



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting June 26, 2018

DATE: April 30, 2018

TO: Stephen P. Metruck, Executive Director

FROM: Nick Milos, Manager, Corporate Facilities
Dave McFadden, Managing Director, Economic Development Division

SUBJECT: Janitorial Services for Pier 69

Amount of this request: \$1,200,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract for janitorial services at Pier 69 with Northwest Center (NWC), for an estimated value of \$1,200,000 over a five-year period.

EXECUTIVE SUMMARY

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.

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.

The contract would be for one-year with four renewal options. The initial term of the contract would be 8/1/2018 – 7/31/2019.

JUSTIFICATION

NWC's mission is "to promote the growth, development and independence of people with disabilities through programs of therapy, education and work opportunity." They are a local leader in advancing equal opportunities for children and adults with disabilities. Their employment services include transition services, vocational training, job placement, and supported employment.

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RCW 39.23 allows municipalities to support sheltered workshops by directly negotiating a “fair market price... as determined by a municipality.” Payment of prevailing wages is a requirement for janitorial contracts.

Along with supporting the handicapped and disadvantaged in our community, continuing with NWC would support Strategy 4 of the Century Agenda: Greenest, and Most Energy Efficient Port. NWC would continue to make exclusive use of Green Seal-certified commercial cleaning products; they would continue to play a key role in diverting waste from landfills; and some of the workflow would be organized in a manner that allows for sequenced switching of lights to reduce electricity consumption.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Seek competitive bids for janitorial services at Pier 69.

Cost Implications: Estimated first year cost between \$200,000 and \$230,000. Five year cost estimate between \$1,060,000 and \$1,225,000.

Pros:

- (1) Would provide a competitive opportunity for janitorial companies, including Women/Minority Business Enterprises (WMBE) and other disadvantaged businesses.
- (2) The competitive process may result in slightly lower cleaning costs.

Cons:

- (1) Would cease supporting the handicapped and disadvantaged through the NWC sheltered workshop.

This is not the recommended alternative.

Alternative 2 – Negotiate and execute a new contract with NWC, consistent with RCW 39.23.

Cost Implications: Estimated first year cost of \$224,000. Five year cost estimate of \$1,200,000.

Pros:

- (1) Would continue to support the handicapped and disadvantaged through the NWC sheltered workshop.
- (2) Would provide janitorial services at a fair market price.

Cons:

- (1) Would not provide a competitive opportunity to janitorial companies.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

Capital

Expense

Total

	Capital	Expense	Total
COST ESTIMATE			
NWC contract	\$0	\$1,200,000	\$1,200,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	\$1,200,000	\$1,200,000
Total authorizations, including this request	0	\$1,200,000	\$1,200,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual 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 costs are allocated to the operating divisions.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 9, 2013 – The Commission authorized a five-year contract with NWC.