

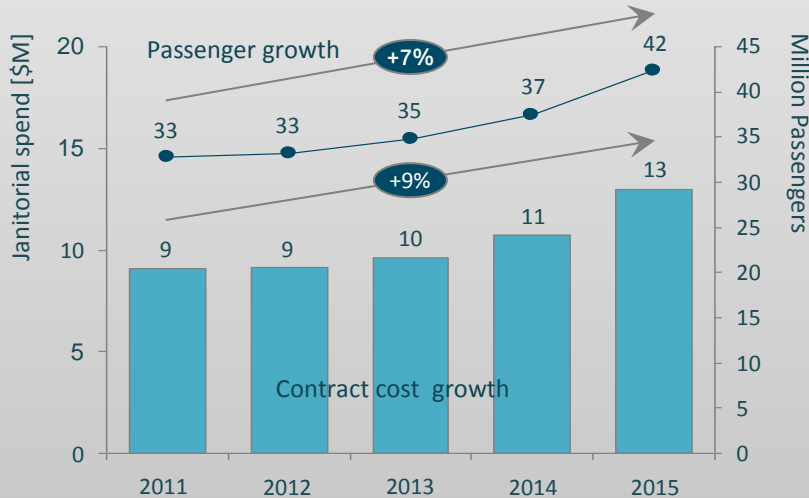
# Janitorial contract redesign

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# Current state of Janitorial operation

Janitorial cost increases > passenger growth



Meanwhile, room to improve on quality

- Airport Service Quality scores for cleanliness rank 22 out of 25 North American peers
- Quality management is incident based, with limited data to help

We see an opportunity to evolve the operating model

# Vision for the future

## Objective

### "Opening day fresh" cleanliness target

- Airport is as clean as possible at 4am every day
- Maintain positive customer experience throughout the day

**Put in place the means to track and report on quality and control cost**

## Future state

- **A rebranded contract** that is a "win-win" for Sea-Tac and partners eager to do well
- **The onus of performance on Contractors**, via quality management (incentives, etc)
- **Full transparency and control of supplies and labor cost**

Aligns with our target to be at least #5 Airport on ASQ

# Highlight of activities conducted



Benchmarking to peer Airports to compare costs, best practices

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Set a cleanliness target that is enforceable and in line with peers

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Creating a quality management system to drive accountability within the contract

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Exploration of "Unbundling" the scope to involve more partners

"Zones" may be created to enable the above

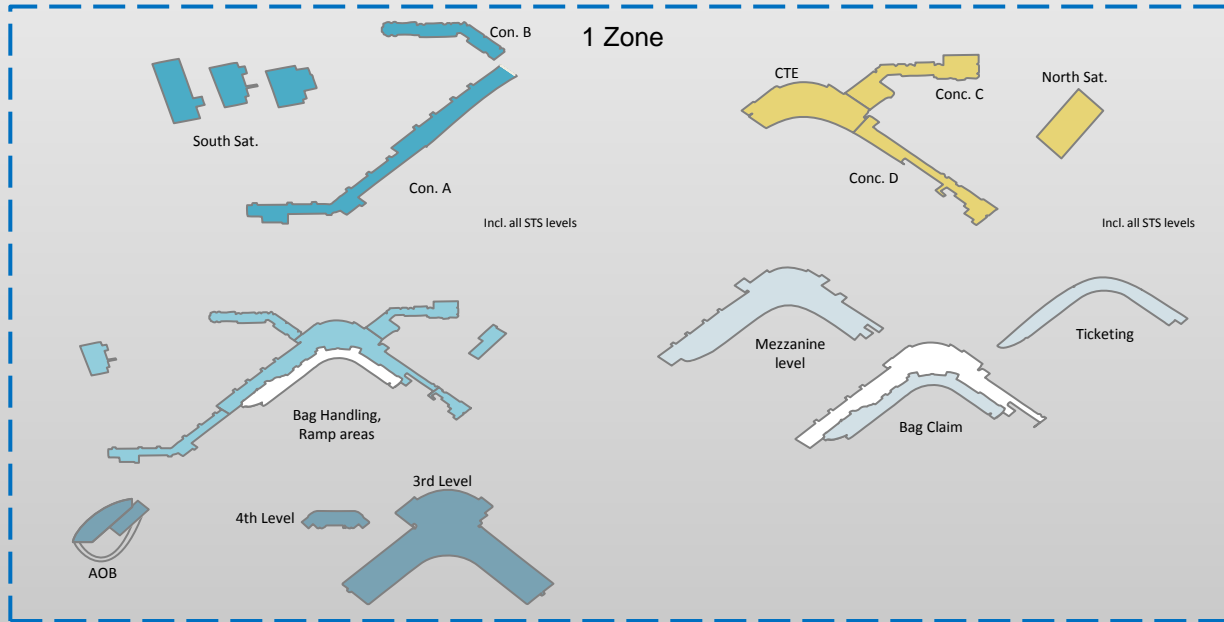
# Options considered

- Extend the current contract.
- In-sourcing the janitorial services.
- New RFP with one contract including SBE subcontractor(s) for the entire facility.
- New RFP with the Airport divided into multiple zones
  - 3 Zone option.
  - 4 Zone Option.
  - Various Small Business options within the zone concept

Goal is to create cost and quality competition

# Alternative #4

## 1 Janitorial Prime Contractor



SBE Subcontractors utilized to meet goals

# 1 Janitorial Prime Contractor

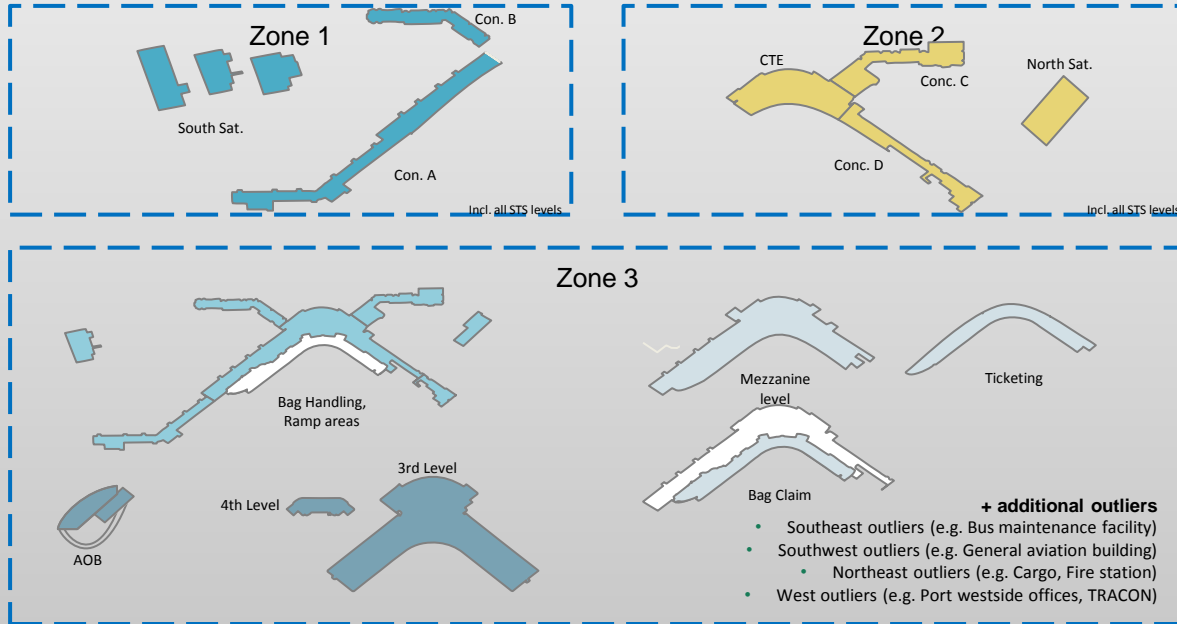
- Most common methodology at researched airports.
- Limits on-going competition (cost and quality)
- Easiest to manage.
- Prime provides mentorship and resource support for SBE subcontractors.

This option is the easiest option to manage

# Alternative #5

## 3 janitorial zones created

*Zone demarcations not final - minor adjustments possible before RFP*



3 Zones available. Creates ongoing competition



# 3 Zone Option

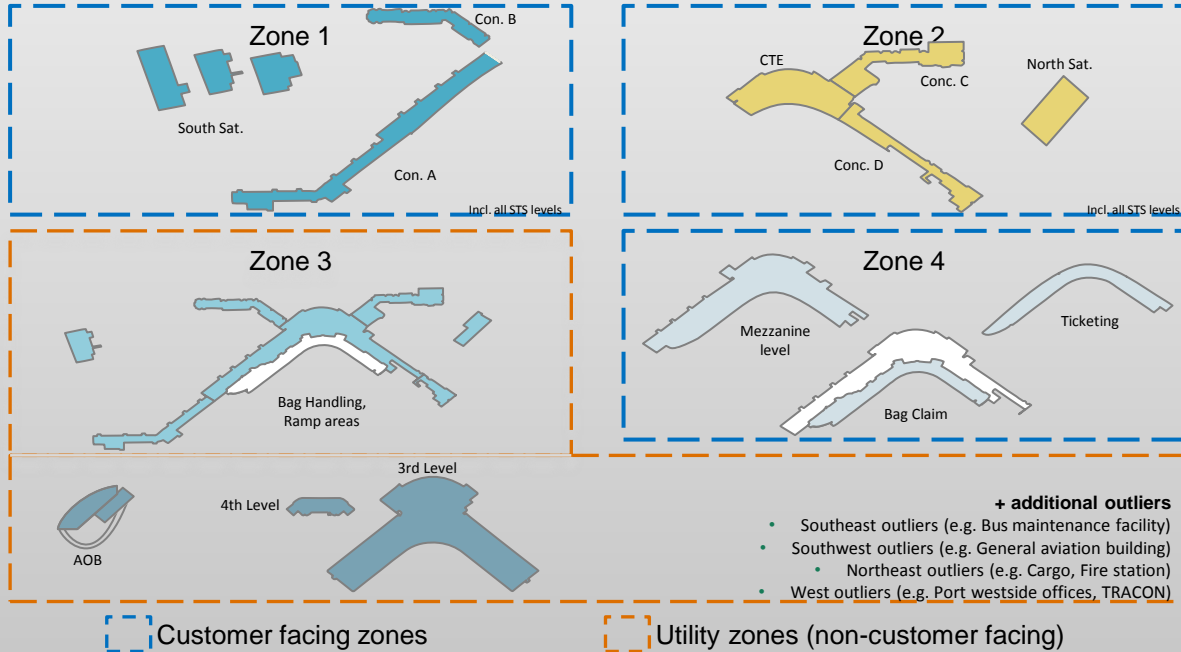
- Results in at least two prime contractors performing services.
  - RFP will limit number of zones any one contractor can successfully win to two.
  - Prime contractors will have a small business subcontracting requirement.
- With smaller zones, SBE's may choose to compete for a zone as a prime contractor.

Provides ongoing competition for cost and quality

# Alternative #6

## 4 janitorial zones created

*Zone demarcations not final - minor adjustments possible before RFP*



Zone 3 or 4 could be set aside for SBE

# 4 Zone Option

- Similar opportunities to 3 zone option.
  - At least two prime contractors will be performing services.
  - Prime contractors will have small business requirements.
- Smaller zones may create more competition.
- One smaller zone (3 or 4) could be set aside for a SBE if desired.
- More zones results in more complex contract management.

SBE Zone set-aside may impact labor harmony

# Century Agenda objectives

- SBE – will increase SBE requirement to 35%
  - Set at 30% within current contract
  - Possibility to set aside scope of work for SBE to create direct opportunities
- Environmental – will require contractors to abide by Environmental Stewardship Program

RFP will target CA, Quality and Financial goals

# Questions?