



## Formal Bid and Award System

Award #7 April 11, 2019

**Type of Award Request:** CHANGE ORDER  
**Request #:** 6576  
**Requestor Name:** Peninger, Kurt W.  
**Requestor Phone:** (904) 665-6133  
**Project Title:** Strategic Planning and Implementation Consulting Services  
**Project Number:** 10300  
**Project Location:** JEA  
**Funds:** O&M  
**Budget Estimate:** N/A

### Scope of Work:

JEA is seeking a Consultant (also referred to as the "Company") that provides strategic planning & implementation services. The Consultant will be required to work directly with the JEA Board (both collectively and individually), JEA's Chief Executive Officer (CEO), Chief Operating Officer (COO) and the entire Senior Leadership Team (SLT) in order to develop and implement a Strategic Plan for JEA (the "Work" or "Services"). The Services will be comprised of multiple phases.

**JEA IFB/RFP/State/City/GSA#:** 124-18  
**Purchasing Agent:** Selders, Elaine Lynn  
**Is this a ratification?:** Yes – April 4<sup>th</sup> Senior Leadership Meeting  
**If yes, please explain:**

### RECOMMENDED AWARDEE(S):

| Name                    | Contact Name   | Email                           | Address  | Phone          | Amount       |
|-------------------------|----------------|---------------------------------|--|----------------|--------------|
| MCKINSEY & COMPANY INC. | GEOFF BRADFORD | MCKINSEY_CONTRACTS@MCKINSEY.COM | 1200 19TH STREET SUITE 1100, WASHINGTON DC 20036 | (202) 662-0522 | \$620,000.00 |

**Amount of Original Award:** \$308,000.00  
**Date of Original Award:** 09/18/2018  
**Change Order Amount:** \$620,000.00

### List of Previous Change Order/Amendments:

| CPA #  | Amount       | Date       |
|--------|--------------|------------|
| 177126 | \$125,000.00 | 04/11/2019 |

**New Not-To-Exceed Amount:** \$1,053,000.00  
**Length of Contract/PO Term:** Project Completion  
**Begin Date (mm/dd/yyyy):** 08/02/2018

**End Date (mm/dd/yyyy):** Project Completion

**JSEB Requirement:** N/A - Optional

**Background/Recommendations:**

Originally approved by the JEA Board of Directors on 03/18/2018 in the amount of \$308,000.00 to McKinsey & Company, Inc. for Phase 1 of the Strategic Planning and Implementation Consulting Services. The Board Meeting minutes are attached as backup. A change order was completed on 04/11/2019 to add Phase 2 to complete the Organizational Health Index (OHI), which is also attached as backup.

This request is for a change order to add Phase 3 of the strategic planning and implementation consulting services provided by McKinsey & Company, Inc. The services for this phase will take place over the next few months and include:

1. Facilitating initiative development by the SLT members to address results from status quo analysis
2. Top down performance assessment and US industry benchmarking
3. Preparation for status quo 2 draft presentation
4. Facilitating two SLT workshops to discuss proposed initiatives and draft a status quo presentation
5. Working together with the JEA team to put together the final status quo 2 board presentation and to participate in the meeting to provide expert opinion to support the conclusions and recommendations of the study

McKinsey is expected to have full-time and part-time team members driving and contributing to this effort. The total hours on the engagement is estimated at approximately 1,300 -1,400 hours, which includes two full-time employees onsite, leadership, experts, administrative, support, R&I and production personnel. The Phase (3) statement of work is attached as backup.

It should be noted that a Phase 4 discussion is taking place to determine if McKinsey will proceed in assisting JEA to develop its 10 year strategic plan. A future change order will come to the awards committee if JEA agrees to move forward and negotiations are successful.

Request approval to award a change order to McKinsey & Company, Inc. for the addition of Phase 3 of the strategic planning and implementation consulting services in the amount of \$620,000.00, for a new not-to-exceed amount of \$1,053,000.00, subject to the availability of lawfully appropriated funds.

**Director:** Peninger, Kurt W. – Dir Corporate Strategy

**VP:** Romero Aguero, Julio E. – Chief Inno. and Transformation Officer

**APPROVALS:**

  
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**Chairman, Awards Committee** **Date** 4/11/19

  
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**Manager, Capital Budget Planning** **Date** 4/11/19