

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No.	<u>6b</u>
Date of Meeting	<u>July 9, 2013</u>

DATE: June 28, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: Joe McWilliams, Managing Director, Real Estate Division
Ralph Graves, Managing Director, Capital Development Division
SUBJECT: Contract for Janitorial Services at Pier 69

Amount of This Request:	\$1,017,125	Source of Funds:	Current and Future Operating Budgets
Est. State and Local Taxes:	\$0	Est. Jobs Created:	3.5
Est. Total Project Cost:	\$1,017,125		

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to execute a contract with Northwest Center (NWC), consistent with RCW 39.23, to provide janitorial services at Pier 69, for a total amount of \$1,017,125, for a five-year term.

SYNOPSIS:

The Revised Code of Washington (RCW), chapter 39.23, encourages municipalities to purchase services provided by sheltered workshops that serve the handicapped and disadvantaged. NWC is a local sheltered workshop that has provided excellent janitorial services at Pier 69 since 2008. The recommended term of the contract (five years) helps the NWC janitorial and building services division demonstrate a long-term book of business, which supports the overall mission of NWC and their ability to secure federal funding. Like all Port service agreements, it may be terminated with 30 days' notice.

A continued partnership with NWC would provide the Port with high quality, competitively priced janitorial services, and would support the Century Agenda and Port organizational strategies by supporting local workforce development and managing our finances responsibly.

Janitorial services at Pier 69 are managed by the Pier 69 Facilities Management group of the Real Estate Division.

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BACKGROUND:

In the summer of 2008, Pier 69 Facilities Management worked with the Purchasing Department and Office of Social Responsibility to explore various options for procurement of janitorial services. The team considered (1) seeking competitive bids; (2) using Port labor; and (3) contracting with NWC. It was determined that by contracting with NWC, the Port would receive cost effective janitorial services while at the same time providing job creation and workforce development for the handicapped and disadvantaged in our community.

RCW 39.23 also requires that: "Such purchases shall be at the fair market price of such products and services as determined by a municipality." Determination of a fair market price was facilitated by the willingness of NWC management to fully disclose their detailed pricing model, which includes prevailing wages and overhead expenses.

NWC has consistently delivered high quality janitorial services at Pier 69. They make exclusive use of Green Seal-certified commercial cleaning products, play a key role in our recycling program, and organize workflow in a manner that allows for sequenced switching of lights to reduce power consumption.

FINANCIAL IMPLICATIONS:

Budget Status and Source of Funds:

Janitorial services are budgeted annually as a line item in the Pier 69 Facilities Management operating expense budget and the costs are allocated to the operating divisions.

STRATEGIC OBJECTIVES:

This action would support the following Century Agenda and Port Organization strategies:

- Use our influence as an institution to promote small business growth and workforce development.
- Be the greenest and most energy efficient port in North America.
- Manage our finances responsibly.
- Exceed customer expectations.
- Support port mission with implementation of Port divisions' business plans.

BUSINESS PLAN OBJECTIVES:

The current Real Estate Division business plan includes the following strategic goals that align with this requested action:

- Foster new economic activity by creating opportunities for local businesses.
- Promote environmental stewardship by conducting business activities in environmentally appropriate ways.

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TRIPLE BOTTOM LINE SUMMARY:

This action would support the triple bottom line by:

- Obtaining high quality, competitively priced janitorial services.
- Helping protect the environment by recycling, energy conservation, and the exclusive use of Green Seal-certified commercial cleaning products.
- Providing job creation and workforce development for the handicapped and disadvantaged in our community.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

1. Seek competitive bids for janitorial services at Pier 69.
This alternative would require additional staff time and effort to administer the procurement process, would unlikely result in increased value of service, and would not provide job creation and workforce development for the handicapped and disadvantaged in our community.
2. Provide janitorial services at Pier 69 using Port labor.
This alternative would be more expensive, and would not provide job creation and workforce development for the handicapped and disadvantaged in our community.
3. Execute a contract with NWC to provide janitorial services at Pier 69 for a five-year term.

This is the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

- None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

- None.