OF WORK

Provide auditing services:

1. Conduct a pre-construction audit conference with GC/CM and City to set the foundation for the audit process.
 - a. Review of the GC/CM contract documents.
 - b. Review GC/CM subcontracting plan and confirm audit requirements.
 - c. Review GC/CM self-performed work plan and confirm audit requirements.
 - d. Initial review of contractor's Schedule of Values at the start of construction.
 - e. Review Pay Application submittal requirements.
 - f. The initial conference shall facilitate smooth and timely information transfer between the GC/CM and Auditor.
 - g. Meeting with GC/CM and Owner's representatives to discuss common audit issues and expectations.
2. Perform interim audits of contractor's construction costs when construction is approximately 35% complete.
 - a. Audit of billings to date.
 - b. This audit should identify items within the billing that the contractor may need to address with future billings prior to the final audit.
 - c. Provide preliminary reports based on the interim audits during construction. Include recommendations regarding reconciliation of billed amounts and recorded costs.
3. Be available to answer questions during construction when requested by the Project Manager.
4. Perform final audit of contractor's construction costs at final completion of construction and prior to contractor's Final Payment.
 - a. Final audit shall be completed within 30 days of delivery of contractor's records/final billing. Owner's release of final payment is contingent upon a completed audit.
 - b. Final written report to be submitted at the time of completion of the audit.
 - c. Reports to include recommendations regarding reconciliation of billed amounts and recorded costs.
 - d. The Consultant may be asked to provide additional related duties, not specifically identified above on an as-need basis when requested.

Submitting firms should have a strong background in auditing construction contracts. Experience auditing Heavy Civil GC/CM contracts is preferred, but not mandatory.

REQUEST FOR QUALIFICATIONS

Interested firms are invited to submit an SOQ for the work. At minimum, the following items shall be addressed in the RFQ submittal.

Letter of Intent (maximum of 1 page): Summarize your firm's background, resources, commitment to delivering the services outlined in this SOQ. Highlight your firm's interest in this project and in working with the City. Include any other information that would assist the City in making its selection for this project. Also, indicate the address and telephone number of the office nearest to Mercer Island, Washington, as well as the office from which the services will be managed.

Specialized Experience and Technical Competence: Describe your team's experience in meeting the City's needs and how the proposed team will collaborate with City staff to successfully complete the project.

Qualifications of Key Personnel: Include an organizational chart that demonstrates the proposed project team members, hierarchy, and reporting relationships. Describe how each individual's professional experiences are

relevant and bring value to the project. Include resumes of the key individuals (Project Executives, Sr. Auditors/Consultants, Staff Auditors/Consultants and/or Audit Assistants) who will provide the requested services as detailed in the Scope of Work. Brief resumes shall include, at a minimum, the following information: Full name, Proposed title and position on the project, Relevant employment history, education, and professional licensure(s). Resumes shall be one-page per person in an appendix, not included in page count.

Relevant Experience: Include a representative list of past or current projects performed by the key individuals or firm who will provide the requested services. Proposals shall include information about the project manager, major subconsultant staff, and other key staff. Proposals shall include, at a minimum, the following information:

- a. Project name, location, duration, and dates key staff worked on the project.
- b. Brief description of the key staff's role on the project and how that role relates to the project detailed in the Scope of Work.
- c. Contract/Project value.
- d. Type of project delivery method.

Project Approach: Describe the approach the Proposer might utilize to:

- a. Achieve accurate cost controls
- b. Assure contract compliance
- c. Prevent fraud
- d. Avoid disputes

References: Provide three references from clients for whom your firm has performed similar work within the last five years. Include contact name, current phone number, and current e-mail address for all references.

City of Mercer Island Business License: Provide a statement to the effect that the respondent understands and agrees to obtain a [City of Mercer Island business license](#) if selected. A principal or officer of the firm authorized to execute contracts or other similar documents on the firm's behalf must sign the letter. Alternatively, provide evidence of a current business license with the City of Mercer Island.

Disclosure of Conflict of Interest: Disclose any potential conflict of interest due to any other clients, contracts, or property interests regarding private development of any property within the City of Mercer Island.

SELECTION PROCESS

The City anticipates using the following general timeline for evaluating proposals and initiating a contract in response to this solicitation.

Project Milestones	Date
RFQ release	April 18, 2025
Deadline for questions	April 25, 2025 @ 12 noon PST
City response to questions	April 29, 2025 @ 2pm PST
Proposals due	May 5, 2025 @ 2pm PST
Evaluation period**	May 5 – May 23
Notice of Selection	Week of May 26

***The evaluation period may include developing and notifying a short-list of firms, interviewing selected firms, checking references, and/or other activities the City deems necessary to successfully complete this process.*

EVALUATION CRITERIA

The selection process will involve a comprehensive review of each RFQ submitted, followed by a potential interview process for short-listed firms. A committee of City personnel will evaluate and score each RFQ based on a qualification-based selection process in accordance with the criteria established in this solicitation.

Criteria	Weight
Qualifications of Key Personnel Identify specific individuals and sub-consultants for key positions and show interrelationships and reporting hierarchy for your proposed team. Describe how each individual's professional experiences are relevant and bring value to the project. The submittal clearly and effectively outlines the project team's qualifications and ability to successfully meet the needs of the City and the project(s).	40
Relevant Project Experience: The submittal demonstrates relevant and successful experience with similar sized and types of projects.	30
Project Understanding and Approach: The RFQ demonstrates thorough understanding of the project and project needs.	20
Organization and Clarity of Proposal	10
TOTAL	100

ADDITIONAL INFORMATION

If interviews are held, selected firms should plan to have the project manager assigned to the project and up to two other key project team members and/or subconsultant representatives present during interviews. The format of the interview will include a brief presentation highlighting experience followed by informal questions and answer period with a panel of City personnel. Final selections will be based on both the submitted RFQ and the interview. Firms participating in interviews will be contacted shortly after interviews are held and informed of the City's final selection.

PRE-PROPOSAL CONFERENCE

The City will not be offering an in-person Pre-Submittal Conference for this solicitation.

SUBMITTAL FORMAT AND DETAILS

- For consideration, Consultants must submit an electronic copy in PDF form to bids@mercerisland.gov by the proposal due date. One electronic copy, including all attachments, shall be transmitted. The timestamp of the incoming email created automatically by the City's email server shall be considered the time of submittal. Consultants are encouraged to submit the RFQ's with adequate time for email to be processed. The City is not responsible for late deliveries. Submittals or modifications thereof received after the stated time of closing will not be considered.
- All proposals shall be clearly titled: **RFQ Supply Pipeline Auditing Services**
- Please limit submittals to **14 pages single sided pages** using at least 11pt font (excluding cover letter, references, dividers, and resumes). When 11"x 17" size sheets or fold outs are used, each side will be counted as two 8½ x 11 sheets.
- All proposals received will become the property of the City and will not be returned.
- All questions on the project are due by April 25, 2025, at 12 noon (PST).** Questions regarding the project may be emailed to Elayne Grueber, P.E., Utilities Engineer, at elayne.grueber@mercerisland.gov. Any oral communication will be considered unofficial and non-binding. Questions via phone will not be accepted. All questions received will be compiled, and responses will be posted by **April 29, 2025, at 2 pm (PST)**. It is the obligation and responsibility of the submitter to learn of addendums, responses, or notices issued by the City relative to this RFP. These will be posted on the City website at www.mercerisland.gov/rfps.
- Rights reserved by the City:** The City reserves the right to reject any or all responses received for this solicitation; extend the submission due date; modify, amend, reissue, or rewrite this solicitation; and procure any or all services by other means. The City reserves the right to modify the scope of this solicitation.

- This solicitation does not oblige the City to award a contract to any respondent. The final selection is the sole decision of the City, and the respondents to this formal request have no guaranteed appeal rights or procedures. At its option, the City reserves the right to waive as informality any irregularities in proposals and/or to reject any or all proposals.

CONDITION OF SUBMITTAL

Costs for Development of Submittals: All costs for developing submittals in response to this RFQ are the obligation of the consultant and are not chargeable to the City. All submittals will become property of the City and will not be returned. Submittals may be withdrawn at any time prior to the published close date, provided notification is received in writing to the Elayne Grueber, P.E., Utilities Engineer, at elayne.grueber@mercerisland.gov.

Agreement Form: The agreement to be used will be the City's standard professional services agreement (PSA), which is provided as Exhibit 1. Consultants that submit proposals are expected to meet the terms contained in the PSA, as shown in Exhibit 1, **no modifications will be allowed**.

Americans with Disabilities Act (ADA) Information: This material can be made available in an alternate format by calling 206-275-7833.

Non-Discrimination: The City of Mercer Island, in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation issued pursuant to such Act, hereby notifies all bidders that it will affirmatively ensure that in any contract entered into pursuant to this advertisement, disadvantaged business enterprises as defined at 49 CFR Part 23 will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, national origin, or sex in consideration for an award.

ATTACHMENTS

- *Figure 1: Concept Design – Water Supply Line Project*
- *Exhibit 1: Sample City of Mercer Island Professional Services Agreement (PSA)*

Figure 1

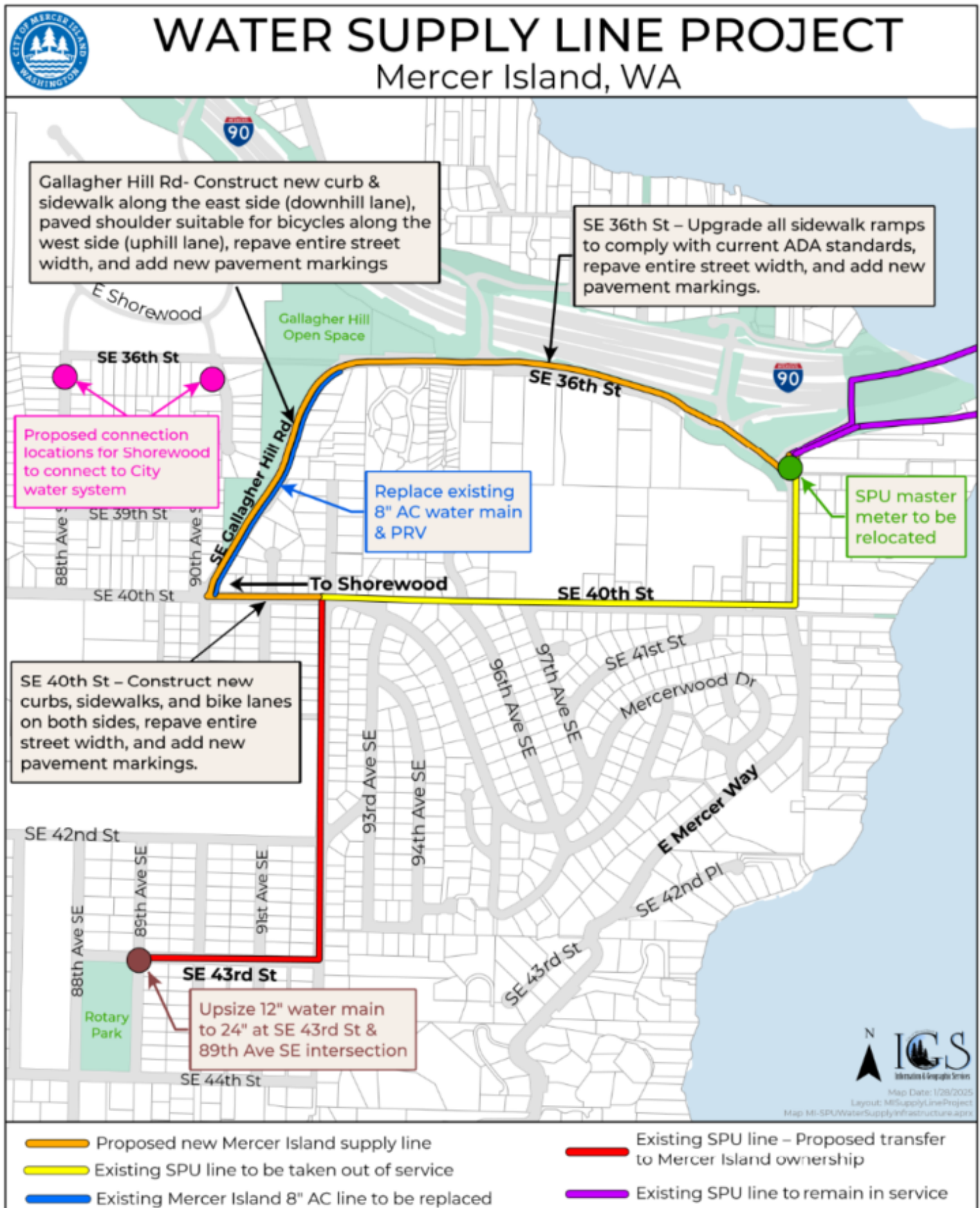


Exhibit 1

CITY OF MERCER ISLAND, WASHINGTON AGREEMENT FOR PROFESSIONAL SERVICES FOR [INSERT TITLE OF AGREEMENT/SERVICES]

Contract Number (ERP):

If applicable, project name/ CIP project number:

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") dated [insert date agreement drafted] is effective on the date the Agreement is fully executed by the Parties. The Parties to this Agreement are the CITY OF MERCER ISLAND, a Washington municipal corporation ("City") and [insert full legal name of consultant], a [insert state where formed] [choose type of person or entity] ("Consultant").

1. SERVICES BY CONSULTANT

Consultant shall perform the services described in the scope of work attached hereto as Exhibit "A", along with any Specifications, Addenda, and other Exhibits attached hereto, which documents are incorporated by this reference, ("Services"), in a manner consistent with the accepted practices for other similar services, performed to the City's satisfaction, within the time period prescribed by the City and pursuant to the direction of the City Manager or their designee.

2. PAYMENT

2.1 City shall pay Consultant for the Services: (check one)

- ☐ **Hourly:** \$ per hour, plus actual expenses, but not more than a total of \$.
☐ **Fixed Sum:** not to exceed \$.
☐ **Other:** .

2.2 Consultant shall maintain time and expense records and provide them to the City monthly, along with monthly invoices in a format acceptable to the City for work performed to the date of the invoice.

2.3 All invoices shall be paid by mailing a City warrant within 45 days of receipt of a proper invoice.

2.4 Consultant shall keep cost records and accounts pertaining to this Agreement available for inspection by City representative for three (3) years after final payment. Copies shall be made available on request.

2.5 If the Services do not meet the requirements of the Agreement, Consultant will correct or modify the work to comply with the Agreement. City may withhold payment for such Services until the work meets the requirements of the Agreement.

3. NON-DISCRIMINATION AND COMPLIANCE WITH LAWS

3.1 Consultant agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, sexual orientation, age, disability, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification.

- 3.2 Consultant shall comply with and perform the Services in compliance with all federal, state, and local laws and ordinances, as now existing or hereafter adopted or amended.
- 3.3 Violation of this Paragraph III shall be a material breach of this Agreement and may result in ineligibility for further work for the City.

4. TERM AND TERMINATION OF AGREEMENT

- 4.1 This Agreement shall commence on the effective date of this Agreement and shall remain in effect until completion of the Services and final payment, but in any event, no later than ("Term").
- 4.2 This Agreement may be terminated immediately by the City with or without cause. The Consultant may terminate this Agreement upon thirty (30) days written notice, in which event all finished or unfinished documents, reports, or other material or work of Consultant pursuant to this Agreement shall be submitted to City, and Consultant shall be entitled to just and equitable compensation at the rate set forth in Paragraph II for any satisfactory work completed prior to the date of termination.

5. OWNERSHIP OF WORK PRODUCT

All data, materials, reports, memoranda, and other documents developed under this Agreement whether finished or not shall become the property of City, shall be forwarded to City at its request and may be used by City as it sees fit. Consultant shall not be held liable for reuse of documents or modifications thereof by City or its representatives for any purpose other than the intent of this Agreement.

6. GENERAL ADMINISTRATION AND MANAGEMENT

The _____ of the City of Mercer Island, or their designee, shall be City's representative and shall oversee and approve all Services to be performed, coordinate all communications, and review and approve all invoices, under this Agreement.

7. HOLD HARMLESS

- 7.1 Consultant shall defend, indemnify, and save harmless the City, its officers, elected officials, agents, volunteers, and employees from any and all costs, claims, injuries, damages, losses, suits, judgments, or awards of damages (including costs and attorney fees), arising out of or in any way resulting from the acts, errors or omissions of Consultant, its officers, employees, and agents in performing this Agreement. However, should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, agents, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence. Consultant waives any immunity that may be granted to it under the Washington State Industrial Insurance Act, Title 51 RCW. This waiver has been mutually negotiated by the parties. Consultant's indemnification shall not be limited in any way by any

limitation on the amount of damages, compensation or benefits payable to or by any third party under workers' compensation acts, disability benefit acts or any other benefits acts or programs.

7.2 The provisions of this Section shall survive the expiration or termination of this Agreement.

8. INSURANCE

8.1 Consultant agrees to carry and maintain insurance per this section for the duration of this Agreement. Such insurance, as a minimum, be in such form and with such carriers who have a current A.M. Best rating of not less than A:VII or other industry rating which is satisfactory to the City. The City, at its discretion, may require additional types and greater limits of insurance coverage commensurate with the risk associated with the performance of the Services.

- A. Workers' compensation and employer's liability insurance in amounts sufficient pursuant to the laws of the State of Washington.
- B. Commercial general liability insurance shall be at least as broad as Insurance Services Office (ISO) occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop gap, independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO endorsement form CG 20 26. Commercial General Liability insurance shall be written with limits no less than \$2,000,000 each occurrence, \$2,000,000 general aggregate.
- C. Automobile liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be at least as broad as Insurance Services Office (ISO) form CA 00 01. If necessary, the policy shall be endorsed to provide contractual liability coverage, with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
- D. Professional liability insurance appropriate to the Consultant's profession with limits of no less than \$2,000,000 per claim and \$2,000,000 policy aggregate limit.

8.2 The insurance policies for Commercial General Liability and Automobile Liability shall contain the following endorsements or provisions:

- A. The Consultant's insurance coverage shall be primary insurance as respect the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
- B. The Consultant shall provide the City with written notice of any policy cancellation within two business days of the Consultant's receipt of such notice. Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including without limitation the additional insured endorsement evidencing the insurance requirement of the Consultant before commencement of the Services. Consultant's failure to maintain such insurance policies as required shall constitute a material breach of this Agreement, upon which the City may, after giving five business days' notice to the

Consultant to correct the breach, immediately terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

- 8.3 If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Consultant.
- 8.4 The Consultant's maintenance of insurance as required by this Agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available in law or in equity.
- 8.5 The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Agreement before commencement of the Services under this Agreement.

9. SUBLETTING OR ASSIGNING CONTRACT

Neither City nor Consultant shall assign, transfer, or encumber any rights, duties or interests accruing from this Agreement without the express prior written consent of the other party.

10. FUTURE SUPPORT

City makes no commitment and assumes no obligations for the support of Consultant's activities except as set forth in this Agreement.

11. INDEPENDENT CONTRACTOR

Consultant is and shall be at all times during the term of this Agreement an Independent Contractor and the City shall be neither liable nor obligated to pay Consultant sick leave, vacation pay, or any other benefit of employment nor to pay any social security or other tax which may arise as an incident of employment. The Consultant shall pay all income and other taxes as due.

12. NON-APPLICATION OF FUNDS

If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will not be obligated to make payments for Services or amounts after the end of the current fiscal periods, and this Agreement will terminate upon the completion of all remaining Services for which funds are allocated. No penalty or expense shall accrue to the City in the event this provision applies.

13. GENERAL PROVISIONS

This Agreement, and any Specifications, Addenda, and other Exhibits attached hereto, contain all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement. No provision of the Agreement may be amended or modified except by written agreement signed by the Parties. This Agreement shall be binding upon and inure to the benefit of the Parties' successors in interest, heirs, and assigns. Any provision of this Agreement which is declared invalid, or illegal shall in no way affect or invalidate any other provision. In the event either of the Parties defaults on the performance of any terms of this Agreement or either Party places the enforcement of this Agreement in the hands of an attorney, or files a lawsuit, each Party shall pay all its own attorney fees, costs, and expenses. The venue for any dispute related to this Agreement shall be King County, Washington. Failure of the City to declare any breach or default immediately upon the occurrence thereof, or delay in taking any action in connection with, shall not waive such breach or default. In the event of a conflict between Exhibit A, Scope of Services, and this Agreement, this Agreement shall be controlling. Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.

IN WITNESS WHEREOF, the parties have executed this Agreement on the _____ day of _____, 20____.

CONSULTANT:

CITY:

[INSERT FULL LEGAL NAME OF CONSULTANT]

CITY OF MERCER ISLAND

By: _____
Name: [insert full legal name of signator]
Title: [insert title of signator]

By: _____
Jessi Bon
City Manager

Tax ID No.

9611 SE 36th Street
Mercer Island, WA 98040

Address:

Staff name:
Staff phone:
Staff email:

Phone:
Email:

Approved as to form:

By: _____
Bio Park
City Attorney