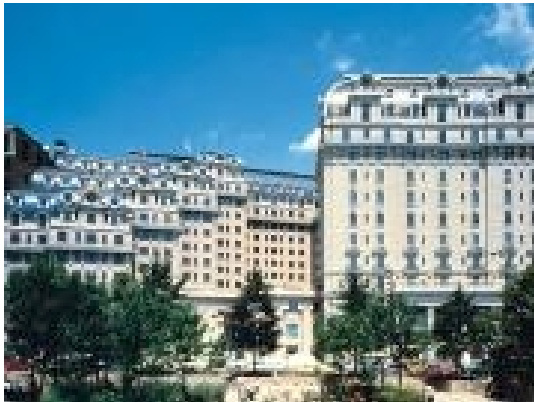




## **UNICCO and Preferred Offices' Partnership Designed for Smaller "Class A" Property Portfolios**

### ***Background***

Preferred Offices Corporation (POC) is a newly formed real estate company serving a growing national network of independently owned, high quality office properties. In its work with owners and management of smaller portfolios, POC concluded these customers were at a disadvantage making facilities outsourcing work for them because of their inability to benefit from scale to reduce costs. Because of their smaller size, these properties typically needed to use multiple local facilities providers that charged premium prices for individual services. Further, they found themselves micro-managing numerous vendors and subs-contractors, often immersed in conflicts between the companies, instead of focusing on their core business of asset management.



**The Willard Office Building, in Washington, D.C.**

### ***The Opportunity***

POC determined that there would be a significant business opportunity if they could develop a cost-effective facilities outsourcing business model for private owners of high quality building portfolios, especially those in the 500,000 to 5,000,000 sq. ft. range. The new facilities services model would have to provide an attractive combination of value pricing and "Best in Class" facilities services previously available only of only to owners of very large portfolios. And to be a viable program, POC would need to be able to deliver it on a national level.

### ***The Solution***

With its goal defined, POC began sourcing a select team of facilities services partners, beginning with UNICCO Service Company. Each partner would need to be able to demonstrate its commitment to delivering superior service through an established Class A office property base; each would have established resources in place; each would be capable of providing a repeatable suite of integrated facilities services for these portfolios; each would have a well established reputation for excellence; and each would agree to offer its services at prices typically reserved for larger customers. In return, POC would offer each partner single-source provider status for selected services.

### ***The Partnership***

In summer, 2000, POC selected UNICCO Service Company to be its “Best in Class” partner responsible for interiors of its target market of private owners of high quality office properties. UNICCO’s standard services would include mechanical maintenance, custodial and porter services, specialty materials maintenance (wood, stone, metal, windows, etc.) plus additional services as may be required by individual tenants on an à la carte basis. In making UNICCO their Preferred Provider, POC cited the company’s national presence, ability to self-perform multiple service lines, established reputation, and the company’s commitment to bringing the latest technology to integrated facilities services, particularly UNICCO’s UNI-Q<sup>SM</sup> Quality Inspection System.



**700 13<sup>th</sup> Street**



**AARP  
Headquarters**

### ***The Launch***

UNICCO and POC delivered their first new business under the new partnership agreement in late summer of 2000, winning an integrated facilities services contract for four properties, totaling over 1,000,000 sq. ft. in Washington, DC. The four properties, owned by The Oliver Carr Company and managed by CarrAmerica, include the Willard Office Building at 1455 Pennsylvania Avenue, the AARP Building at 601 E Street, 700 13<sup>th</sup> Street, and King Street Station I at 1800 Diagonal Road. In making its decision, The Oliver Carr Company cited the values of dealing with a single vendor, managing a single contract, having a single point of contact, as well as the bottom line. UNICCO’s bid, for example, was 7% lower than CarrAmerica had been spending with multiple small vendors for a lower level of service.



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