

COVER MEMO

Briefing Date/Time: July 13, 2026
Staff Contact/Title: James Sommer, Public Works Program Manager,
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Subject: Contract Award: Building Tenant Improvements (Port HQ)
Purpose: ☐ Information Only ☒ Decision Needed

Type of Agenda Item:

- Action – Decision is requested

Background:

Port staff presented an advisory item for the Building Tenant Improvements (Port HQ) contract award at the June 22, 2026, commission meeting. In that meeting, staff gave an overview of the project and to date effort regarding the solicitation for contract 2026-1020. The corresponding cover memo is attached.

Tenant Improvements Contract Overview:

Timeline:

- 6/1/2026 – Bids solicited
- 6/11/2026 – Pre-bid site visit
- 6/30/2026 @ 3pm – Submission deadline
- 6/30/2026 – Public bid opening
- 7/13/2026 – Commission approval via Action agenda item

There was a total of 9 bids submitted for contract 2026-1020 - Port of Olympia Headquarters Tenant Improvement Project. The bids, including sales tax, ranged from \$5,251,734 to \$7,506,112.46 with Good News Group coming in as the lowest responsive, responsible bidder at \$5,251,734.00.

This project expense is included in the approved 2026 capital budget, with the expectation that a portion of construction expenses will be incurred in 2027 as part of the 2027 capital budget.

Alignment with Vision 2050:

Focus Area #3:

- Sustainability, Administration, Communications, and Engagement

Goal #8 – Administration:

- Improve the Port's ability to make decisions, resolve issues, achieve its objectives and mission, and implement Vision 2050 recommendations to become an innovative economic development leader.

Action Item #44:

- Be transparent in budget planning and align actions with Vision 2050 goals.

Alternatives Considered:

The Port has considered other alternatives, ultimately deciding to move forward with a tenant improvement of the 200 Market Street building to turn it into the new Port HQ.

1. Continue renting or leasing space for Port staff and Commission meetings.
 - At the time, the Port was paying approximately 450,000 dollars per year in rent for staff offices, Commission meeting room, and a maintenance shop.
 - If the Port chose *not* to use the Dancing Goats building as its headquarters, leasing it to a tenant was estimated to generate roughly 55,000 dollars per year in revenue. While beneficial, this revenue did not offset the long-term savings achieved by consolidating Port operations into a single Port-owned facility.
2. Construct a new building for Port staff and Commission meeting spaces.
 - The Port previously explored a "Waterfront Center" concept to meet similar needs.
 - A preliminary feasibility study estimated costs at more than 20 million dollars, with limited tenant interest to help offset construction and operating expenses.

Staff Recommendation:

Port staff recommends that the Commission authorize the Executive Director to award the Port of Olympia Headquarters Tenant Improvement Project, Contract 2026-1020, to the lowest responsive and responsible bidder, Good News Group, in the amount of \$5,251,734.00, including sales tax.

Document(s) Attached:

- 2026-1020 - Port of Olympia Headquarters Tenant Improvement Project – Bid Calculations
- June 22, 2026 Cover Memo