



QA INSPECTIONS PROGRAM – UTILITIES INDUSTRY

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|  |  <p>Exelon (Nasdaq: EXC) is a Fortune 250 company and the nation's largest utility company, serving more than 10 million customers served by more than 19,500 employees through six fully regulated transmission and distribution utilities — Atlantic City Electric (ACE), Baltimore Gas and Electric (BGE), Commonwealth Edison (ComEd), Delmarva Power, PECO Energy Company (PECO), and Potomac Electric Power Company (Pepco). The Exelon Mid-Atlantic region occupies approximately 2.3M sf of space in 68 locations across 5 states. Their mixed-use portfolio includes headquarters locations, office buildings, service, training, and payment centers, fleet locations, warehousing, and data centers.</p> |
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BACKGROUND

In 2006, PECO was the first Exelon Mid-Atlantic (hereafter 'EMA') group of companies to initiate a contract that included an inspection component to validate that their required cleanliness standards were in fact being achieved by their janitorial services contractor. That program was highly successful and provided a roadmap that other EMA subsidiaries could follow.

In 2020, the balance of EMA's group of companies undertook to update & renovate many of their support locations, and at the same time to improve their levels of cleanliness quality. That initiative included executing a hybrid performance-based / task-and-frequency janitorial services contract in concert with a formal cleanliness quality inspection program. Because this initiative involved six different business units housed across five states in 68 different use-type facilities, a stakeholder team including representatives from each subsidiary participated throughout their tender, award, and selection process for contractors and for their cleanliness quality consultant. Elliott was selected as EMA's cleanliness quality inspection partner.

CLIENT OBJECTIVES

- Ensure all EMA janitorial services consistently meet the contractual cleanliness requirements specified in each individual subsidiary's janitorial services SOW
- Establish a formal measurable methodology for all EMA facilities that documents the janitorial services contractors' performance at multiple property types from multiple contractors to achieve one cleanliness standard across all property types
- Provide the EMA stakeholder team quarterly executive summary and location specific contractor performance reports on all locations and attend quarterly KPI meetings to ensure cleanliness quality & satisfaction targets are being met throughout the EMA of properties
- Provide recommendations as appropriate to improve contractor performance against their contract KPI targets.

STRATEGY

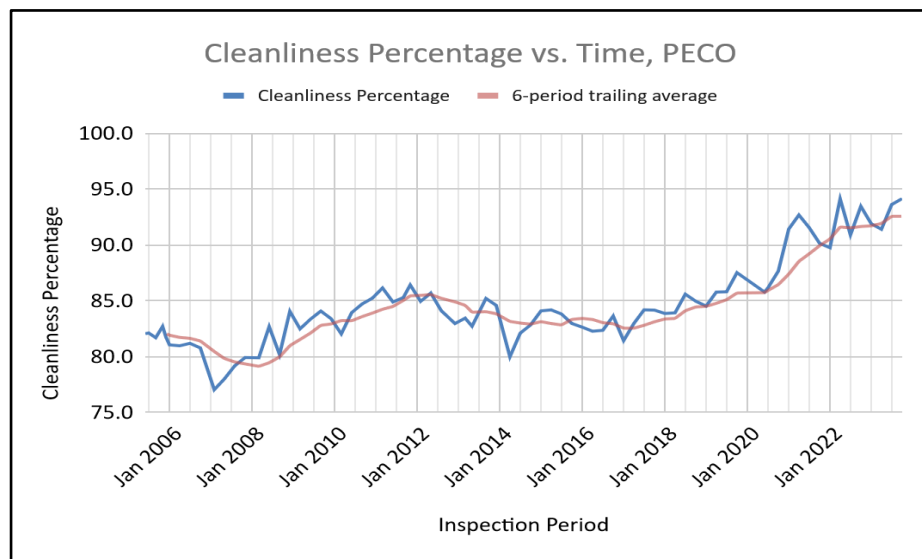
Elliott tailored its proprietary EA-Inspect program to be consistent with the service delivery requirements for each of EMA's janitorial services contracts, forming the basis of EMA's quarterly QA inspections by Elliott's Quality Assurance (QA) account management team. These AM's collaborate with each of EMA's subsidiary stakeholder teams to schedule a quarterly quality assurance inspection that provides EMA an objective assessment of their janitorial services contractor's actual performance for those locations. Findings from each quarterly inspection are reviewed by each subsidiary stakeholder team via a Zoom meeting with follow-up action plans agreed and established.

THE PROCESS

- EMA established cleanliness quality & satisfaction targets for each EMA subsidiary are uploaded into Elliott's EA-Inspect program, including all related individual property characteristics and attributes
- Elliott mapped each EMA subsidiary's locations to determine the optimum travel routes for inspection planning and pricing
- Elliott QA Inspectors coordinated proposed inspection sites in advance with EMA subsidiary stakeholders but not with the janitorial services contractor(s)
- EMA subsidiary stakeholders and each janitorial service contractor's account management team was invited to accompany Elliott's QA Inspectors to observe and understand how cleanliness quality was measured
- Quarterly review meetings were conducted following each subsidiary inspection that included EMA's contract services team as well as each subsidiary stakeholder to evaluate performance and agree on a plan for improvements were identified in each inspection report

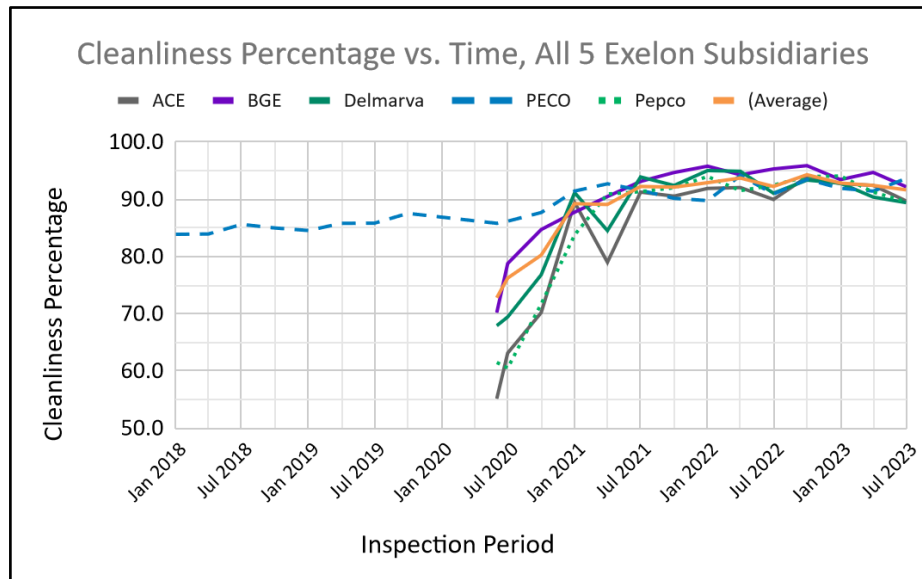
RESULTS

- PECO initiated their QA inspection program in 2006 with their cleanliness quality performance improvements over time summarized in Graph A below:



Graph A

- The remaining EMA subsidiaries initiated their EA-Inspect program in mid-2020, with their performance improvement results over time summarized in Graph B below:



Graph B

- Within one year of regular quarterly QA inspections, all 4 'newly' engaged subsidiaries were brought up to PECO's level of cleanliness quality performance.

SUMMARY

Elliott's EA-Inspect program helped validate the strategic direction on which PECO embarked in 2006 transitioning their janitorial services SOW from a task | frequency to a modified performance-based outcome where delivered results were objectively measured, documented, and provided a roadmap for continued improvement. Because of the success of this approach, all EMA subsidiaries adopted this strategy in 2020 with measurable results. In the fall of 2023 EMA once again tendered their janitorial services contracts and awarded a number of them to different service providers. Given their history with this program, EMA also renewed Elliott's EA-Inspect program for an additional five years.

About Elliott Affiliates, Ltd.

Elliott Affiliates, Ltd. (EALTD) is an active provider of janitorial consulting, advisory, inspection, and performance management services. Founded in 1973, we were one of the earliest developers of the performance-based cleaning strategy and have reviewed, created, or modified over 530 of these contracts over the years. Elliott Affiliates, Ltd. is a chartered Maryland corporation and a 100% woman-owned business (WBE).

- [Elliott's RFP/Bid Advisor](#): Provides buyers with a range of services spanning the RFP process.
- [Elliott's eSpecX](#): Makes it easy to create a custom cleaning program, optimized for your best results in minutes.
- [Elliott's EA-Inspect](#): Provides custom inspection service app to monitor and improve the performance of your cleaning program.

To schedule a free consultation, please email us at project-admin@ealtd.com

