5. Best Value Incentives:

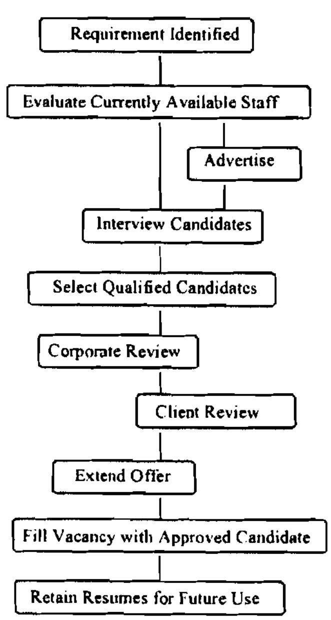
BEST VALUE INCENTIVES (RFP# 84)

Name of Firm/Offeror: **Leading Edge Systems Richmond**

Incentives are designed to motivate vendors to surpass specific requirements of the solicitation while discouraging inefficiency and waste. The offerors' proposal should include additional benefits or rewards to the Commonwealth to encourage acceptance of their proposal. (Examples of incentives may include additional goods, services, warranties, rebates or royalties, gifts-in-kind, training, advertising/marketing, etc.)

LESR provides a number of "behind the scenes" processes that help us provide our clients with the extra value that makes it an easy decision for our clients to chose to come back to us time after time when they need professional consulting assistance. These processes may not always be measurable but are intended to discourage waste and inefficiency of time and dollars spent on consulting services. We will briefly describe some of the characteristics of our business processes that we believe will convince you that we can provide the high level of service that you desire. Since our inception, we have specialized in providing staff to support our clients' efforts. We know and understand the professional supplemental and temporary staffing industry.

Recruiting
The chart below is a brief overview of our recruiting process. The process includes searching for candidates on three levels; 1) current staff; 2) available subcontractors; 3) new hires. Each successive level will generally require a longer lead-time than the level before it.



The candidates presented in response to a requirement from any agency will be completely qualified for the current need and will have the requested skills and experience as specified by the requesting manager.

Typically, we can locate and qualify a candidate in less than 24 hours. Depending on the required skill set, timing of the request, level of expertise requested, anticipated length of the placement and other factors, this time may be slightly longer. Once a consultant has been accepted by the client, they will generally be available to start within two weeks.

The exact timeframe is dependent on when they are currently available or finishing their current project soon; whether they are an existing staff member or are a new hire and whether they need to give notice. In extreme cases, where someone needs to give notice and then relocate, an additional week is usually not considered unreasonable.

In cases where the requirement needs to be filled as soon as possible, quite often arrangements can be made that will allow a consultant to start sooner than would ordinarily be possible.

In all instances when we present a candidate's resume, we will notify the hiring manager of the candidate's potential availability and will work with the manager to adjust the proposed timeframe to the extent possible.

We are constantly searching for the brightest professionals in the business to add to our team or for our client requirements. All our candidates undergo careful screening and evaluation to assure they are the best in class. They are self-reliant, experienced team players, with strong interpersonal and communications skills and are driven to succeed on every project they work on. The staff and candidates in our resume database represent the industry's best.

In addition to technical evaluations (described below), the recruitment process includes reference checking and in some situations, depending on client requirements, background checking, as well as non-technical (inter-personal) aspects of a candidates overall presentation.

The "inter-personal" skills that we look for includes things such as appearance, communication skills, ability to "fit in", and other positive people skills. We feel that it is important traits to have for anyone representing us at a client site.

The qualification of our candidates does not stop at the time that they are hired. There are two procedures associated with qualifying our employees. The first procedure takes place as part of the recruitment/hiring process. This is the technical testing to establish the candidate's acceptability for the current position request. This procedure is described in some detail below. The second procedure is our Performance Review process and this becomes an ongoing process for as long as the staff member remains with us. This process is discussed in some detail in the Performance Review section below.

Technical Evaluation

Whenever we recruit for one of our client's positions, we are looking for candidates who represent the "best in class". As part of our recruitment process each candidate is carefully screened through a series of conversations or interviews. These interviews will vary in number and detail depending on whether the candidate is a subcontractor or a new hire.

One of the main reasons for using subcontractors is that we can, in many instances, find a fully qualified person very quickly. We maintain strong relationships with a number of other consulting companies and use them as subcontractors from time to time. Each of these companies also has procedures in place for screening their potential employees. We will not work with a company if the quality of the staff that they hire does not meet our own high standards. Because we trust the strength of these relationships, we do not re-interview the subcontractor staff in the same depth that we use when we are hiring someone directly. Instead we will verify that the subcontractor candidate possesses the required skills and that they are conversant about what they have done with the particular technology being sought. If there is any doubt, we will do further qualification on our own or will decline the subcontractor candidate for not being a good fit.

On the other hand, if we are looking at hiring a candidate who we do not know, the screening process will be performed in greater detail. New hires will interview with one of our recruiters who will perform an initial "do they fit" screening. At this point we are looking for required technical skills, ability to discuss their experience with this skill (or skills), the ability to communicate clearly and concisely in general, verification that they are willing to work in the client's location, availability (Will they be able to start when we need them to.), and what their expectations are as far as compensation (Are they going to fit into the rate range we are seeking to fill?). If, after the initial screening interview, our interested in a candidate continues, and the candidate is interested in us and the client's project, we will conduct further interviews to determine the extent of the candidate's related knowledge and their general professionalism.

One interview will be with the Account Manager who will verify the results of the initial interview including determining if the candidate will fit with the client's project and to further establish a relationship between the candidate and Leading Edge Systems Richmond.

Another interview will be conducted by a current LESR staff member who has skills such as those required by the client and who will be able to determine the candidate's skill level in those areas. In some instances, two or more existing staff members will conduct interviews; each evaluating their own particular area of expertise.

Compensation

In order to attract the caliber of professionals that both Leading Edge Systems Richmond and our clients are searching for, it is imperative that we offer competitive employment packages. Quality resources, trained in the latest skills, continue to be difficult to locate in today's market and we anticipate this trend continuing. With this in mind, we feel salary demands from perspective staff members will be increasing over the next twelve to eighteen months. The overall market conditions at a given time will determine the value of a particular skill and drive the salary requirements for technical resources. We regularly deal with twenty plus sub-contracting companies throughout the United States. Through these contacts, we are able to monitor average salary figures on a national level. We also use a variety of Internet sites to obtain salary-related information. This data is used locally to perform cost-of-living comparisons for out-of-town candidates to help in their decision making process and to ensure that we are being fair in setting salary/pay levels. In addition, we can use these figures internally to help us anticipate what skills will be commanding higher salaries in the future so that we can continue to compensate our employees fairly, in a proactive manner.

When determining base pay ranges for our candidates, we always carefully considered the value of a skill set in the local market combined with the candidate's skill level in that particular skill as well as their overall experience. We see salaries being driven by many factors, some of which are outside of our control. For example, what value the local business community puts on a particular expertise or how readily available people with that particular skill can be found or how new (or old) a request skill is.

We are committed to offering our clients the best value resources at a fair price. Unfortunately, as mentioned above, we cannot control all of the factors contributing to the cost of our human capital. Probably the most variable of these main cost-determining factors is the market demand for a particular skill. However by controlling other factors such as our operating margins and maintaining a low overhead cost, combined with an aggressive approach to keeping out staffing costs low, we are able to control and improve our expenses and know that this will insure delivery of the best possible value to our clients. We are confident that the rates we have provided will allow us the flexibility needed to provide qualified data processing professionals to the government throughout the life of the contract.

Dedication

Although we serve a number of clients with constantly changing requirements and requests for our services, any staff assigned to this contract will be totally dedicated to serving the needs of this contract. It is not our practice to "timeshare" our staff (unless the requirements of the contract only require part-time support) and we definitely do not support the practice of pulling a consultant out of a client site and replacing them with another consultant just to support another client

We would not be able to remain in business without our clients so our primary focus is in seeing that each client is satisfied. When we sign a contract with any of our clients, we want them to know that they are important to us. By committing our resources to the client project and by maintaining a consistent presence on the project, we feel that this is one way of expressing that commitment.

Staff retention

Whenever a member of a project team leaves in the middle of a project, the result is lost project specific knowledge plus the time and effort required to replace that person. Leading Edge Systems Richmond has maintained staff retention rates well above the industry average since our inception in 1998. This has been possible in part due to the competitive benefits packages and the support we offer to our Consultants. We are confident in our abilities to attract and retain quality resources and feel we will continue to do so well into the future. Maintaining a consistent staff and having low turnover is a benefit our clients appreciate.

Benefits

Our benefit program is intended to support our staff both in their professional and their personal lives. We continue to modify our benefit plan to enable of staff to have the best benefits possible and at the same time, control costs by pro-actively seeking alternative providers on a regular basis.

5. Best Value Incentives cont'd

Our plan continues to grow as we do and new benefits are offered periodically. Our current package, which is tailored by each staff member to meet their individual needs, includes the following.

Time Off

Sick days, Holidays, Personal days, and Vacation are covered by our Paid Days Off plan. Under this plan, the staff member has the flexibility of tailoring their time off to meet their needs. For example, if some one is healthy all year, they will be able to take more vacation time without having to use sick time improperly. The days off are earned on a prorated basis and increases as length of service with the company increases. During the first year, twenty days are allowed. Starting in the second year, this increases to twenty-five.

Medical, Dental, Vision and Prescription

Comprehensive or managed care plans are offered. LESR pays up to 100% of the premiums for these plans.

Life Insurance and Long Term Disability

LESR provides all full time staff with Life coverage and offers Disability coverage.

401K

LESR provides a 401K plan to all eligible employees. At this time, there is no company match.

Paid Overtime

Time worked in excess of forty (40) hours per week will be paid at the staff members straight time rate.

Other Time Off

Time off for requirements such as military obligations, Jury Duty, bereavement, and so on is handled on a case by case basis.

Training

Training opportunities are provided to our staff and are supported at various levels. Training is offered to our staff on a case by case basis. We do not have an internal training program and utilize commercially available training material and companies to provide us with the most up to date course material available when we have a training requirement. Training may be initiated by the staff member, the client, or by us, and may be conducted in various formats.

Quality Assurance Program

LESR's Quality Assurance program consists of three elements. The first is maintaining close contact with the client and staff member. The second is our performance review process. The third is our set of procedures for handling staff and client concerns. Each segment is cover in detail below. On major projects, a fourth element, the position of Quality Assurance Manager, will be added to our project. The Quality Assurance Manager will, on a day to day basis, oversee all aspects of the project from a quality perspective. The Quality Assurance Manager will report to a LESR manager not directly involved with the project. In that way, any questions or issues will be removed from the client site and resolved at the corporate level. The three elements of our Quality Program are discussed in detail below.

Contact with Client Manager and Staff Member

With the Client Manager

We feel that periodic meetings between the client manager and a representative of Leading Edge Systems Richmond is essential to properly supporting any contract. Therefore, our account representative will not only meet with the contract administrator on a routine periodic basis but will actively seek meetings with the project managers with whom we have staff on contract on frequent random intervals.

These meetings will serve to keep us informed of the activity at the project site and will also allow us to perform routine performance evaluations on our staff after obtaining feedback from their client manager(s). Additionally, through these meetings, we will become aware of any issues early enough to handle them before they become major. Staying in touch with our clients assists us in keeping both our clients and our staff happy.

From the aspect of delivering a quality product that accomplishes the goals of the client, these meetings also serve to keep the client informed as to project progress and direction and will promote client "buy in" to the project allowing the client to have a sense of ownership of the final product.

With the Staff Member

Whether our staff members are assigned to a client site as part of a larger LESR team or by themselves on a solo project, we fell that maintaining regular contact with the individual staff member promotes the kind of strong sense of being part of LESR that helps us to retain our staff. It also lets us stay current on project progress and can help head off problems if we are made aware of any concerns.

Staff Member Status Reports

As part of our contact with staff members and to facilitate the flow of information between the staff member and LESR management, all staff assigned to projects/tasks under this contract will be required to supply us (and the client manager if they so desire) with periodic status reports which will supply information on progress (actual versus planned), any issues, and will provide estimates of time remaining to complete the project/task.

The Performance Review Process

We maintain regular contact with our consultants after they are placed on a contract. Through this contact we can determine the status of the project, track progress of the work to ensure that the work will be completed when expected and to maintain the staff members feeling that he/she is working for a company that cares about them and that they are not "out there" own their own.

We will also be in contact with their client supervisors on a regular basis to track their perception of work progress and to obtain the client's satisfaction level with our staff member. Additionally all of our staff members receive Performance Reviews on a set schedule.. Prior to writing the performance review, a meeting will be set up with the client manager specifically for the purpose of obtaining feedback. The Performance Review is then prepared based on a combination of feedback from the client and our own observations of the staff members work.

Being constantly aware of the staff member's situation is important to us. We will make every effort to ensure that there are no communication gaps between the staff member, the client, and us.

As stated above, the evaluation will be based on the feedback given to us by the client supervisor, (and co-workers when appropriate), and the consultant's themselves and will be presented to the staff member in a meeting. This meeting will be held other than during the staff member's normal working hours.

Performance reviews are triggered by one of three events. First, after six months of employment with us, we will conduct a review. Second, at the twelve-month point and annually thereafter, a review is performed. Third, whenever required by the client (For example, to fulfill a requirement in their Q/A program.) or at the end of a project, we will conduct another review. The first two instances will be a full, formal review. In the third instance, the review may be either a full, formal review, or an abbreviated review used as a barometer to see how everything is going or, at the end of an assignment, how everything went.

We use the following criteria to evaluate the performance of our consultants:

- Specific project-related skills
- Productivity
    - Quality and quantity of Work
    - Response to Pressure
    - Organization/Planning/Timeliness
- Professionalism
    - Written and Verbal Communication Skills
    - Commitment/Initiative
    - Cooperation/Flexibility
    - Attendance/Punctuality
    - Client Service Orientation
    - Planning/Scheduling
    - Team Spirit
    - Adaptability
    - Dedication
    - Attitude
    - Desire to Improve
    - Keeping Other Informed
    - Project Management
    - Delegation

5. Best Value Incentives cont'd

- Ability to adhere to standards established by the client or the particular project for which they are performing services.

Handling Staff and Client Concerns:

We recognize that from time to time that there will be issues involving our staff. The issue might be professional or personal in nature. In any case, we want to address issues quickly and resolve them satisfactorily in an orderly, non-disruptive manor. We have documented several scenarios below showing how these situations will be handled should it become necessary.

Client Grievances:

The following describes how client and consultant grievances are handled in order to bring quick resolution to problems.

The following steps will be followed when dealing with any client concern:

1. A member of the office staff is made aware of a client concern.
2. The member of the office staff records the client concern in a client concern memo.
3. The member of the office staff immediately notifies any other necessary office staff about the concern and if necessary discusses it with the appropriate parties to evaluate the situation.
4. The member of the office staff handling the concern may contact the client to obtain additional information and/or to discuss a resolution.
5. The member of the office staff handling the concern conducts further analysis, if required. (Example: contacting employee or Human Resources about a personnel concern.)
6. The member of the office staff handling the concern determines the corrective action required, and documents this action for inclusion along with the client concern memo.
7. If necessary, additional members of the office staff may need to approve the corrective action. In that case, the documentation on the corrective action is forwarded to them for review and approval.
8. If the corrective action is not approved, a meeting is held to determine an acceptable solution.
9. The member of the office staff handling the complaint implements the corrective action (depending on the situation the client may be advised), and records the corrective action details along with the rest of the documentation on the incident.
10. The documentation is filed in the staff member's file.

Staff Grievances:

The procedures for resolving staff member (or candidate) concerns begins with receiving a complaint and ends with resolving the staff member's (or candidates) concern.

The following steps will be followed when dealing with any staff concern:

1. A member of the office staff receives a staff member/candidate concern (Can be verbal or written).
2. The member of the office staff records the staff member/candidate concern in the form of a memo.
3. The member of the office staff immediately forwards the concern to the appropriate person within the office for evaluation.

4. The member of the office staff handling the concern may contact the staff member/candidate to obtain information and discuss a resolution.
5. The member of the office staff handling the concern conducts further analysis, if required. (Example: contacting staff member or Human Resources about a personnel concern.)
6. The member of the office staff handling the concern determines the corrective action required, and documents the resolution in a memo to be included with the original concern memo.
7. The appropriate office staff reviews the documentation and approves the corrective action.
8. If the corrective action is not approved, a meeting will be held to determine an acceptable solution.
9. The member of the office staff handling the complaint implements the corrective action (depending on the situation the team member may advise the staff member/candidate), and records the details along with the rest of the documentation on the concern.
10. Documentation is filed in the staff members/candidates file.

Performance Issues:

The purpose of the following procedure is to specify the process for identifying and resolving situations where a staff member does not meet requirements/expectations specified by the client and/or Leading Edge Systems Richmond.

1. A performance issue may be identified in a number of ways: first, the client brings the nonconformance to the attention of any member of the office staff; second, a staff member identifies a nonconformance and brings it to the attention of the office staff; and third, a member of the office staff themselves may recognize and identify a nonconformance.
2. If the client identifies the issue, a member of the office staff meets with the client to obtain details and writes a memo detailing the nonconformance. If the nonconformance was identified by another staff member or one of the office staff, then that individual will meet with the appropriate office staff member to document the nonconformance.
3. The member of the office staff handling the issue will meet with the staff member to review and discuss the situation as outlined in the nonconformance memo. The date, time of the meeting and staff member comments are documented and kept with the nonconformance memo.
4. If the nonconformance involves employment practice issues such as discrimination or sexual harassment, the Human Resources Department is notified immediately. If there is any other question concerning how a problem/issue is to be approached, the Human Resources Department should be consulted.
5. After reviewing all information available, the office staff member meets with the staff member (consultant) to discuss the issue, as outlined in the nonconformance memo, and seeks immediate resolution of the problem. The date, time of the meeting, and resolution of the issue are documented and kept with the nonconformance memo in the staff member'
6. If the situation persists or a new related nonconformance is noted, the office staff meets to develop an action plan that can include one or more of the following actions:
   a. further coaching and counseling to assure that the nature of the nonconformance is understood and will be remedied;
   b. additional training including self-study and seminars;
   c. transfer to a different client site;
   d. probation;
   e. termination.

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7. The results of the second meeting are documented and filed with the original nonconformance documentation.
8. After steps three and/or five a member of the office staff meets with the client to discuss the situation and/or notify the client of the corrective action and, if necessary, receives approval where required.
9. Further monitoring of the situation will occur to assure that the corrective action taken is implemented and effective.
10. Further steps may be taken, as necessary, including additional services, staff member replacement and/or discounts. (Discounts would be negotiated and applied as a means of compensating for previously billed work that, as part of the discussion regarding a concern, have been deemed as less than the quality expected. Generally, the discount would apply only for a specified period, not the entire engagement.)

Experience with this type of contract

We are experienced in supply consultants under contracts such as this one. We currently have staffing contracts with a number of Federal, State and Local government entities including Federal GSA, Federal 8(a) STARS, The Commonwealth of Virginia, the States of North Carolina, Delaware and New Jersey, the City of Richmond, VA and Chesterfield County. We have also worked on past staffing contracts for the Commonwealth both as prime contractors and as subcontractors to other companies.

We also have experience supplying consultants in the private sector through both direct and subcontract arrangements.

Use of subcontracting

Through the use of subcontractors, LESR has been able to and continues to supply our clients with highly skilled, experience personnel trained in precise environments. Often people with these specific talents prefer to work for a company who focuses their business tightly on this particular skill. By identifying companies with these special skills and forming business relationships with them, LESR is able to provide our clients with not only the skills that these subcontractors bring to the project, but we are also able to backup these services with the reputation and support of the subcontracting company with the specialized approach to their particular field.

Using subcontractors allows us the flexibility to rapidly respond to changing requirements by identifying a new resource, establishing a relationship and being able to take advantage of a ready base of skilled employees.

Finally, the use of subcontractors allows us to maintain low overhead since we do not directly retain the services of a large pool of highly compensated consultants. Instead we have a much larger pool of available consultants to choose from.

Our Subcontractor Partners for This Contract

Beck Disaster Recovery Services

Beck Disaster Recovery Services (BDR), one of our subcontractors on this contract has extensive experience working with government entities, including Virginia Department of Emergency Management and Virginia Department of Transportation, in the areas of Strategic Planning and Continuity of Operations.

BDR is a wholly-owned subsidiary of R.W. Beck Group, Inc. and was incorporated in the State of Washington on October 23, 2000. R.W. Beck Group, Inc, is an employee-owned corporation founded in 1942.

BDR is one of the nation's premier emergency management and disaster readiness and recovery firms. The firm is recognized for its ability to quickly respond to a broad range of emergency situations, allowing clients in both the public and private sector to return to the business of running their day-to-day operations.

The BDR Team has performed emergency planning, training and exercise design services for state and local governments nationwide. We have worked with organizations of all sizes, ranging from major metropolitan urban areas to rural communities. Since 2001, the firm has performed more than 100 continuity planning and emergency planning projects. The BDR Team also conducts exercises to test the effectiveness of emergency plans and provides emergency management training of all levels.

Currently, BDR has a full-time staff of over 85 emergency management and disaster recovery experts and access to over 1,800 trained staff throughout the country. The BDR Team has the backing of a firm founded in 1942 and state-of-the-art technology (computers, software, reproduction facilities, etc.) and support systems. The firm is comprised of project management and administrative support services to ensure delivery of quality work products within the estimated timeframes.

BDR offers several advantages:

- A project team of experienced disaster preparedness/continuity planners and operations managers who posses hands-on experience in mitigation, preparedness, response and recovery.
- Use of a proven methodology for disaster preparedness planning based on the latest business continuity planning, disaster preparedness and project management principles.
- Institutional knowledge of federal, state, and local regulations, statutes and emergency management standards and protocols.

SevHills Sigma Excellence

SevHills Sigma Excellence (SSE), another subcontractor that we will be working with brings a wealth of experience to the team in the areas of Process Assessment/Improvement, Change Management, Executive Coaching, Business Process Analysis and Reengineering and Work Force Planning and Development.

5. Best Value Incentives cont'd

Our subcontractor, SevHills Sigma Excellence LLC, has excellent experience in performing the type of study required by this RFP. Their experience in Survey Research, Analytical Studies and Process Policy Changes includes the following.

The subcontractor, SevHills Sigma Excellence LLC is a Minority Business Enterprise in the State of Virginia and is headed by Dr. Nat Ganesh (see resume in Appendix A.) Dr. Ganesh is a certified Six Sigma Master Black Belt and has conducted doctoral level work in advanced applied mathematics and statistical techniques for his Ph.D at Carnegie-Mellon University, Pittsburgh, PA. He also holds a M.S. degree in Chemical Engineering from the University of Virginia, Charlottesville, VA.

Dr. Ganesh has 18 years of experience in the US corporate sector, in applying statistical and analytical techniques to process data analysis and program improvement initiatives. His firm, SevHills Sigma Excellence LLC (SSE, for short), has 10 years of combined pedigree and ongoing independent service experience, both via in-house corporate practice and external client consulting services for both domestic and international organizations, in the field of process improvement and policy/change management implementations. SSE's legacy and ongoing client organizations include major US Fortune 100 level firms including such industry leaders as Verizon Communications, IBM (Financial Services Sector), Johnson and Johnson and international firms such as Formosa Plastics USA. He worked as both Certified Master Black Belt and Engagement Manager for PriceWaterhouseCoopers Consulting and IBM Global Services. Prior to that, he served as Total Quality Management Team leader and as Manager of Enterprise Productivity Systems within AlliedSignal (now Honeywell International).

SevHills Sigma Excellence LLC is a dynamic, business services firm providing strategic process consulting, and corporate training and deployment services in the arena of Business Process Improvement. SSE was founded in 2004 by Dr. Nat Ganesh, Master Black Belt and, previously, Engagement Manager with the Six Sigma Center of Excellence of PricewaterhouseCoopers Consulting/IBM Global Services, and Process Leader, AlliedSignal. SSE has specialized in helping client organizations acquire, adapt and internalize state-of-the-art, process improvement and policy change methodologies such as Six Sigma and LEAN and blend them effectively with Project/Change Management techniques for sustainable performance upturns.

Financially, SSE has been very successful in rapidly growing its business and financial stability. Over the last three years, SSE has grown its revenues by 50-60% (annualized), by rapidly expanding its client base. SSE, as a knowledge-base analytical services firm, has no debt on its balance sheet. SSE has been retained as the sole and preferred supplier of Six Sigma/LEAN services by US Fortune 100 firm, Verizon Communications, Inc.