COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 10a

Date of Meeting July 28, 2026

DATE: June 5, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Mike Tasker, Director, Aviation Maintenance
Jinah Kim, Assistant Director, Aviation Maintenance
Valentine Smith, Facilities Services Manager, Aviation Maintenance

SUBJECT: **Airport Custodial Services Zones 1-5 – Funding and Contracting Authority (2027–2031)**

Amount of this request:	$150,000,000
Total estimated project cost:	$150,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to:

1. Fund $150M to all five airport zones' custodial services contracts through 2031.

2. Advertise, award, and execute new custodial service contracts in Zones 1-5 through 2026-2029 procurement cycle.

EXECUTIVE SUMMARY

The requested Commission Authorization of $150M ensures uninterrupted custodial services at SEA through 2031. The request will support the following:

1. With two zone contracts (Zones 1 & 5) expiring within a similar timeframe, consolidating them into a single contract to improve financial efficiency and operational effectiveness.
2. Leveraging the strengths and characteristics of both zones (1 & 5) to maximize resources, enhance gate hold room and restroom cleanliness, and enhance the overall customer experience.
3. Provides authority to competitively procure new contracts for all Zones 1-5 during 2026-2029 procurement cycle.
4. Ensures essential service coverage for all Zones 1-5 through 2031.

The service will maintain 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, Women- and Minority- Business Enterprise (WMBE) participation, and promotes strong financial stewardship.

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. 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)

New procurement of the service contracts will continue to follow the current performance-based contracting model used, while adjusting the contracting authority to better align with actual costs experienced and Washington State's prevailing wage structure.

This approach will aid the Airport in meeting service standards amid increasing passenger demands, while advancing the Port's Century Agenda Objectives and carefully evaluating the costs and negotiating for competitive pricing.

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.

Approval of this request will allow the Port to:

1. Procure custodial service contracts at market value through competitive processes
2. Continue providing essential services and operations in all five airport zones

Without this approval, custodial services will begin to lapse as early as 2027, resulting in degraded cleanliness. This would negatively impact on customer experience, public health, and the airport's reputation.

This request represents a continuity-of-operation need for essential services, not an expansion of scope.

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 aspirational 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 concept will remain unchanged, except for combining Zones 1 and 5 under a single contract. The two zones are adjacent, both require CBP seals for operations, and are highly visible to international passengers, making consolidation operationally advantageous.

The tables below show the contract terms and highlight (green) which portions of the contracts will be covered by the new funding.

Zone	Expiration Date	Base Year End
1	04/30/30	04/30/27
2	06/30/27	
3	02/28/29	
4	01/31/28	
5	02/15/27	

Contract Timeline	2026	2027	2028	2029	2030	2031	2032
Zone 1		Apr-27			Apr-30		
Zone 2		Jun-27					
Zone 3			Feb-29		NEW		
Zone 4		Jan-28					
Zone 5	Feb-27						

Schedule

The following schedule represents the key areas and dates for each of the existing zone contracts:

(1) 1st RFP - Q3 2026, Zone 1 &5
New Contract May 1, 2027 - April 30, 2032

(2) 2nd RFP – Q3-4 2026, Zone 2
New Contract July 1, 2027 - June 30, 2032

(3) 3rd RFP - Q3 2027, Zone 4
New Contract February 1, 2028 - January 31, 2033

(4) 4th RFP - Q3 2028, Zone 3

New Contract March 1, 2029 - February 28, 2034

Activity

Commission Funding authorization	2026 Quarter 3
Funding Supporting re-competing Zones 1,2&5	2026 Quarter 3
Commission Contracting authorization	2026 Quarter 3
RFP start	2026 Quarter 3
Contract Start date	2027 Quarter 2

Cost Breakdown	This Request	
New Funding for the Next 5 Years	$150,000,000	
Total	$150,000,000	

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Postpone Commission Contracting Authority Request until the existing custodial funding is exhausted.

Cost Implications: $0.00

Pros:

(1) This is the lowest funding request option.

Cons:

(1) This alternative would not provide Contracting Authority or Funds to procure new service contracts.
(2) Inability to provide service, procure, contract and support operations upon the expiration of the contracts.
(3) This alternative would result in no custodial service.
(4) This alternative would result in degraded cleanliness impacting customer experience, public health, and airport reputation.

This is not the recommended alternative.

Alternative 2 – Receive additional Commission funds of $30 Million only to cover one year in Zones 1, 2 and 5.

Cost Implications: $30,000,000.00 to re-compete Zone 1, 2 and 5 and cover service for one year.

Pros:

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

Cons:

(1) This alternative would not result in competitive costs or attract RFP participants.

(2) This alternative would result in less RFP participants, less competition, and drive up the costs.

This is not the recommended alternative.

Alternative 3 – Commission authorization for funds and contracting to Executive Director to advertise, award and execute new 5-year contracts for three zones by end of Q1 2027, and 2 other zones by end of 2028.

Cost Implications: $150,000,000.

Pros:

(1) This alternative allows the Port to explore and pay a fair market price determined through a competitive process for all upcoming RFPs.
(2) This alternative provides opportunities to revise the current contract terms with enforcement and incentives to hold the contractor more accountable to meet the Airport standards.
(3) This alternative drives cost efficiencies and improves operational effectiveness.

Cons:

(1) This alternative brings the complexities of Contracting Authority requests.
(2) This alternative brings complexities of transitioning new service to the two large zones at the same time.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$0	$150,000,000	$150,000,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	$150,000,000	$150,000,000
Total authorizations, including this request	0	$150,000,000	$150,000,000
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 Zones 1 through 5 – Simplified Zones Map
(2) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 28, 2026 – The Commission authorized the Executive Director to add additional funds for the existing Airport Custodial Services Contracts Zone 1 through 4.

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.”