



BELOW IS A RECENTLY COMPLETED REQUEST FOR A PROPOSAL

Request for Information

Prepared for

Respectfully submitted by:

James Connelly

President, TSS Facility Services Inc.

1. An overview of your process improvement program such as Six Sigma.

In the 1st quarter of 2006 TSS, with the assistance of an outside consultant (PWC) TSS implemented a Business Process Improvement (BPI) project design to farther improve TSS quality of service providing:

- A. **Proactive “smart” corporate management** deploying business rules to monitor major business health indicators, generating proactive alerts and notifications before possible problem become harmful to the business or to our client.
- B. **Workflow mechanism**, to oversee and monitor selected employees duties and introduce precise employee accountability.
- C. **Planning and time accounting facilities**, for effective workforce management, and elimination of idle time and minimize service cost.
- D. **Customer support facility**, to electronically track customer comments, complains and requests, to measure service quality, and performance of service providers.
- E. **Employee training program**, to continuously improve knowledge and skill set of all TSS personnel.

Organizational changes, from personnel changes to daily work flow practices, as a result of the project were overwhelmingly positive. While all processes and personnel are reviewed on a regular basis, it is our intention to perform this process every two years.

2. An overview of your firm’s capabilities outside of Facilities Management.

TSS was established in 1986 as a parking lot sweeping company. Today, with 82 employees, TSS has become a leader in the Facility Maintenance and Facility Management Fields by offering a superior level of service to our clients. TSS employs a full range of talented employees in management and various areas of repair, maintenance, and property inspection. We provide a broad range of services to national and local accounts, institutional and corporate clients and individual homeowners.

Please see attached Exhibit B for a complete list of our services.

3. Description and or copy of your executive succession plan.

TSS is prepared for an eventual permanent change in leadership - either planned or unplanned – to insure the stability and accountability of the organization. The executive committee is responsible for implementing this policy.

Four years ago, TSS President, James Connelly joined TSS founder and CEO, Kenneth W. Battiatto (CEO) as partner and co-manager of the company.

In the event of the sudden departure of either partner, control and ownership will be transferred to the remaining partner. In the event of both partners sudden departure, TSS Vice President, James R. Christiano, a long time employee will assume ownership and control. TSS has in place a buy sell agreement between key personnel which would provide TSS with the appropriate insurance to maintain the operation in the event of the death or disability of a partner.

4. Business Continuity Plan for operational and systems support including recovery time.

The TSS IT infrastructure is located at TSS Headquarters in Union, New Jersey. The backup system is in a hosting facility in Boston, Massachusetts. On a daily basis, an automatic backup system creates local and off-site backups as well as updates on the TSS MS SQL database.

All TSS management systems (TSS Manager, TSS Locator (GPS), TSS Inspector and Solomon Accounting system) are MS SQL based with access to the database via web services using SSL.

Existing TSS IT infrastructure allows secure internet access to corporate information and data from any location. The system also enables TSS to switch the database hosting facility to its alternate site in Boston in the matter of minutes. In case of local data center malfunction or disaster, the entire system integrity is not being compromised and only current uncommitted transactions may be lost.

5. A listing of current retail and corporate customers you service in the FM space and number of locations in which you service, to include:

- **Number of locations and square footage you service for each**
- **Services you provide for each**
- **Reference contacts at several that we may contact**

TSS provides services to over 300 clients.

Please see attached Exhibit C for representative list based on volume of business.

8. Please explain your call center capabilities to include:

- **Total number of seats in your program**
- **Number of seats in a shared services environment**
- **Number of seats dedicated to specific clients**
- **Hours of operation including weekends and holidays**
- **Annual call center attrition rate**
- **Training procedures for new hires and ongoing training**
- **Minimum requirements of call center personnel**
- **Typical staffing model and any certifications maintained by call center personnel (HVAC Specialist etc.)**

Is your call center and system insourced, outsourced or a hybrid. Plans for the future.

TSS does not perceive itself or operate as a typical call center. In a typical call center, calls are received and a 3rd party (vendor) is notified for handling. At TSS, calls are received and most often (approximately 80% of the time) handled by TSS personnel. This is possible due to the

wide range of services offered internally. Additionally, when we do utilize an outside vendor it is typically one we have had a longstanding relationship with (see number 9).

During our regular hours (6:30am – 6:30pm) there are a minimum of 8 employee's answering service calls and emails. Each of the employees has the knowledge and tools to handle issues or questions concerning any of our accounts. All information pertinent to a client's account is immediately accessible from our proprietary system (TSSmanager). During off hours (nights, weekends, and

holidays) TSS personnel are reached by our auto call forwarding system. Many orders come to us via email. All office employees have Blackberry's for access to emails during off hours. Normal service calls are responded to within 24 hours and in most cases on the same day. TSS personnel are available 24/7.

All new employees go through an intensive training program. It is expected that they understand our firm, our business, our process, our systems and our clients prior to any client interaction. They are required to have a minimum 5 years of industry experience and a college degree. Our compensation package is highly competitive, allowing us to add qualified staff as needed.

It is our long term plan to keep this valuable function "in-house".

- 9. Please describe your Vendor development and management program including:**
- a. How do you source vendors**
 - b. How do you screen vendors for:**
 - i. Quality**
 - ii. Training / Certifications**
 - iii. License / Insurance**
 - iv. Drugs and Background**
 - v. Potential Conflicts of Interest**
 - c. What is the minimum requirement that a vendor needs to meet to be used by your firm**
 - d. Vendor turnover rate**
 - e. How do you evaluate and monitor the quality of your vendors**
 - f. Do you have a customer satisfaction program to gather input on your and your vendor's performance**
 - g. What does your compliance department look like and how does it function. How often are vendors re-qualified?**

One of the unique advantages we have over our competitors is our relationship with our vendors and our ability to monitor them. Clients have the advantage of knowing that most of our vendors have been working for us for a minimum of 10 years. While the majority of work performed is by TSS personnel, when a vendor is utilized, clients can be assured of a superior level of service.

We carefully select new vendors based on data that covers many years of performance, cost and value delivered to their clients. TSS management meets all potential vendors at their business location. Additional screening is performed utilizing a background screening program offered by Carco Group, Inc., of Holtsville NY. (www.carcogroup.com)

Vendors must "self-perform". They are required to have their own technicians in the locations where services are being performed. Vendors are required to carry and produce all needed licenses and minimum of \$3 million of liability insurance. All vendors are required to have internet and email capability to handle requests and send invoices. They must have policies, practices and standards in place promoting a healthy work.

The performance of our vendors and our own employees is reviewed daily. TSS management is responsible for conducting unannounced, organized and documented quality control visits. The results of these visits are reviewed with vendor management on a regular basis. Additionally, client questionnaires are sent out regularly, soliciting comments and performance evaluation of work our vendors and TSS have performed.

Our vendors enjoy working with us and the high level of clients we service. They are promptly paid and have constant communication with TSS. As a result, we have a vendor turnover rate that is close to 0%. Normally, if a vendor is no longer used, it is at our discretion.

We outsource our compliance and insurance departments. It is the responsibility of the two firms we utilize to re-qualify our vendors annually. Additionally, annual screening is performed utilizing the above mentioned program.

- 10. Please describe your budget, forecasting and accruals methodology including:**
- a. What retailers you presently budget for**
 - b. Typical budget variances experienced**
 - c. How does your firm manage monthly accruals**

Though TSS does not currently provide budgets for any clients, it does provide a wealth of gathered data to assist clients in doing so.

- 11. Please provide the following information on your Work order system including:**
- a. Internally developed or publicly available**
 - b. Explain the work order system your firm currently uses, how long you have used it and if there are any plans to change and why**
 - c. List standard reporting available**
 - i. Is reporting static, or real time**
 - d. Can your system generate custom reporting**
 - e. Can data extracts be provided**
 - f. Do you provide web enabled reporting and or remote access for clients to monitor activity?**
 - g. Who administrative responsibility for your work order system, their back ground**
- Please explain your systems ability to interface with other systems.**

In 2004, our work order system was redeveloped by ezUniverse L.L.C. A state of the art custom design was used to address the specific needs of our facilities maintenance and management company and deliver accurate management information in real time. The work order system is just one component of a complete custom software package called ezTSSManager.

The program includes sophisticated management tools that combine precise order tracking, planning and status management (including on demand and monthly contracts), workforce management that includes time and attendance management and payroll. It also includes surveillance for real-time facility and workforce monitoring for safety and efficiency, real time GPS fleet monitoring and management.

- 12. Do you have trades experts on staff?**
- a. Who on your staff has technical certifications / back ground / certifications to support your customers?**
 - b. How are they involved in screening vendors and charges for services rendered**
 - c. How often do these individuals engage in vendor / customer activity**

Since TSS "self performs" most service calls we employ a variety of trade experts. TSS has on staff experts in the fields of HVAC, electrical, plumbing, roofing and carpentry.

We carry licenses in plumbing and electrical. We employ a black seal boiler operator. We employ an EPA licensed HVAC engineer. We are eligible to perform warranty work on most HVAC and roofing systems.

In addition to their support to the TSS internal staff (in person, phone and email) or trade experts regularly engage in customer activity. They are also actively involved in meeting with and screening any current and potential vendors.

Our employment and usage of trade experts is a great tool for our clients and a clear advantage over our competitors.

13. Please describe your Invoicing capabilities, include:

- a. Electronic capabilities**
- b. Screening of vendor invoices for accuracy**
- c. Consolidated billing flexibility**
- d. Invoice disputes and percent of accuracy**
- e. Billing cycles & payment terms / pass through payment term discounts**

TSS uses financial the Solomon financial software offered by Microsoft. Combined with our proprietary software, our sending of invoices and processing of vendor invoices is state of the art. Invoices can be received and sent electronically. Vendor invoices are scanned and checked for accuracy by our accounts payable department. They are then signed off on by the account manager and the internal trade expert after being checked against the agreed upon or contract price. TSS does offer consolidated billing. All of our billing with Commerce Bank is consolidated. Billing is done daily unless a client dictates otherwise. All invoices are NET 30 days. Pass through payment terms discounts are 2% -10 days, EOM.

14. Asset tracking to include:

- **Who you presently track assets for**
- **What are the limitation of your firm to track assets**
- **How do you make capital expenditure recommendations based on your asset program**
- **Can you manage depreciation tracking for assets**

Though we have the ability and the systems, TSS does not currently track assets for any of its clients.

15. Trend Analysis

- **Please provide examples of issues you have identified that impacted repair budget cost**

Due to the increase of property manager responsibility over the last few years, there has been an increasing trend of lack of property information and knowledge. This is a glaring issue that can greatly increase repair cost. This has led to personnel being sent to perform repair work without a wealth of information about what is being repaired. There are numerous examples. Some are:

- Ceiling tile type
- Type of HVAC unit (filter type)
- Roof type
- Paint color
- Faucet types

It is not feasible for personnel to arrive at a site equipped to cover every possible scenario. The often unnecessary time spent leaving the site to retrieve needed supplies significantly increases repair cost.

To combat this, TSS and its vendors document everything we can when on a site. All of the gathered information is kept in our client data base. Prior to personnel being sent to a site this information is reviewed in order for our technicians to be better equipped. Additionally, TSS has developed proprietary inspection software. Total Site Solutions tracks important property and tenant information as well as important financial and lease data, vendor contracts and maintenance request.

Please see attached Exhibit B for more information on this product as well as the enclosed recent press.

16. Please describe your warranty tracking capabilities, include:

- **Those customers you manage warranty for**
- **How you quantify warranty savings for your customer**
- **How you ensure warranty issues are not charged for**
- **How you challenge manufacturers to get the best possible warranty results for your customers.**

TSS does not currently manage warranties for any of its clients. That being said we do have the ability to do so and currently track warranties for our own properties. In addition to tracking warranty information on our proprietary system, TSS utilizes BuilderMT Warranty Management software. Our ability to negotiate a sale and purchase agreement ensures that a purchaser receives what was anticipated and that a vendor can walk away with confidence that its continuing liabilities are both known and quantifiable.

17. Value Add

- **Describe your typical inputs and capabilities with regard to sharing best practices and cross client experiences, both good and bad.**
- **Please explain your typical strategic involvement in:**
 - **The budget process**
 - **Growth plans**
 - **Capitol expenditures**
 - **Process improvements**

The Budget Process- TSS inspection software (Total Site Solutions) allows the client to have real time data to prepare current and future cost analysis comparisons.

Growth Plans- TSS expects to show continued 25% - 30% growth for the next five years.

Capital Expenditures- TSS capital expenditures for the next 24 months will be funded directly from cash flow. A one million dollar credit line is available if additional extraordinary funds are needed for additional growth demands.

Process Improvements - TSS constantly reviews operational processes and employee procedures adjusting to evolving client and industry needs.