



**COMMISSION
AGENDA MEMORANDUM**

Item No.

8f

ACTION ITEM

Date of Meeting

April 28, 2026

DATE : February 28, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Mike Tasker, Director, Aviation Maintenance
Jinah Kim, Assistant Director, Aviation Maintenance

SUBJECT: Airport Custodial Services – Zone 1 – Zone 4

Amount of this request: \$57,500,000

Total estimated project cost: \$57,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to

1. Increase existing airport custodial service contract funding by \$45 million to meet current contractual obligations beyond 2026 (Zones 1, 3, & 4)
2. Extend the Zone 2 contract for sixth year to maintain uninterrupted custodial services during the FIFA World Cup and the opening of the new Concourse C Expansion. An additional \$12.5 million in funding will support continued service in Zone 2 through June 2027.

EXECUTIVE SUMMARY

The requested \$57.5 million in Commission funding supports existing contractual obligations across Zones 1, 3, and 4 and provides for a one-year extension of services in Zone 2. This extension will ensure continued operations during the FIFA World Cup and maintain cleanliness in the new Concourse C Expansion. Overall, the funding ensures uninterrupted custodial services at SEA through contract expiration dates up to 2030.

The existing Commission Authorization of \$149.3M across Zones 1 through 4 will be fully utilized as intended by end of 2026. While current service contracts extend beyond 2026, they are underfunded. The additional \$57.5 million will fulfill contract obligations for Zones 1–4 through the remainder of their terms.

The service maintains the current performance-based contracting model that supports the Port’s goals by delivering competitive and industry-leading services while maintaining safe, healthy, and sustainable Green Cleaning practices. It also preserves labor harmony, WMBE participation, and

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promotes strong financial stewardship through carefully evaluating the costs and negotiating for competitive pricing.

Custodial contracts include expenditure on labor, equipment, consumable supplies, chemicals, materials, and employee benefits. They also account for cost escalations, including equipment and supplies, as well as annual cost-of-living adjustments. The contract funds are adjusted to better reflect actual expenses and align with Washington State’s prevailing wage requirements. Key cost pressures include:

- Minimum wage increases exceeding 18% since 2022
- Inflation and rising supply costs
- Increased facility square footage (e.g., Concourse C Expansion)
- Contract extension for FIFA World Cup events

JUSTIFICATION

Maintaining clean and well-managed facilities is essential to meeting the Port’s customer experience standards and advancing its Century Agenda goal of being a leading tourism and business gateway on the West Coast. Cleanliness is also critical to the health and safety of employees and the traveling public.

We request additional funding for custodial contracts in four of our five zones to expand services to include a new facility, increase the period of service, and accommodate rising costs in labor and materials.

Approval of this request will allow the Port to:

1. Provide uninterrupted custodial service and continuous operations across Zones 1, 3, & 4.
2. Amend existing contract to address cost increases associated with an 8%+ square footage increase in Zone 2 due to the Concourse C Expansion (CCE), in preparation for its opening in May 2026
3. Extend the Zone 2 contract to ensure continuous, uninterrupted service through FIFA World Cup events

The table below outlines the terms of each Zone Contract and the allocation of funds through 2030.

- Each chart indicates the contract’s start and end dates (month and year).
- \$45M will fund existing contractual obligations across Zones 1, 3, & 4, covering their respective terms beyond 2026.
- \$12.5M will fund the Zone 2 contract extension through June 2027

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Contract Timeline	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Zone 1						May-25	Apr-30				
Zone 2		Jul-21				Jun-26	New Ext				
Zone 3				Mar-24				Feb-29			
Zone 4			Feb-23				Feb-28				
Zone 5		Apr-22	Separate Authority			Feb-27					
							\$12.5M	\$45M			

Without this approval, custodial services will begin to lapse as early as Q3 2026, limiting SEA’s ability to support FIFA World Cup operations and resulting in degraded cleanliness. This would negatively impact on customer experience, public health and safety, and the airport’s reputation.

This request represents a continuity-of-operation need for essential services, not an expansion of scope. It ensures service delivery for new facilities, including the Concourse C Expansion, and supports uninterrupted operations through the FIFA World Cup.

This request also addresses rising costs for labor and materials. The funding for Zones 1-4 has been adjusted and authorized in 2020, and 2023 to account for the gap between pre-approved Commission funding and the actual costs identified after completion of the RFP process. Historically, each contract change has been accompanied by a price increase ranging from 16.4% to 27.6%. The first significant increase occurred in 2019, when passenger volume rose exceeding 10% compared to 2017, the year the implementation of the new custodial service contract model.

The second increase followed the onset of the COVID-19 pandemic, when supply chain disruptions and fluctuating demand created pricing uncertainties. Notably, the zone that experienced the most significant increase at that time is currently operating at a lower rate than zones procured in more recent years.

Despite these increases, our research from 2024 to 2025 indicates that the Port has continued to provide services at a competitive annual rate of \$11.23 per square foot. This compares favorably to airports in lower cost-of-living cities with lower passenger volumes. As a point of reference, SEA’s 2025 Airports Council International (ACI) Airport Service Quality (ASQ) average cleanliness rating was 3.70.

Airport	2024 PAX	\$ per Sqft.
Major Hub in AZ	52.3M	\$17.27
Major Hub in FL	57.2M	\$14.10
OH-KY Major Airport	9M	\$12.21
SEA	52.6M	\$11.23

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When custodial service contracts were procured under a new performance-based model, four zones were established with an elevated scope of work in 2017, and all contracts commenced simultaneously on January 1st, 2018. Each contract included two base years and three one-year options, for a total potential term of five years.

Over time, some contracts ended earlier than anticipated due to performance issues and some were re-competed when new facilities opened. As a result, the zone contracts no longer share the same start and end dates.

Although each contract is structured for up to a five-year term, the Port tracks and utilizes cumulative five-year funding across Zones 1 through 4, drawing on these funds until they are exhausted and requesting additional funding as needed to continue services. Please note that IAF (Zone 5) is authorized separately under a Commission approval established in 2019, and the funding and authorization will end in February 2027.

The following factors have contributed to the rising costs over the past nine years.

SEA Factors and Changes to consider since 2017			
1)	PAX Increase	15.20%	45,737, 115 in 2017 to 52,670,712 in 2025
2)	Sq.Ft. Increase	32.60%	2,261,654 in 2017 to 2,999,476 by 2022
3)	Hourly Wage Increase	38.30%	\$15.00 to \$20.74
4)	Supply Consumption Increase	75.26%	\$1.94M to \$3.4M
5)	Staff Increase	95.00%	Due to Service Demands and Sqft Increase
6)	Elevated Service Level Agreement		* Customer Experience
			* ENV Stewardship / LEED- Green Cleaning & Sustainable Equipment
			* Use of Technology in Audits & Quality Control
			* Increase in FOD, Ramp, and Compactor Site Cleaning
			* Increased Standards and more defined SOW overall
			* Enhanced service standards for Terrazzo Floor Care
			* Elevated service levels for carpet and window cleaning
7)	Commission Directives		* Labor Harmony
			* WMBE Goal
8)	Value Contract		Evaluation in multi-criteria analysis places pricing as the final factor considered
9)	Competition between zones kept the pricing lower than other airports		
10)	Technology enhanced the productivity		
11)	Washington State Prevailing Wage consideration		

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12)	Implementation of the Commission’s Public Health and Safety Initiative to provide free hygiene products for all
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DIVERSITY IN CONTRACTING

Aviation Maintenance Custodial Services staff is working with the Diversity in Contracting Department regarding setting the Women- and Minority- Business Enterprise (WMBE) aspirational goals for contracted work. A 20% WMBE goal has been set by the Diversity in Contracting Department for custodial service contracts, based on that determination we anticipate achieving a similar aspirational goal in the new procurement of the service RFPs.

DETAILS

Beginning in January 2018, the Airport transitioned to the performance-based zone model of four contracts covering the then identified four zones at the Airport. The original procurement established a two-year base term for each contract, with the option to renew annually for up to three additional years.

Following the initial four-zone procurement, a fifth zone was created to incorporate the facilities generated by the building of the International Arrivals Facility (IAF). The Zone 5 service contract was procured and executed in 2019; however, due to construction delays, services did not commence until February 16, 2022, and are scheduled to end on February 15, 2027. Currently this zone is in its own commission authorization.

Zone 2 (CT, C, D, & N Gates) contract is being extended through June 2027 to continue seamless service for the World Cup event to avoid any service disruptions due to contract change during this global event. The newly amended Zone 2 contract will end on June 30, 2027.

Schedule

The following schedule represents the key areas of Zone 2 and contract scheduling for the zone:

Zone 2

- Consists of Customer-Facing Secure Side, Central Terminal and North end of Terminal, CT, C, D and N Gates
- Contract amendments Q1 – Q2 2026
- Contract extension to June 2027

Activity

Commission Funding authorization	2026 Quarter 2
Funding Supporting Amendments and Existing Contracts	2026 Quarter 2
Commission Contracting authorization	2026 Quarter 2
Contract Start date	2026 Quarter 2

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Cost Breakdown

This Request

Existing Contract Support beyond 2026	\$45,000,000	
New Funding for Zone 2 for 1 Year	\$12,500,000	
Total	\$57,500,000	

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Postpone Commission Contracting Authority Request until the existing custodial service contracting authority is exhausted.

Cost Implications: \$15,000,000.00 to sustain the existing 4 contracts, Zone 1 -4, for few months.

Pros:

- (1) This is the lowest funding request option.

Cons:

- (1) This alternative would not sustain the funding until the end of year since Zone 2 contract is being amended for extension of existing contract to get through World Cup event to avoid service disruptions and an additional cost increase for opening Concourse C (CCE) in May 2026.
- (2) Inability to support FIFA World Cup operations.
- (3) Inability to clean the new facility, CCE.
- (4) This alternative would result in degraded cleanliness impacting customer experience, public health, and airport reputation.
- (5) This alternative would bring the staff again later this year requesting Commission Funding and Authorization.

This is not the recommended alternative.

Alternative 2 – Receive additional Commission funds of \$45 Million only to cover the remaining contracts that ends at various times.

Cost Implications: \$45,000,000.00 to sustain the existing 4 contracts, Zone 1 -4.

Pros:

- (1) This is a less impactful funding request option.

Cons:

- (1) This alternative would not provide Contracting Authority or Funds to extend Zone 2 contract.
- (2) This alternative would result in service gaps beginning July 2026.
- (3) Upcoming contract amendments will exhaust the funding earlier than anticipated.

This is not the recommended alternative.

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Alternative 3 – Commission authorization for additional funds to fulfil the existing contractual obligations and extend an additional year for Zone 2 to provide uninterrupted service and operations for FIFA World Cup and maintain cleanliness in the new facility, CCE.

Cost Implications: \$57,500,000.

\$45,000,000 to fulfil exiting contract obligations for Zone 1-3, and \$12,500,000 to extend an additional contract year term for Zone 2 .

Pros:

- (1) This alternative allows the Port to provide uninterrupted and continuous custodial service and airport operations in all zones.
- (2) This alternative allows the Port to pay a fair market price determined for Zone 2 for an extension.
- (3) This alternative will allow the Port to amend the existing contract to continue service without disrupting customer experience associated with the World Cup event and to capture the cost to service the new facility, CCE.
- (4) This alternative allows the Port to align with the existing re-procurement timeline for Zone 2 in 2027.

Cons:

- (1) The alternative brings the complexities of Contracting Authority requests, and complexities of transitioning new service to the two large zones at the same time.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$57,500,000	\$57,500,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	\$57,500,000	\$57,500,000
Total authorizations, including this request	0	\$57,500,000	\$57,500,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

Custodial Service costs are included in Aviation Maintenance’s annual operating budget. The funding source will be the Airport Development Fund.

ATTACHMENTS TO THIS REQUEST

- (1) Graphic of the SEA – Simplified Zones Map
- (2) Presentation

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

June 1, 2023 – The Commission authorized the Executive Director to add additional funds for Airport Custodial Services Zone 1 through 4, and Commission Initiative Implementation and execute Waste Removal Services for Airport Dining and Retail tenants.

March 24, 2020 – The Commission authorized the Executive Director to execute up to 4 contracts for Zone 1-4 for Seattle-Tacoma International Airport.

June 25, 2019 – Commission authorized the Executive Director to execute a contract for janitorial services for Zone 5, consisting of the IAF new construction facilities for Seattle-Tacoma International Airport.

September 27, 2016 – Commission authorized the Chief Executive Officer to execute up to four contracts for janitorial services for Seattle-Tacoma International Airport.

August 23, 2016 – Commission Briefing “Contract for Janitorial Services at Sea-Tac Airport.”