



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6d

**ACTION ITEM**

**Date of Meeting** October 8, 2019

**DATE:** September 11, 2019

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Susie Archuleta, Real Estate Manager  
Melinda Miller, Director, Portfolio and Asset Management

**SUBJECT:** Pier 66 Janitorial Services Contract

**Amount of this request:** \$575,000

**Total estimated contract** \$575,000

**cost:**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a new one-year contract with four additional one-year options to extend for Pier 66 janitorial services, with a value up to \$575,000.

**EXECUTIVE SUMMARY**

Pier 66 requires janitorial services for professional cleaning of selected areas along the waterfront: Harbormaster building, elevators, collection of trash from all Port owned trash cans along the Alaskan Way waterfront and from Anthony's Pier 66, and cleaning of the Pier 66 compactor and recycle bays. The existing three-year janitorial contract is expiring in November 2019, so a new janitorial services contract will enable the continuation of these services.

**JUSTIFICATION**

Best practice in property management includes regularly scheduled janitorial service. Areas of the various Port owned properties along the Seattle waterfront are highly visible to the public and frequently visited. To maintain a tidy appearance of the exterior of these Port properties, janitorial services are required.

***Diversity in Contracting***

The Port of Seattle is committed to providing the maximum practicable opportunities for Woman and Minority Business Enterprises (WMBE) to compete for and participate in Port contracting. Staff has contacted the Diversity in Contracting Department to discuss this contract and similar contracts. Historically, Pier 66 janitorial service has been provided by a very small crew, so there are no subcontracting opportunities for this contract. Instead, Staff will maximize WMBE business outreach efforts within the contract advertisement phase.

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**DETAILS**

Specific areas of the Port’s Seattle waterfront properties are highly visible to the public, including its exterior elevators, pedestrian bridges, and the Pier 66 rooftop deck and plaza. Roughly 30 exterior garbage cans are located throughout those areas. They require regularly scheduled janitorial service, primarily in the form of trash collection, seven days a week. In addition, the Harbormaster office, restroom and shower receive use from Bell Street Marina customers as well as Port staff and require janitorial service. Lastly, Anthony’s Pier 66 restaurant was constructed without a trash room, requiring its’ sharing of the Pier 66 trash facilities. Trash from Anthony’s Pier 66 restaurant is transported from the restaurant to the Pier 66 main building trash bays seven days a week. One of those trips is conducted at midnight, after the restaurant closes.

The existing janitorial contract provides all of the services described above. This contract is expiring November 30, 2019. Since the quality of service is critical for these public facing spaces, structuring the term of the new contract is important. For optimum flexibility, staff prefers a short initial term followed by options to extend. This term structure will provide the quickest ability to terminate if the quality of janitorial service is not satisfactory, and also the ability to extend if the quality of janitorial service is satisfactory. If all available options are exercised, the cumulative term of the contract would be five years, enabling staff to avoid additional contracting efforts for that same length of time.

***Scope of Work***

The Pier 66 janitorial service is provided by a one-person team, seven days a week. Areas receiving scheduled service are primarily exterior: emptying about 30 exterior trash cans from the Lenora elevator to the north end of Pier 66. In addition, elevator cabs in the main Pier 66 building as well as the externally facing elevators at either end of the Bell Street pedestrian bridge and at Lenora Street are serviced. Trash is collected from Anthony’s Pier 66 restaurant four times a day, seven days a week. The Harbormaster office area and showers are cleaned, and two restrooms (one in the Harbormaster building and one in the main Pier 66 building) are cleaned and restocked. In addition to the scheduled service previously described, this contract provides for ad hoc additional janitorial services with Port pre-approval to address the impacts of community events, such as Seafair, on the appearance of Port waterfront properties.

***Cost Breakdown***

	This Request	Total Project
Total	\$575,000	\$575,000

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Execute a one-year janitorial services contract.

Cost Implications: up to \$105,000

Pros:

- (1) This is a low-cost alternative.

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- (2) This is the quickest contracting path due to the low contract value, which would avoid the need for Commission approval.

Cons:

- (1) Staff would need to repeat the contract solicitation process in the very near future. A contracting effort that requires annual contracting is viewed by Staff as onerous.

This is not the recommended alternative.

**Alternative 2** – Execute a five-year janitorial services contract.

Cost Implications: up to \$575,000

Pros:

- (1) This lengthened contract term reduces the frequency of contracting efforts by Port Staff.

Cons:

- (1) This is a higher cost alternative.
- (2) If the level of service provided is not satisfactory, the Port will have a very long wait for the contract expiration and will suffer inferior service in the meantime.

This is not the recommended alternative.

**Alternative 3** – Execute a one-year contract with 4 one-year options to extend.

Cost Implications: up to \$575,000

Pros:

- (1) This contract term structure provides the most flexibility. If the level of service is not satisfactory, the Port will suffer inferior service for only a few months until contract expiration. If the level of service is satisfactory, the Port can exercise options to extend. If each option is exercised, the total term will be five years.
- (2) Lengthening the contract term via options to extend reduces the frequency of contracting efforts by Port staff.

Cons:

- (1) This is a higher cost alternative.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

***Cost Estimate/Authorization Summary***

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$0	\$575,000	\$575,000
<b>AUTHORIZATION</b>			

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Previous authorizations	0	0	0
Current request for authorization	0	\$575,000	\$575,000
Total authorizations, including this request	0	\$575,000	\$575,000
Remaining amount to be authorized	\$0	\$575,000	\$575,000

***Annual Budget Status and Source of Funds***

Janitorial services are budgeted annually as a line item in the Pier 66 Bell Street operating expense budget and costs are charged to the operating divisions.

***Financial Analysis and Summary***

Project cost for analysis	\$575,000
Business Unit (BU)	Portfolio Management
Effect on business performance (NOI after depreciation)	The Net Operating Income after the depreciation will decrease by the annual contracted janitorial service expense. The first year janitorial service expense for this contract will be \$108K.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

***Future Revenues and Expenses (Total cost of ownership)***

None

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None