

AMENDMENT NO. 4

CONTRACT FOR ECONOMIC DEVELOPMENT STRATEGIC PLANNING CONSULTING SERVICES FOR THE STATE OF NEW JERSEY DATED – August 9, 2018 (2018-GSA-RFQ 080)

This FOURTH AMENDMENT is made the 19th day of MAY 2020 by MCKINSEY & COMPANY, INC. WASHINGTON D.C. (“MCKINSEY”) and the NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY (the “AUTHORITY”) (MCKINSEY and AUTHORITY may collectively be referred to herein as “Parties”).

WHEREAS, the Parties entered into a certain CONTRACT FOR CONSULTING SERVICES (the “Contract”) dated August 9, 2018;

WHEREAS, the Parties entered into a certain Contract Amendment No. 1 dated July 23, 2019, wherein the original contract amount of \$1,895,000, was increased by an additional amount of \$217,282.90 to a revised maximum not to exceed amount of \$2,112,282.90;

WHEREAS, the Parties entered into a certain Contract Amendment No. 2 dated August 1, 2019, wherein the revised contract amount of \$2,112,282.90, was increased by an additional amount of \$365,987.84 (per Best and Final Offer (BAFO) letter, dated June 26, 2019-Offshore Wind Port Feasibility Study, 1st port location – South Amboy to a revised maximum not to exceed amount of \$2,478,270.74 to perform consulting services to prepare an Offshore Wind Port Feasibility Study, as provided for by 2018-GSA-RFQ 080, Section 3.2 Additional Consulting Services – Requirement Basis clause;

WHEREAS, the Parties entered into a certain Contract Amendment No. 3 dated August 27, 2019, wherein the revised contract amount of \$2,478,270.74, was increased by an additional amount of \$240,380.94, per McKinsey’s proposal dated August 16, 2019- Offshore Wind Port Feasibility Study, 2nd port location – Hope Creek to a revised maximum not to exceed amount of \$2,718,651.68 to perform consulting services to prepare an Offshore Wind Port Feasibility Study, as provided for by 2018-GSA-RFQ 080, Section 3.2 Additional Consulting Services – Requirement Basis clause; and

WHEREAS, MCKINSEY and the AUTHORITY wish to modify and amend the Contract as more fully set forth below.

NOW, THEREFORE, in consideration of the mutual covenants herein stated the parties do agree as follows:

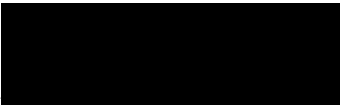
1. MCKINSEY shall provide external consulting services on an emerging basis related to COVID 19, per the Scope of Work tasks and their Proposal, dated April 29, 2020.
2. The revised contract amount of \$2,718,651.68, is increased by an additional amount of \$2,475,000.00, per McKinsey's proposal dated April 29, 2020. Pricing is in accordance with the applicable "lower" COVID 19 Weekly Rates for both Fee Schedules, Section 1 - Fee Schedule (Not to Exceed \$250,000.00) in the amount of [REDACTED] and Section 2- Balance of Work Fee Schedule, Option 3 (Base period plus additional 22 weeks of Tasks 3-7 support) in the amount of [REDACTED] combined, total \$2,475,000.00. Both Fee Schedules pricing, utilizes a combination of [REDACTED] [REDACTED] personnel, as outlined in the Scope of Work, Tasks 1-12 to perform the complex COVID 19 consulting services required, as provided for by 2018-GSA-RFQ 080, Section 3.2 Additional Consulting Services – Requirement Basis clause. The revised maximum amount not to exceed \$5,193,651.68.
3. Upon satisfactory and timely completion of the services, and upon the AUTHORITY'S receipt of sufficiently detailed invoices and acceptable back up documentation, the AUTHORITY will pay MCKINSEY & COMPANY, INC. WASHINGTON D.C.'s invoices. Invoices must be submitted along with the appropriate detail.
4. Except as expressly stated herein, all terms and conditions of the Agreement are hereby confirmed and shall continue to be effective between the parties with respect to the subject matter of the Agreement.
5. This Amendment and all documents and actions related hereto shall be governed by the laws of the State of New Jersey, without regard to conflict of laws. The courts of New Jersey shall have exclusive jurisdiction.
6. This Amendment may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts when taken together shall constitute but one agreement. However, the document shall not take effect until executed by the CEO of the AUTHORITY.

IN WITNESS WHEREOF, intending to be legally bound hereby, MCKINSEY & COMPANY, INC. WASHINGTON D.C. and the AUTHORITY have hereunto affixed their hands and seals to this Fourth Amendment to the Contract for Economic Development Strategic Planning Consulting Services for the State of New Jersey, for the day and year first above written.

ATTEST:



MCKINSEY & COMPANY, INC.
WASHINGTON D.C

By: _____

Name: Sarah Tucker-Ray

Title: Partner

ATTEST:



NEW JERSEY ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

Tim Sullivan
Chief Executive Officer

April 27, 2020

REVISED SOW & FEE SCHEDULES - 2018-GSA-RFQ 080 –MCKINSEY & CO. - ADDITIONAL WORK CLAUSE FOR ECONOMIC CONSULTING SERVICES FOR COVID-19 VIRUS

Proposal and Fee Schedules due on or before: Wednesday, April 29, 2020 at 5:00pm.

Request for Cost Proposal

The Authority is requesting McKinsey and Company to provide a revised proposal and pricing in accordance with NJEDA-2018-GSA-RFQ 080 (Contract) between the New Jersey Economic Development Authority (NJEDA or the Authority) and McKinsey and Company, Inc. Washington, D.C. (McKinsey), per the Additional Work (as defined in the Contract), based upon the same terms and conditions as in the Contract.

Below is a revised Scope of Work, broken down by Tasks related to the COVID 19 pandemic.

The proposal submitted must address and provide detail for each of the twelve (12) Tasks listed below, per the attached two (2) Fee Schedules. **Section 1-Initial Fee Schedule, NOT to exceed \$250,000.00** is for initial work to get started but cannot exceed a total of \$250,000 and **Section 2: Balance of Work Fee Schedule** to complete the project, subject to approval by the Authority's board.

Attached is a revised Federal Statement of Assurances.

Background

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey's efforts to contain the spread of the COVID-19. Subsequent containment measures were announced and are continuing to be announced, including restrictions on public gatherings and limited operating hours for non-essential businesses. While these measures are consistent with similar measures being taken nationally that are expected to limit the public's exposure to the COVID-19, there is already and will continue to be an adverse economic impact on our nation's economy. Within New Jersey, small businesses, and residents employed by these businesses, are facing economic challenges as businesses have difficulties meeting payroll obligations and supporting basic operating expenses that are expected to increase during a prolonged period of restricted operation or closing. Without a source of immediate relief, small businesses are being forced to furlough or lay off employees.

In response to the economic challenges being faced by New Jersey small businesses, the Authority needs to amend the existing contract (2018 GSA-RFQ 080) with McKinsey to allow the Authority to obtain consulting services related to the COVID 19 pandemic on an emergent basis.

The contract was originally procured utilizing the Authority's processes for Federal General Services Administration (GSA) Contracts and Other Federally Based Contracts. The original contract related to NJEDA-2018-GSA-RFQ 080 "Economic Development Strategic Planning Consulting Services for the State of New Jersey" was in the amount of \$1,895,000.

The contract has been amended three times:

Amend 1 - India Trade (Increased \$217,282.90)

Amend 2 - OSW So Amboy Port (Increased \$365,987.84)

Amend 3 - OSW Hope Creek Port (Increased \$240,380.94)

The total value of the contract to date has been \$2,718,651.68.

A. COVID 19 Additional Scope of Work

The Proposal response must address and provide detail per the twelve (12) tasks, listed below, including the turnaround timeframes:

1. Contractor shall work with the Authority's designee(s) in analyzing the economic impact of the Covid-19 pandemic and the related state of emergency on the state economy;
2. An analysis of job losses and firm closures by industry, lost wages and income – personal and corporate - by industry, contraction of specific industries, and general economic impacts throughout the state;
3. Any and all economic and fiscal impacts not listed above as the pandemic is currently ongoing and the full extent of its reach is currently unknown;
4. Contractor shall provide strategic support to the Authority in all facets of New Jersey's recovery (except for employer guidelines, sequencing, enablers and other items already within the scope of work for Office of Emergency Management);
5. Contractor shall research and advise on resources for appropriate resolution services to assist in the State's economic recovery;
6. Contractor shall provide guidance and planning, structuring, organizing and staffing for New Jersey's short- and long-term economic recovery plans;
7. Contractor shall work closely with the Office of the Governor in providing planning advice and execution of the response, recovery and mitigation plan in conjunction with the Governor's designee;
8. Contractor shall advise on productive working relationships with non-governmental organizations, including, but not limited to, charities, philanthropies, and aide groups, to secure assistance needed by New Jersey residents and firms;
9. Contractor shall advise on productive relationships with statewide and local business groups including, but not limited to, business associations, chambers of commerce, trade groups, etc.;
10. Contractor shall support the Authority in the revision and refining of the 2018 State of Innovation: A Stronger and Fairer NJ Economy comprehensive economic development strategy to reflect the short and long-term impact of the pandemic (note: this will be a work in progress across several months as the impacts and outlook become better understood);
11. Contractor shall support the Authority and any interagency working groups focused on developing and implementing an economic recovery strategy; and
12. Contractor shall assist the Authority in identifying new programs and policies to provide support for impacted segments of New Jersey's economy, including but not limited to: micro, small and midsize firms; displaced workers; the innovation economy.

B. Fee Schedule

There are two (2) Fee Schedules, attached requesting contract pricing for all twelve (12) tasks, listed above. Costs must be in accordance with **2018 GSA RFQ 080** per SIN 874-1 and the BAFO'd contract costs. Discounted pricing is requested for any new bid for this Scope of Work.

SECTION 1-INITIAL FEE SCHEDULE, NOT to exceed \$250,000.00: Cost for initial work to get started for each task listed, if applicable, including the team(s) proposed for each task, the requested, and the number of weeks required for the team indicated.

The total cost of the initial work cannot exceed a total of \$250,000. Tasks that are not included on the Initial Fee Schedule should be marked N/A.

SECTION 2: BALANCE OF WORK FEE SCHEDULE: Cost to complete the project tasks, subject to approval by the Authority's board.

NOTE: Tasks 3 – 7 require pricing to be offered for consulting services for the following timeframes, less than two (2) months, two (2) months, four (4) months and six (6) months. The Authority may or may not award all of these timeframes.

Reporting and Documentation

The Contractor shall provide and submit to the State all reports and documents as may be necessary to adequately document the emergency response, management, and recover services; and

The Contractor shall be responsible for providing protective storage of daily or pandemic-related documents and reports during the pandemic event and shall be available to the State upon request.

New Jersey Economic Development Authority

Economic Impact Consulting Services for COVID-19 Virus

Cost Proposal for Additional Work

April 29, 2020

Submitted to:
New Jersey Economic Development Authority
Ann Marie Wiedemann, Senior Procurement Officer

Email: awiedemann@njeda.com

Phone: (609) 858-6700

This proposal is the property of McKinsey & Company, Inc. Washington D.C. ("McKinsey") and must not be disclosed outside the Government or be duplicated, used, or disclosed—in whole or in part—for any purpose other than to evaluate this proposal. If a contract is awarded to McKinsey as a result of, or in connection with, this proposal, the Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract and subject to the limitations of the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1, et seq. ("OPRA") and other applicable law. This proposal contains trade secret and proprietary commercial or financial information, and information of a personal nature that is exempt from disclosure under OPRA and other applicable law. Accordingly, no portion of this document should be released without consulting McKinsey. This information is contingent on the Parties reaching mutually agreeable terms and conditions and upon acceptance of any limitations described herein.

New Jersey Economic Development Authority
**Economic Impact Consulting
Services for COVID-19 Virus**

Cost Proposal for Additional Work

April 29, 2020

Submitted to:
New Jersey Economic Development Authority
Ann Marie Wiedemann, Senior Procurement Officer
Email: awiedemann@njeda.com
Phone: (609) 858-6700

April 29, 2020

Ann Marie Wiedemann, Senior Procurement Officer
New Jersey Economic Development Authority
36 West State Street, P.O. Box 990
Trenton, NJ 08625-0990
Email: awiedemann@njeda.com
Phone: (609) 858-6700

SUBJECT: State of New Jersey, Economic Development Strategic Planning Consulting Services Contract Award – Cost Proposal for Additional Work Clause for Economic Consulting Services for COVID-19 Virus (2018-GSA-RFQ-080)

Dear Ms. Wiedemann:

Please find attached McKinsey & Company, Inc. Washington D.C.'s (McKinsey) response to the State of New Jersey's request for a cost proposal to support the State's economic impact assessment and response to COVID-19. Our support for this effort will focus on helping the State quantify the economic and fiscal impacts of the crisis, advise and coordinate stakeholders to support the economic recovery, and develop a long-term recovery strategy to support the State's economic growth.

This work builds on earlier support for the State's economic development strategy (2018 State of Innovation: A Stronger and Fairer NJ Economy comprehensive economic development strategy). We believe that our experience in serving the State and several other US and international jurisdictions will allow us to assess the impact of COVID-19 on the State's economy while supporting the development of robust solutions for recovery. We look forward to continuing our partnership with the New Jersey Economic Development Authority (NJEDA) to help the State respond to this unprecedented health and economic crisis.

McKinsey exclusively performs on a [REDACTED] basis in both the public and private sectors, using our [REDACTED]. Consistent with our commercial model, McKinsey does not possess a cost accounting system - our rates are determined by the market, rather than the cost of deploying our tools and personnel. Therefore, Our proposal is contingent on NJEDA agreeing that if any federal funding is being used to pay for McKinsey's services under this contract modification supporting rapid response to the COVID-19 crisis, NJEDA considers McKinsey to be a "contractor" under 2 CFR § 200.330 and that NJEDA will not impose Federal Cost Principles and Audit Requirements within 2 CFR § 200 et seq on McKinsey.

McKinsey & Company

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If you have any questions about our proposal response, please do not hesitate to contact me at [REDACTED] or Sarah_Tucker-Ray@McKinsey.com. For contractual questions, please contact Bri Park, Contracts Manager, at [REDACTED] or Bri_Park@mckinsey.com and [REDACTED]@mckinsey.com.

Sincerely,



Sarah Tucker-Ray, Partner

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1.0 TECHNICAL APPROACH

COVID-19 is a humanitarian challenge that has affected communities across multiple continents, with significant loss of life around the world. Solving the humanitarian challenge is a top priority and much remains to be done globally to prepare, respond, and recover – from protecting populations at risk, to supporting affected communities, to developing a vaccine.

In addition to the humanitarian and public health crisis, the COVID-19 pandemic is affecting economic activity in the US and the State of New Jersey. The virus – and the public health measures to slow the spread of the virus – have impacted both the demand- and supply-side of the economy. Within New Jersey, businesses and residents face many challenging economic realities. Businesses are struggling to meet payroll obligations and support operating expenses that are expected to increase during a prolonged period of restricted economic activity. Residents are increasingly facing job disruptions and economic insecurity. Our estimates suggest that 1.4 million jobs (i.e., ~35% of total New Jersey employment) may be vulnerable for lay-offs or furloughs given the restriction of economic activity. The current effects of the crisis will likely have meaningful long-term impacts on New Jersey's economic recovery, creating an impetus for assessing and reimagining the State's economic development strategy.

As a partner to public, private, and social sector organizations across the globe, McKinsey & Company (McKinsey) has quickly mobilized teams across the globe to support organizations in their response to this humanitarian and economic crisis. McKinsey currently has 1,000+ colleagues around the world serving 160+ global organizations – including 80+ governments and international organizations and 25+ healthcare organizations – on COVID-19-related issues. Across North America, we are supporting 3 federal government agencies, 20+ states/provinces, and numerous cities on their COVID-19 responses, including support for COVID-19 response efforts for the State of New Jersey. We have a central COVID-19 Response team for the US public sector and numerous colleagues who are experts across elements of the economic and health response to COVID-19, including economists, epidemiologists, and a host of sector-specific experts. Assets such as our McKinsey Global Institute (MGI) have developed extensive macroeconomic models that will allow us to quickly estimate the economic impact of COVID-19 on the State and its municipalities, enabling us to hit the ground running.

Our global experience supporting organizations in response to past pandemics (e.g., SARS, MERS) combined with our experience supporting state and local governments in response to past natural disasters provides us with expertise supporting the public sector during crises. We have supported logistics activities in the wake of the 2010 Haiti earthquake, state governments (including New Jersey) in mitigating the impact of Hurricane Sandy in 2012, and national governments during the Ebola outbreak in 2016. We would be honored to support New Jersey in its response to the COVID-19 pandemic.

1.1 Our Approach

In response to the economic challenges facing the State, the New Jersey Economic Development Authority (NJEDA) is seeking support to assess the economic and fiscal impacts of the pandemic on the State's economy and to develop strategies to support the State's immediate and long-term economic recovery. Specifically, NJEDA is seeking support across 12 core tasks (**Exhibit 1**). In the following section, we describe how we will successfully launch each of these tasks with clear deliverables. Per NJEDA's request, we have included four timing options for delivering Task 3-7 activities and deliverables based on various timing windows outlined in the Request for Cost Proposal.

Our approach includes three core workstreams to complete the 12 tasks outlined in NJEDA's scope, with several options to address the Task 3-7 timing options:

- **Workstream 1:** Economic and fiscal impact assessment
- **Workstream 2:** Economic recovery planning, advice, and coordination
- **Workstream 3:** Economic recovery strategy

Exhibit 1: Proposed workstreams, activities, and timing options.

		2020							
		May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Core activity									
Economic and fiscal impact assessment									
1) Analyze economic impact of COVID-19 pandemic and the state of emergency on the NJ economy									
2) Assess job losses and firm closures by industry, lost wages and income									
3) Assess other economic and fiscal impacts to the State									
4) Provide strategic support to the Authority in all facets of New Jersey's recovery									
Economic recovery planning, advice and coordination									
5) Research and advise on resources for appropriate resolution services									
6) Provide guidance and planning, structuring, organizing and staffing for New Jersey's short- and long-term economic recovery plans									
7) Provide planning advice and execution of the response, recovery and mitigation plan in conjunction with the Governor's designee									
8) Advise on productive working relationships with non-governmental organizations									
9) Advise on productive relationships with statewide and local business groups									
Economic recovery strategy									
10) Revise and refine 2018 State of Innovation: A Stronger and Fairer NJ Economy comprehensive economic development strategy									
11) Support NJEDA and any interagency working groups focused on developing and implementing an economic recovery strategy									
12) Identify new programs and policies to provide support for impacted segments of New Jersey's economy									

Our workplan notes a May start, but can be adjusted to the appropriate start date for NJEDA.

Key Activities

Below we outline our approach to completing the tasks outlined in the Request for Cost Proposal. As suggested, for Tasks 3-7 we include details on what activities could be expected within each of the 4 timing options. For each of the 4 timing options, each Option's activities build on one another (e.g., activities in Option 3 will include the activities in Option 2, Option 1, and Base Period).

We will use workshops to drive alignment among key stakeholders, and will propose a regular meeting schedule jointly with NJEDA and other government leaders.

We will conduct the following activities for each of the three core workstreams:

Workstream 1 – Economic and Fiscal Impact Assessment

We will assess and disaggregate the economic impacts of COVID-19 on different industries, regions, and occupations across New Jersey (including the impact on job losses, lost wages, and income) and quantify the fiscal implications of the economic disruption on the State's economy. Our approach includes the following tasks:

Task 1. Analyze economic impact of COVID-19 pandemic and the state of emergency on the NJ economy (8 weeks): We will:

- Develop a set of likely economic scenarios facing the State, informed by expert input and macroeconomic models, which consider the nation's public health and economic policy response to date.
- Estimate the economic impacts under those likely scenarios and develop a view of the industry-specific impacts on jobs and wages (e.g., geographic implications of industry impacts), leveraging our proprietary economic models and vulnerable jobs analyses.
- Assess the economic impacts on different vulnerable populations (e.g., race, age, educational background) to help inform and better target recovery efforts.

Task 2. Assess job losses and firm closures by industry, lost wages, and income (8 weeks): We will:

- Translate industry and job loss estimates into potential impacts and scenarios on firm closures by industry, geography, and type of firm (e.g., SMBs, MWBEs).
- Refine industry estimates with lived experiences of businesses and residents (e.g., small business surveys, unemployment claims data) to bring further specificity to the felt economic experience of New Jerseyans.

Task 3. Assess other economic and fiscal impacts to the State: We will do one of the following options to complete this task (**Exhibit 2**):

Exhibit 2: Task 3 – Options for assessing other economic and fiscal impacts to the State.

Option	Timing	Activities
Base Period	Base period of 8 weeks total for Tasks 1-12, inclusive of 2 weeks for Tasks 3-7 as noted in workplan	<ul style="list-style-type: none"> • Provide high-level assessment of fiscal implications of economic scenarios on state revenues (e.g., taxes, fees) • Provide high-level assessment of fiscal implications of economic scenarios on major state costs (e.g., unemployment, Medicaid)
Option 1	Base Period plus additional 6 weeks for Tasks 3-7	<i>Base Period activities, plus:</i> <ul style="list-style-type: none"> • Develop minimum viable product for near-real time dashboard (digitization of revenue and cost model together with additional data sources) to assess state economic and fiscal effects
Option 2	Base Period plus additional 14 weeks for Tasks 3-7	<i>Base Period and Option 1 activities, plus:</i> <ul style="list-style-type: none"> • Detail county-level economic impacts accounting for refined macroeconomic scenarios (e.g., how economy is projected to change as a result and with experience post-reopening) • Refine fiscal implications, including more detailed modeling by type of revenue (e.g., estimates of personal income tax effects by impact on different resident income brackets, corporate income tax effects accounting for initial sector-level net income impacts)
Option 3	Base Period plus additional 22 weeks for Tasks 3-7	<i>Base Period and Option 1-2 activities, plus:</i> <ul style="list-style-type: none"> • Refine and finalize a near-real-time dashboard to include state and county-level economic and fiscal effects of the crisis

Task 4. Provide strategic support to the Authority in all facets of New Jersey's recovery: We will do one of the following options to complete this task (**Exhibit 3**):

Exhibit 3: Task 4 – Options for providing strategic support to the Authority in all facets of New Jersey's recovery.

Option	Timing	Activities
Base Period	Base period of 8 weeks total for Tasks 1-12	<ul style="list-style-type: none"> • Provide ad-hoc support for key strategic questions or ad-hoc events related to recovery efforts (e.g., light materials to support Governor talking points)
Option 1	Base Period plus additional 6 weeks for Tasks 3-7	<i>Base Period activities, plus:</i> <ul style="list-style-type: none"> • Provide dedicated, ongoing team support for key strategic questions or regular sessions related to recovery efforts (e.g., preparing talking points, materials for daily standups with Governor's Office)
Option 2	Base Period plus additional 14 weeks for Tasks 3-7	<i>Base Period and Option 1 activities, plus:</i> <ul style="list-style-type: none"> • Hold regular expert support sessions to understand and assess key questions related to recovery efforts (e.g., 1:1 sessions with industry experts to further sharpen industry-specific implementation of recovery plan)

Option 3	Base Period plus additional 22 weeks for Tasks 3-7	<i>Base Period and Option 1-2 activities, plus:</i> <ul style="list-style-type: none"> • Provide dedicated project management support, co-led by McKinsey working in conjunction with NJEDA staff to stand-up infrastructure needed for strategic support of recovery effort (e.g., monitoring all facets of recovery plan, building playbooks for regular sessions, drafting regular internal and external communications)
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Workstream 2 – Economic Recovery Planning, Advice, and Coordination

We will support stakeholder engagement and ongoing research needed to support New Jersey's economic recovery efforts. Our approach includes the following tasks:

Task 5. Research and advise on resources for appropriate resolution services to assist in State's economic recovery: We will do one of the following options to complete this task (Exhibit 4):

Exhibit 4: Task 5 – Options for research/advising on resources for appropriate resolution services to assist in the State's economic recovery.

Option	Timing	Activities
Base Period	Base period of 8 weeks total for Tasks 1-12	<ul style="list-style-type: none"> • Provide initial outside-in assessment of resources required for two to three key resolution services (e.g., order of magnitude sizing and best practices to support unemployment services, other services stemming from reopening and safeguarding strategy)
Option 1	Base Period plus additional 6 weeks for Tasks 3-7	<i>Base Period activities, plus:</i> <ul style="list-style-type: none"> • With State-specific input, refine assessment of resources required on two to three key resolution services (refined sizing and New Jersey-specific approach to resolve issues)
Option 2	Base Period plus additional 14 weeks for Tasks 3-7	<i>Base Period and Option 1 activities, plus:</i> <ul style="list-style-type: none"> • Refine assessment of resources required, with State-specific input, on all resolution services (refined sizing and New Jersey-specific approach to resolve all issues)
Option 3	Base Period plus additional 22 weeks for Tasks 3-7	<i>Base Period and Option 1-2 activities, plus:</i> <ul style="list-style-type: none"> • Provide dedicated team support to implement and stand-up proposed approach, working in close coordination with State agencies

Task 6. Provide guidance on planning, structuring, organizing, and staffing for New Jersey's short and long-term economic recovery plans: We will do one of the following options to complete this task (Exhibit 5):

Exhibit 5: Task 6 – Options for providing guidance on planning, structuring, organizing, and staffing for New Jersey's short- and long-term economic recovery plans.

Option	Timing	Activities
Base Period	Base period of 8 weeks total for Tasks 1-12	<ul style="list-style-type: none"> • Provide initial outside-in assessment of people resources, skills, and organizational structure required within NJEDA to successfully support economic recovery plans
Option 1	Base Period plus additional 6 weeks for Tasks 3-7	<i>Base Period activities, plus:</i> <ul style="list-style-type: none"> • Provide initial, outside-in assessment of people resources, skills, and organizational structure required within NJEDA and key New Jersey agencies to successfully support economic recovery plans
Option 2	Base Period plus additional 14 weeks for Tasks 3-7	<i>Base Period and Option 1 activities, plus:</i> <ul style="list-style-type: none"> • Develop job descriptions, background, and detailed skill-sets needed for new roles to support economic recovery plans

Option 3	Base Period plus additional 22 weeks for Tasks 3-7	<i>Base Period and Option 1-2 activities, plus:</i> <ul style="list-style-type: none"> • Develop onboarding and training materials to help new staff and/or organizational teams be successful in their new roles and functions (e.g., developing charter and playbooks for new organizational structure to drive economic recovery efforts across government)
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Task 7. Provide planning advice and execution of the response, recovery, and mitigation plan in conjunction with the Governor's designee: We will do one of the following options to complete this task (Exhibit 6):

Exhibit 6: Task 7 – Options for providing planning advice and execution of the response, recovery, and mitigation plan (in conjunction with the Governor's designee).

Option	Timing	Activities
Base Period	Base period of 8 weeks total for Tasks 1-12	<ul style="list-style-type: none"> • Develop initial implementation roadmap for NJEDA and Office of Governor to support economic recovery plan
Option 1	Base Period plus additional 6 weeks for Tasks 3-7	<i>Base Period activities, plus:</i> <ul style="list-style-type: none"> • Create in-depth implementation roadmap (e.g., by signature initiative) for NJEDA and Office of Governor to support economic recovery plan
Option 2	Base Period plus additional 14 weeks for Tasks 3-7	<i>Base Period and Option 1 activities, plus:</i> <ul style="list-style-type: none"> • Develop detailed playbooks to support ongoing implementation and execution of economic recovery and mitigation plan between NJEDA and Office of Governor (e.g., detailed playbook for overall interaction and operating model between groups)
Option 3	Base Period plus additional 22 weeks for Tasks 3-7	<i>Base Period and Option 1-2 activities, plus:</i> <ul style="list-style-type: none"> • Develop detailed playbooks to support ongoing implementation and execution of economic recovery and mitigation plan between NJEDA and Office of Governor for overall structure and by signature initiative (e.g., detailed playbooks for overall interaction and operating model as well as signature initiatives)

Task 8. Advise on productive working relationships with non-governmental organizations (8 weeks): We will:

- Map top potential non-government partners to support economic recovery efforts by type (e.g., philanthropies, aid groups).
- Assess key motivations and areas of focus for potential partners, mapping how they might best plug into economic recovery plan.
- Share best practices on how other states are working successfully with non-government organizations in response to COVID-19 and how they have done so in past crises (e.g., natural disasters).
- Develop a perspective on the most productive working model across different non-governmental organizations, leveraging internal motivations and best practices from other states.

Task 9. Advise on productive relationships with statewide and local business groups (8 weeks): We will:

- Map top potential business groups to support economic recovery efforts by type (e.g., business associations, chambers of commerce).
- Assess key motivations and areas of focus for potential partners, mapping how they might best plug into economic recovery plan.

- Share best practices on how other states are working successfully with various business groups in response to COVID-19 and how they have done so in past crises (e.g., natural disasters).
- Develop a perspective on the most productive working model across different business groups, leveraging internal motivations and best practices from other states.

Workstream 3 – Economic Recovery Strategy:

We will refine and reimagine New Jersey's economic development strategic plan in light of the COVID-19 pandemic. Our approach includes the following tasks:

Task 10. Revise and refine 2018 State of Innovation: A Stronger and Fairer NJ Economy comprehensive economic development strategy (8 weeks): We will:

- Re-examine 2018 State of Innovation plan goals in light of COVID-19 to understand the current starting point.
- Develop a perspective on key changes in assumptions, facts, and context since the plan was originally drafted.
- Estimate performance of peer states on which 2018 goals were set to establish a new benchmark.
- Develop and quantify new strategic goals in light of the COVID-19 crisis.
- Assess key strategic pillars of the 2018 State of Innovation plan and identify how, if at all, priorities have changed due to the pandemic.
- Prioritize and/or re-affirm strategic pillars.
- Provide outside-in perspective on how other state economic development plans and priorities have evolved (or are evolving) in light of COVID-19.
- Define new priorities and initiatives given the updated context.
- Consider ways NJEDA's organizational structure and operating model may need to change to deliver on the updated plan.

Task 11. Support NJEDA and any interagency working groups focused on developing and implementing an economic recovery strategy (8 weeks): We will:

- Assess key stakeholders needed to support the economic recovery strategy.
- Support the group in articulating a charter, roles, and working norms.
- Convene the group once or twice to gather feedback on the emerging recovery strategy.
- Hold ad-hoc meetings with key interagency working group members to help flesh out elements of the economic recovery strategy.

Task 12. Identify new programs and policies to provide support for impacted segments of New Jersey's economy (8 weeks): We will:

- Examine existing 2018 State of Innovation plan programs and policies and identify how, if at all, programs and policies may be more or less relevant in light of COVID-19.
- Source ideas from other countries, states, and cities on innovative economic programs and policies being considered in response to COVID-19 and/or implemented in past crises (e.g., natural disasters).
- Develop a prioritization framework and criteria by which potential programs and policies can be assessed.
- Prioritize potential programs using the framework and criteria.
- Develop three to five detailed program and/or policy initiatives for the economic recovery strategy (e.g., how it would work, estimate impact, partners required).
- Update consideration of how the NJEDA operating model and organizational structure may need to change to support new programs and policies.

1.2 Deliverables

We commit to the following deliverables after the initial eight-week period (Base Period):

- Initial economic analysis, including initial assessment of GDP and job losses by sector, geography, and on vulnerable populations

- Economic assessment of projected firm closures by sector and type of firm
- Business and resident sentiment
- Initial assessment of fiscal implications of economic scenarios on state revenues (e.g., taxes, fees)
- Initial outside-in assessment of resources required for two to three key resolution services and people, organizational, and skills required for NJEDA to support economic recovery plan
- Initial implementation roadmap for NJEDA and Office of Governor to support the economic recovery plan
- Perspective on which non-government and business groups might be best to partner with and recommended working models
- Economic recovery plan, including refined goals, programs and policies, and potential changes to NJEDA operating model and organizational structure

For Tasks 3-7, different levels of granularity and specificity in deliverables are possible given the time options noted in the Request for Cost Proposal. We recognize that, given the evolving nature of the COVID-19 crisis, these deliverables may require modification. We will work with NJEDA to document any changes required and do our best to reprioritize deliverables as necessary. We can also adapt our timeline to deploy our full-time team more or less quickly depending on how needs change.

1.3 Our Team

Given the multi-dimensional nature of the COVID-19 crisis and the nature of the tasks included in the Request for Cost Proposal, we have outlined an approach that combines ongoing access to McKinsey's leadership team, subject matter experts, and as-needed surges of research and analytic support throughout the entire period of performance – plus a four-week surge of a dedicated team. This team structure will allow the work to ramp-up as requested, surge with focused support to drive quick progress on the most time-intensive deliverables, and then provide ongoing counsel, analysis, and refinement over the longer period.

Our leadership team throughout the period of performance will include Steve Van Kuiken (Senior Partner), David Nuzum (Senior Partner), Mike Kerlin (Partner), Sarah Tucker-Ray (Partner), Maurice Obeid (Partner), Eric Schweikert (Senior Expert), Ryan Harper (Associate Partner), JP Julien (Engagement Manager), and Emilie Leforestier (Engagement Manager). We will draw in additional expertise from leading McKinsey experts in public health and healthcare, fiscal/tax assessment, economic development, and crisis and disaster response, and bring in analytic support from our research and insights team as needed.

As part of our global and US efforts supporting institutions on the COVID-19 crisis, we have stood up a central COVID-19 Response team for the US public sector in addition to a Global Public Sector COVID-19 Response team. These central teams ensure best practices and learnings gathered in supporting COVID-19 responses efforts globally can help inform New Jersey's response. We also have dedicated COVID-19 response teams by sector (e.g., banking, real estate, pharmaceuticals, retail, logistics) who can give NJEDA and the State unparalleled insight into the concerns, likely responses, and industry dynamics as the crisis evolves.

Our four-week surge of support will include a full-time Engagement Manager plus three dedicated Associates and/or Analysts. See **Appendix A** for additional details on our team and proposed staff.

2.0 COST PROPOSAL

McKinsey & Company, Inc. Washington D.C. (McKinsey) is renegotiating its General Services Administration (GSA) Schedule Contracts with the GSA and has agreed through a bilateral modification that during such contract renegotiations, McKinsey will refrain from accepting new awards under its GSA Schedule Contracts. McKinsey's agreement with GSA to refrain from accepting new GSA contract awards does not affect McKinsey's ability to accept this contract modification as this Contract is not issued as an order under our GSA Schedule Contracts.

These are extraordinary, unprecedented times across the world, and we recognize that governments, citizens, and businesses are all in uncharted territory. Government organizations and agencies are being asked to respond quickly and efficiently to multiple topics (e.g., healthcare, supply chain management, service operations, economic stability/recovery, employment). We view government organizations and agencies as critical drivers and central stabilizers to society's ability to respond and recover.

In recognition of this critical time, we have developed new philanthropic prices for all US public sector work directly related to the response to, and recovery from, COVID-19. This applies only to COVID-specific work and is not applicable for scopes of work that do not directly relate to COVID. For the proposed scope of work hereunder, we will be offering NJEDA our [REDACTED] structure that is distinct from our commercial team structure and includes focused research, analytics, and content specialists dedicated to the COVID response, recovery, and mitigation.

As noted in the description of our team above, we have outlined an approach that combines ongoing access to McKinsey's leadership team, subject matter experts, and as-needed surges of research and analytic support throughout the entire period of performance – plus a four-week surge of a dedicated team.

This is reflected in our cost proposal by a combination of [REDACTED] [REDACTED], which gives support via our leadership team and experts on an ongoing basis; management workshops, which allow us to deploy Engagement Managers and Associate team members for short periods in support of specific working sessions, in addition to our Leadership Counseling baseline of support; and the four-week surge of a dedicated team [REDACTED]

This team structure will allow the work to ramp-up as requested, surge with focused support to drive quick progress on the most time-intensive deliverables, and then provide ongoing counsel, analysis, and refinement over the longer period.

McKinsey has proposed a fee of \$242,000 for the initial work of Tasks 1-12 across the initial four weeks of the project such that we can begin this urgent work on behalf of NJEDA under the "not to exceed" threshold of \$250,00 defined in NJEDA's Statement of Work request. McKinsey does not anticipate completing any of Tasks 1-12 within the \$250,000 budget.

We propose to complete the deliverables defined in **Section 1.2** with a combination of leadership counseling, management workshops, and our [REDACTED] a team size necessary to complete the breadth of scope in the speed required by the State (**Exhibit 7**). We see important opportunities for efficiency and effectiveness by completing all tasks within the same integrated team, which is why we have not proposed separate teams to develop a price per task. We believe this results in the best value to NJEDA as our overall price is typically significantly lower for an integrated award vs. the sum of individual task-based pricing amounts.

Exhibit 7: [REDACTED]

McKinsey COVID	Full-time Dedicated Consultant Team	Part-time Leadership Team and Additional Resources
[REDACTED]		

Exhibit 8 and the attached cost proposal spreadsheet entitled “GSA 080 COVID-FEE SCH-BAL OF WORK (4-27-20)_McKinsey” include McKinsey’s proposed pricing to complete all Tasks (including 2 weeks of Task 3 – 7 support) in the Base Period, as well as additional Options which include the Base Period services plus incrementally increasing the length of Task 3 – 7 support, as requested within the NJ EDA revised Statement of Work dated April 27, 2020. McKinsey’s below proposed prices for the Base Period and each Option assume and are contingent on Tasks 1-12 being awarded concurrently to McKinsey. In accordance with Section 4.4.5.3 of NJ EDA’s 2018-GSA-RFQ-080 Economic Consulting Services contract, McKinsey is not including our standard travel costs, which usually account for an additional [REDACTED] of our [REDACTED] price.

Please note below that we recommend the Leadership Counseling and Management Workshop bundles are used during the same weeks, so the “units” column does not translate to total weeks once summed; rather, total weeks of support is noted in the header for the base period (8 weeks), and each of the options (also reflected in the workplan above).

Exhibit 8: McKinsey's proposed price

Tasks	Team	Proposed Rate	Units	Total Price
Base Period (includes 2 weeks of Task 3 – 7 Support) – 8 weeks total				
Tasks 1 - 12	Leadership Counseling	\$27,000	4	\$108,000
	Management Workshop	\$33,500	4	\$134,000
	Team C	\$165,000	4	\$660,000
Total Firm-Fixed-Price – Base Period				\$902,000
Option 1 (Base Period plus additional 6 weeks of Tasks 3-7 Support) – 14 weeks total				
Base Period	Leadership Counseling	\$27,000	4	\$108,000
	Management Workshop	\$33,500	4	\$134,000
	Team C	\$165,000	4	\$660,000
Additional Task 3 – 7 Support	Leadership Counseling	\$27,000	6	\$162,000
	Management Workshop	\$33,500	6	\$201,000
Total Firm-Fixed-Price – Option 1				\$1,265,000
Option 2 (Base Period plus additional 14 weeks of Tasks 3-7 Support) – 22 weeks total				
Base Period	Leadership Counseling	\$27,000	4	\$108,000
	Management Workshop	\$33,500	4	\$134,000
	Team C	\$165,000	4	\$660,000
Additional Task 3 – 7 Support	Leadership Counseling	\$27,000	14	\$378,000
	Management Workshop	\$33,500	14	\$469,000
Total Firm-Fixed-Price – Option 2				\$1,749,000
Option 3 (Base Period plus additional 22 weeks of Tasks 3-7 Support) – 30 weeks total				
Base Period	Leadership Counseling	\$27,000	4	\$108,000
	Management Workshop	\$33,500	4	\$134,000
	Team C	\$165,000	4	\$660,000
Additional Task 3 – 7 Support	Leadership Counseling	\$27,000	22	\$594,000
	Management Workshop	\$33,500	22	\$737,000
Total Firm-Fixed-Price – Option 3				\$2,233,000

We look forward to the opportunity to serve the Authority on this critical effort and believe our proposal demonstrates our commitment to supporting the Authority, our partnership to help the Authority continue to achieve its mission, and the ultimate best value to the Authority for this requirement.

3.0 ASSUMPTIONS

McKinsey's approach to providing the services proposed hereunder (the "Services") and the updated corresponding price are based on the following assumptions:

1. We expect to need to work fully virtually given the current situation. We would be open to discussing whether limited exceptions to this might be justified from time to time, dependent on the safety considerations.

2. McKinsey's work for NJEDA is confidential and intended for NJEDA's internal use only. In order to promote true neutrality on issues, provide an environment for uncensored guidance for our clients, ensure compliance with our contract confidentiality requirements, and better empower our clients, McKinsey does not advocate, present findings, or consent to public references in any public meeting, writing, or other public forum. McKinsey may disclose that we have been retained by the NJEDA and a general description of the Services. In consideration for its services, NJEDA agrees not to use McKinsey's name or refer to McKinsey's work outside its organization without McKinsey's prior written permission. NJEDA also understands that McKinsey will not advocate, present findings, or speak on NJEDA's behalf in any public forum without specific written authorization and agreement.
3. McKinsey does not provide categorical recommendations on matters of public policy; but rather, provides fact-based analysis and framing of options and trade-offs; all authority for policy decisions shall continue to reside with NJEDA leadership. We will not make any policy or regulatory recommendations, nor otherwise engage in the NJEDA's policy-making and regulatory decision-making. We will also not directly participate in any engagement with NJEDA's external stakeholders. All output and insights that we generate will be the sole property of the NJEDA.
4. These services as covered countermeasures to the COVID-19 epidemic under the US Department of Health and Human Services' February 4, 2020 Declaration pursuant to the Public Readiness and Emergency Preparedness Act.
5. The Services shall not be deemed medical, investment, legal, tax, accounting or other regulated advice, such as professional advice normally provided by licensed or certified practitioners, and do not constitute policy advice. McKinsey does not supplant the NJEDA's management or other decision-making bodies and does not guarantee results. McKinsey's Services are an extension of and supplement to the government functions performed by the client. NJEDA and other State agency leaders remains solely responsible for their decisions (including policy decisions), actions, use of the deliverables and compliance with applicable laws, rules and regulations. In no event shall McKinsey's liability to the NJEDA in connection with the Services exceed the fees paid by NJ EDA for the Services. Neither party will be liable for any lost profits or other indirect, consequential, incidental, punitive or special damages.
6. NJEDA agrees to hold harmless and not pursue claims or suits against McKinsey for any losses, damages, costs or expenses arising out of the provision of these Services. Should third party suits be filed against McKinsey or the NJEDA arising out of the provision of these Services, the Parties agree to cooperate with each other during such litigation, including the timely provision of documents and witnesses to each other as well as the filing of supportive documents and briefs in such litigation.
7. NJEDA acknowledges and agrees that the situation around COVID-19 is highly dynamic, evolving rapidly, subject to significant uncertainty, a lack of reliable information and other events completely beyond the Parties' control. McKinsey's Services are being provided on an expedited basis and may not have the benefit of certain detailed analyses in performing the Services. NJEDA will review and approve or concur in McKinsey's work, including its methodologies and approaches, in carrying out the Services. In order to be able to complete the Services, McKinsey will rely on the NJEDA's timely cooperation, including the NJEDA making available relevant data, information and personnel; performing any tasks or responsibilities assigned to NJEDA leadership and staff; and notifying McKinsey of any issues or concerns that the NJ EDA may have relating to the Services.
8. Warranty: the information included in the Deliverables is intended to inform management judgment only and will not contain, nor are they for the purpose of constituting or informing, policy judgments or advice. McKinsey emphasizes that statements of expectation, forecasts and projections relate to future events and are based on assumptions that may not remain valid for the whole of the relevant period. McKinsey expresses no opinion as to how closely the actual results achieved will correspond to any statements of expectation, forecasts or projections. McKinsey makes no representation or warranty of any kind, express or implied, regarding the accuracy, adequacy, validity, reliability, availability or completeness of any information in the Deliverables. NJEDA agrees not to make any representations or warranties regarding the accuracy, adequacy, validity, reliability, availability or completeness of any information in the Deliverables.
9. NJEDA INDEMNITY FOR THIRD PARTY LIABILITIES

McKinsey shall be reimbursed by the NJEDA for liabilities (and expenses incidental to such liabilities, such as defense costs and expert fees), to third parties, including business entities, not compensated by insurance without regard to and as an exception to any limitation of cost or limitation of funds clause in McKinsey's Contract resulting from 2018-GSA-RFQ 080. These reimbursable liabilities must arise out of the performance of the Services, whether or not caused by the negligence or the gross negligence of McKinsey or of McKinsey's agents or employees and must be represented by final judgments or settlements approved in writing by the NJEDA. These reimbursable liabilities are for: i-- the loss of or damage to property, (other than property owned, occupied or used by McKinsey, rented or in the care, custody or control of McKinsey); ii-- third party business interruption or economic loss claims; and iii—third party death and injury.

If any suit or action is filed by third parties against McKinsey arising out of the latter's performance of the Services, McKinsey will notify the NJEDA of such suit or action. The NJEDA and McKinsey will collaborate in defending or settling the claim if the claim exceeds McKinsey's insurance coverage. The NJEDA and McKinsey agree to cooperate with each other in defense of such claims, including the timely provision of witnesses, documents and supportive briefs and filings in such litigation.

10. Intellectual Property: If McKinsey's pre-existing tools are to be provided to NJEDA during the course of this effort, McKinsey and NJEDA will negotiate a commercial license ("Solutions Agreement") permitting the NJEDA (and its authorized users) to use the services and tools that constitute McKinsey's background intellectual property (not including copyrighted works first produced or created under this Contract). This Solutions Agreement will replace other data rights provisions and clauses. McKinsey assumes that the NJEDA will enter into reasonable negotiations for a Solutions Agreement to take place after contract modification award to cover the Services that allow McKinsey to deliver impact to NJEDA while protecting its proprietary data.

Appendix A: Proposed Personnel Bios

Dedicated Leadership Team

Our leadership team is dedicated to the effort engagement throughout the period of performance.

Steven Van Kuiken, Senior Partner

Steve Van Kuiken is a Senior Partner with McKinsey's New Jersey Office and a leader of McKinsey's Business Technology Practice. He focuses on public sector clients in strategy development, organization, operations, and technology. He has led major technology-enabled performance transformations for large organizations in both the private and public sectors. Additionally, he has spearheaded large public finance and economic development initiatives, including for the Energy Resilience Bank for New Jersey. He is the overall leader of our service to the State of New Jersey.

David Nuzum, Senior Partner

David Nuzum is a Senior Partner in McKinsey's New York Office. He has spent more than 20 years working with the management teams of leading public and private sector healthcare organizations. David co-leads the Firm's knowledge development on health economics and healthcare payment reform and implications for Medicaid, Medicare, and private payers and providers. He leads our Healthcare Innovation Practice and has supported and led project management teams across multiple state-led initiatives, including payment reforms, as well as expansions of insurance coverage through Medicaid as well as Individual/Small Group Health Insurance Exchanges. He is a leader of our ongoing service to the State of NJ and is deeply involved in COVID-19 response efforts across multiple states.

Mike Kerlin, Partner

Mike Kerlin is a Partner based in McKinsey's Philadelphia Office and a leader in our Infrastructure, Public Sector, and Organization Practices. He has led dozens of strategy and transformation engagements across state government agencies, quasi-governmental, and private sector entities. Mike has conducted extensive research on New Jersey's economic growth and co-authored Re-Seeding the Garden State's Economic Growth: A Vision for New Jersey. He has been an ongoing leader of our service to New Jersey, including on the Stronger and Fairer Plan. He has also helped several states facing fiscal crises to restructure budgets, prepare response centers, and assess impacts.

Sarah Tucker-Ray, Partner

Sarah Tucker-Ray is a Partner and leader in McKinsey's Public Sector Practice who serves the public sector on the federal, state, and local levels to develop strategies and improve operations. She has helped organizations conduct strategic reviews of their organizational structure, operating model, budget, and IT, and then design and deliver major change programs to achieve increases in effectiveness and efficiency. She is an ongoing leader of our service to New Jersey, including on the Stronger and Fairer Plan. She has helped several states facing fiscal crises to restructure budgets, prepare response centers, and assess impacts. She has deep expertise in economic and fiscal modeling. She has also supported several organizations, including governments, in crisis response, including after natural disasters. One example was in helping expedite distribution of recovery funds in post-Katrina New Orleans. Prior to her seven years at McKinsey she worked in two local governments, three federal agencies, and with the White House Domestic Policy Council.

Maurice Obeid, Partner

Maurice Obeid is a Partner in McKinsey's New York office with core expertise in local and state government, focusing on economic development and resident experience. Maurice has led support to New York City (NYC) and New York State on a range of topics. Over the years, Maurice led support of the creation of NYC's multiple long-term strategic and \$90B capital plans (e.g., OneNYC), working with 50+ agencies. As a result of the plan 519K New Yorkers have been lifted out of poverty; 87.5K affordable housing units financed; 70K children enrolled in pre-Kindergarten; greenhouse gas reduced by 15%, among other successes. Maurice is also leading our support for New York State on COVID-19. Outside of

COVID-19, Maurice also led our support for NYC in the aftermath of Superstorm Sandy. He brings crisis response and economic development expertise to New Jersey, including connection to regional considerations.

JP Julien, Engagement Manager

JP Julien is an Engagement Manager in McKinsey's Philadelphia office who has a passion for helping public and private sector organizations invest in physical infrastructure and real estate. As a part of McKinsey's Public and Social Sector Practice, JP primarily serves city and state governments on economic development, real estate, and asset monetization strategy and supports private sector and place-based investors in real estate and infrastructure. During his time at McKinsey, JP has worked with more than eight city and state governments and three private real estate owners on economic development topics. He was McKinsey's project manager for prior work with NJEDA and will continue to advise the team.

Ryan Harper, Associate Partner

Ryan Harper is an Associate Partner in McKinsey's New Jersey Office with experience in translating strategy to operations, public finance, risk management, and customer experience. At McKinsey, Ryan has supported large-scale transformations, including capability building of strategic planning, risk management, and performance culture shifts, in both the private and public sector, with a focus in serving public finance agencies, including designing the risk management function at a major public sector financial institution. Prior to McKinsey, during his 5+ years of government experience, he worked at the White House and varying federal agencies helping lead transformational change and implementation of strategic priorities, including on crisis-related topics.

Eric Schweikert, Senior Expert

Eric Schweikert is a Senior Expert based in McKinsey's Washington DC office. He brings highly relevant experience as Program Director in the IRS's Office of Compliance Analytics, where he led teams that delivered more than \$10B of revenue protection via the innovative application of data analytics in a government context. Eric also brings over 25 years of experience leading analytics and innovation. He served as a divisional CFO at Capital One and served as CFO of two fast-growing medium-sized businesses: Merchant Customer Exchange, a mobile-payments joint venture funded by 40 of America's largest retailers, and Share Our Strength, a national non-profit. At McKinsey he supports public sector finance organizations covering tax, customs, and benefits, and specializes in applying analytics to solve real-world problems like combatting fraud, waste, and abuse, increasing revenue, and optimizing collections activities. He has supported states in fiscal crisis to estimate impacts and prepare to respond.

Emilie Leforestier, Engagement Manager

Emilie Leforestier is an Engagement Manager in McKinsey's New York Office and member of McKinsey's Public and Social Sector Practice focused on advising city, state, and federal clients on a range of topics including higher education, sustainability, healthcare, and community building. While at McKinsey, she was seconded to a US Agency for International Development project in Amman, Jordan, where she led a team focused on making the Jordanian healthcare system (e.g., hospitals and clinics, clinical trial groups) better organized and fitted to care for foreign nationals. Prior to joining McKinsey, Emilie worked for two European Union (EU) institutions, the European Investment Fund and European Investment Bank. At the Fund, she helped create funds and guarantee facilities in partnership with EU Member States in order to boost job creation. At the Bank, she worked on topics related to strategy, effectiveness, and performance management. She has been a leader of McKinsey's support to New Jersey on economic and fiscal questions to date and will continue to advise the team.

Public Health & Healthcare Experts

Matt Wilson, Senior Partner

Matt Wilson is a Senior Partner in McKinsey's New York Office and the leader of McKinsey's Global Public Health Practice. He splits his time between the private and public sectors, serving a mix of pharma,

biotech, CRO, regulators, foundations, product development and ministries of health. Specifically, within public health, he has focused on innovation and R&D, working to develop new drugs, vaccines, diagnostics, and delivery innovations and scaling them. In addition, he has worked extensively in Africa and has served over 15 ministries of health on related topics. He is one of the core leaders of McKinsey's COVID-19 response globally.

Matt Craven, M.D., Partner

Matt Craven is a Partner in McKinsey's Silicon Valley office. He is a physician and public health expert focused in infectious diseases. At McKinsey, Matt focuses on HIV/AIDS, tuberculosis, and malaria as well as infectious disease outbreaks and vaccine preventable diseases. He has more than 18 years of experience of public health, including 5 years spent leading infectious disease programs in sub-Saharan Africa. Matt has worked extensively on outbreak preparedness and response. During the 2014-15 Ebola epidemic, he took a leave of absence from McKinsey to lead field operations for the World Health Organization (WHO) Ebola response in Sierra Leone, in which role he oversaw a response team of more than 250 through the peak of the country's epidemic. Since returning to McKinsey he has supported major programs of outbreak preparedness in Africa, Latin America, and the Caribbean, supporting ~15 countries in total. He has designed a suite of materials for building country preparedness as well as a simulation package to practice response skills. He is the public health response lead for McKinsey's central COVID-19 efforts.

Ellen Feehan, M.D., Partner

Ellen Feehan is a Partner in our New Jersey and Philadelphia offices. She works with both payor and provider health systems and across public sector, non-profit and social sector organizations. Her work focuses on major system transformations and caring for vulnerable populations. She recently supported a US city in their opioid crisis response. She is a former plastic and reconstructive surgeon and was previously a member of Ireland's Department of Foreign Affairs Rapid Response Corps for Humanitarian Disasters. She has experience supporting humanitarian relief efforts in West Africa and Pakistan. She was also part of the WHO team that succeeded in getting surgical care ratified as a universal right by the World Health Assembly in 2015. During her time at the WHO she modeled the requirements for basic surgical care across all low and middle income countries globally.

Adi Kumar, Partner

Adi Kumar is a Partner with McKinsey and a leader in the Firm's Healthcare Services and Solutions Practice. Adi has spent his career working with management teams at senior levels of government and healthcare organizations. He co-leads McKinsey's knowledge development on episode-based payment for Medicaid, Medicare, and commercial insurers. He serves both public and private payors on a range of topics, including design and implementation of programs in payment innovation, technology enablement, private exchange strategy, corporate strategy. He has expertise in federal government interaction and design, federal funding initiatives, large-scale stakeholder and process management, and budgetary planning and management. He is leading McKinsey's US Public Sector Central Team for COVID-19.

Pooja Kumar, M.D., Partner

Pooja Kumar is a Partner who leads our firm's knowledge development on ambulatory and academic medical center operations and strategy, with expertise in health system operational transformations as well as growth and partnership strategies in markets experiencing payment reform. A physician by trade, Pooja focuses on health system performance transformations as well as growth and partnership strategies in markets experiencing payment reform. She has worked across public- and private sector institutions and for both not-for-profit and for-profit health systems, and she leads much of McKinsey's academic medical center work. Pooja also co-leads McKinsey's knowledge development on physician strategy, including improving access to practices and operational enhancement, physician behavior and attitudes on innovative payment models and risk, and alignment strategies between physician practices and systems. Recent engagements include a comprehensive cost- and revenue-side transformation for a nationally leading academic health system, improving patient access and medical-group performance in

multiple markets, and multiple partnership strategies between academic medical centers and community systems. She is leading McKinsey's support to federal COVID-19 response focused on health care.

Fiscal/Tax Assessment Experts

Sara O'Rourke, Associate Partner

Sara O'Rourke is an Associate Partner in McKinsey's Washington, D.C. office where she primarily focuses on driving effective financial management, fiscal management, and government performance at the federal and state levels, including through leveraging next generation technologies and advanced analytics. She has also served a variety of public and development finance institutions on operational, organizational, strategic, and technology transformations. She has supported US states in fiscal crisis to develop response plans, including deep analysis across all state agencies.

Todd Wintner, Partner

Todd Wintner is a Partner in McKinsey's Washington D.C. office with over 20 years of experience supporting state and local clients, including many higher education institutions, on topics related to budgeting and spending reviews, and corporate and lifelong learning. Todd is a leader in McKinsey's Public Finance and Education Practices and has served clients across North and Latin America on fiscal issues. He has helped senior government offices at both the state and federal levels quickly diagnose productivity gaps, hidden drivers on operational spend, and workforce challenges across agencies. He has helped reform a wide range of government service programs, from healthcare to social benefits to pensions. He also has experience conducting deep expenditure reviews and operational transformations, with a focus on state education agencies and institutions of higher education. He is leading McKinsey's central research into the potential federal stimulus package(s) and how that funding will flow to states.

Economic Analysis Experts

Susan Lund, Partner

Susan Lund is a Partner and a leader of MGI, based in Washington, DC. She is an expert on global labor markets, financial markets, and trade. Her latest research assesses how new technologies and shifts in demand are impacting global trade and value chains. Recent research analyzed the effects of automation and AI on the future of work and workforce skills; provided new evidence on the size and motivations of the gig economy in the US and Europe; quantified the potential economic impact of digital finance and mobile money in developing countries; and assessed the continuing accumulation of global debt and potential risks. She is leading McKinsey's COVID-19 economic impacts modeling globally, and is our lead Partner supporting our joint research with Oxford Economics into state-level economic impacts, including estimating jobs at risk.

Crisis and Disaster Recovery Experts

Linda Liu, Partner

Linda Liu is a Partner in McKinsey's New York Office, where she is a core member of the Risk practice, specializing in enterprise risk management, regulatory remediation in crisis situations, and large-scale change efforts to enhance the resiliency of institutions. She was the core engagement manager on a top-five US city's economic and fiscal strategy, including stress-testing response under several scenarios. As part of her work serving clients responding to regulatory demands, she has successfully developed strategic plans, conducted effective organizational and operational assessments, performance driver assessments and analysis, as well as requirements gathering, implementation planning, change management, and general project management initiatives. In addition to her work with McKinsey, Linda served a year in East Africa as a volunteer consultant with TechnoServe, working with the Bill & Melinda Gates Foundation and the Coca-Cola Foundation on topics such as small-scale entrepreneurship and food security. She is a core member of the firm's central COVID-19 crisis response effort, researching how organizations are building and operating "nerve centers" and other operations centers.

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

ADDITIONAL WORK CLAUSE PER 2018 GSA-RFQ 080 CONTRACT

ECONOMIC IMPACT OF COVID-19 VIRUS

SECTION 1 - INITIAL FEE SCHEDULE (NOT TO EXCEED \$250,000.00)

McKinsey & Company, Inc. Washington D.C. ("McKinsey") is renegotiating its U.S. General Services Administration ("GSA") schedule contracts with the GSA and has agreed through a bilateral modification that during such contract renegotiations, McKinsey will refrain from accepting new awards under its GSA schedule contracts. McKinsey's agreement with GSA to refrain from accepting new GSA contract awards does not affect McKinsey's ability to accept this contract modification as this contract is not issued as an order under our GSA Schedule Contracts.

In recognition of this critical time, we have developed new philanthropic prices for all U.S. public sector work directly related to the response to, and recovery from, COVID. This applies only to COVID-specific work and is not applicable for scopes of work that do not directly relate to COVID. For the proposed scope of work hereunder, we will be offering the NJ EDA our COVID-only team bundle structure, that is distinct from our commercial team structure, and includes focused research, analytics, and content specialists dedicated to the COVID response, recovery, and mitigation.

ATTACH A SEPARATE SHEET, INDICATING NAME(S) & TITLE(S) OF ALL INDIVIDUALS COMPRISING THE TEAM(S). (NOTE: Make sure you provide a resume for each person named)

A	B	C	D	E	F	G	H	I	J
Scope of Work Tasks	INDICATE TEAM BEING UTILIZED, PER COVID-19 TEAM STRUCTURE	INDICATE ONE (1) WEEKLY "CEILING" PRICE FOR INDICATED TEAM, EQUIVALENT TO WHAT IS OFFERED IN THE COMMERCIAL MARKETPLACE	INDICATE "LOWER" COVID-19 WEEKLY RATE FOR INDICATED TEAM	INDICATE TOTAL NUMBER OF HOURS/WEEK FOR TEAM COST PROVIDED	INDICATE TOTAL NUMBER OF BUSINESS WEEKS REQUIRED FOR EACH TEAM BUNDLE	TOTAL TEAM PRICE TO BEGIN ALL TASKS (NOTE: If offering a "LOWER" Weekly Rate, Column D, use this cost for the TOTAL COST CALCULATION)	OPTION 1: Base Period plus additional 6 weeks of Tasks 3-7 support	OPTION 2: Base Period plus additional 14 weeks of Tasks 3-7 support	OPTION 3: Base Period plus additional 22 weeks of Tasks 3-7 support
N/A	Leadership Counseling	\$ 42,500.00	\$ 27,000.00	McKinsey's commercial rate card consists of a weekly price for each team bundle. McKinsey's rates are not based on a cost buildup nor the cost of personnel deployed. Rather, the rates are based upon the value that our clients attribute to our work, competition, and related market factors. Consistent with our commercial pricing approach, we do not have a system to track hours, and as such, we do not translate our team price into hours worked by week.	4	\$108,000.00			
	Management Workshop	\$ 52,500.00	\$ 33,500.00	McKinsey's commercial rate card consists of a weekly price for each team bundle. McKinsey's rates are not based on a cost buildup nor the cost of personnel deployed. Rather, the rates are based upon the value that our clients attribute to our work, competition, and related market factors. Consistent with our commercial pricing approach, we do not have a system to track hours, and as such, we do not translate our team price into hours worked by week.	4	\$134,000.00			
McKinsey does not anticipate completing any of Tasks 1 - 12 within the \$250,000 budget. Therefore, the proposed price of \$242,000 is for McKinsey's initial work on Tasks 1 - 12, across four total weeks.									
TOTAL VALUE OF COLUMNS G, H, I & J NOT TO EXCEED INITIAL \$250,000.00						\$242,000.00	\$	\$	\$

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

2018 GSA-RFQ 080 CONTRACT

ECONOMIC IMPACT OF COVID-19 VIRUS

SECTION 2 - BALANCE OF WORK FEE SCHEDULE	
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McKinsey & Company, Inc. Washington D.C. ("McKinsey") is renegotiating its U.S. General Services Administration ("GSA") schedule contracts with the GSA and has agreed through a bilateral modification that during such contract renegotiations, McKinsey will refrain from accepting new awards under its GSA schedule contracts. McKinsey's agreement with GSA to refrain from accepting new GSA contract awards does not affect McKinsey's ability to accept this contract modification as this contract is not issued as an order under our GSA Schedule Contracts.

In recognition of this critical time, we have developed new philanthropic prices for all U.S. public sector work directly related to the response to, and recovery from, COVID. This applies only to COVID-specific work and is not applicable for scopes of work that do not directly relate to COVID. For the proposed scope of work hereunder, we will be offering the NJ EDA our COVID-only team bundle structure, that is distinct from our commercial team structure, and includes focused research, analytics, and content specialists dedicated to the COVID response, recovery, and mitigation.

ATTACH A SEPARATE SHEET, INDICATING NAME(S) & TITLE(S) OF ALL INDIVIDUALS COMPRISING THE TEAM(S). (NOTE: Make sure you provide a resume for each person named)

A	B	C	D	E	F	G	H		I			J
Scope of Work Tasks	INDICATE TEAM BEING UTILIZED, PER COVID-19 TEAM STRUCTURE	INDICATE ONE (1) WEEKLY "CEILING" PRICE FOR INDICATED TEAM, EQUIVALENT TO WHAT IS OFFERED IN THE COMMERCIAL MARKETPLACE	INDICATE "LOWER" COVID-19 WEEKLY RATE FOR INDICATED TEAM	INDICATE TOTAL NUMBER OF HOURS/WEEK FOR TEAM COST PROVIDED	INDICATE TOTAL NUMBER OF BUSINESS WEEKS REQUIRED -- Base period of 8 weeks total for Tasks 1-12, inclusive of 2 weeks for Tasks 3-7 as requested	TOTAL TEAM PRICE FOR TASKS 1-12 ACROSS 8 WEEKS, inclusive of (2) weeks for Tasks 3-7 (as requested) (NOTE: If offering a "LOWER" Weekly Rate, Column D, use this cost for the TOTAL COST CALCULATION)	OPTION 1: Base Period plus additional 6 weeks of Tasks 3-7 support		OPTION 2: Base Period plus additional 14 weeks of Tasks 3-7 support		OPTION 3: Base Period plus additional 22 weeks of Tasks 3-7 support	

		INDICATE TOTAL NUMBER OF BUSINESS WEEKS REQUIRED FOR ADDITIONAL TASK 3 - 7 SUPPORT	Total team price for additional Task 3 - 7 support within Option 1	INDICATE TOTAL NUMBER OF BUSINESS WEEKS REQUIRED FOR ADDITIONAL TASK 3 - 7 SUPPORT	Total team price for additional Task 3 - 7 support within Option 2	INDICATE TOTAL NUMBER OF BUSINESS WEEKS REQUIRED FOR ADDITIONAL TASK 3 - 7 SUPPORT	Total team price for additional Task 3 - 7 support within Option 3
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TASKS 1 - 12				McKinsey's commercial rate card consists of a weekly price for each team bundle. McKinsey's rates are not based on a cost buildup nor the cost of personnel deployed. Rather, the rates are based upon the value that our clients attribute to our work, competition, and related market factors. Consistent with our commercial pricing approach, we do not have a system to track hours, and as such, we do not translate our team price into hours worked by week.		
	Team C	\$ 235,000.00	\$ 165,000.00		4	\$ 660,000.00
	Leadership Counseling	\$ 42,500.00	\$ 27,000.00	McKinsey's commercial rate card consists of a weekly price for each team bundle. McKinsey's rates are not based on a cost buildup nor the cost of personnel deployed. Rather, the rates are based upon the value that our clients attribute to our work, competition, and related market factors. Consistent with our commercial pricing approach, we do not have a system to track hours, and as such, we do not translate our team price into hours worked by week.	4	\$108,000.00
	Management Workshop	\$ 52,500.00	\$ 33,500.00	McKinsey's commercial rate card consists of a weekly price for each team bundle. McKinsey's rates are not based on a cost buildup nor the cost of personnel deployed. Rather, the rates are based upon the value that our clients attribute to our work, competition, and related market factors. Consistent with our commercial pricing approach, we do not have a system to track hours, and as such, we do not translate our team price into hours worked by week.	4	\$134,000.00

Additional Tasks 3 - 7 Support within Options 1 - 3	Leadership Counseling	\$ 42,500.00	\$ 27,000.00	McKinsey's commercial rate card consists of a weekly price for each team bundle. McKinsey's rates are not based on a cost buildup nor the cost of personnel deployed. Rather, the rates are based upon the value that our clients attribute to our work, competition, and related market factors. Consistent with our commercial pricing approach, we do not have a system to track hours, and as such, we do not translate our team price into hours worked by week.			6	\$ 162,000.00	14	\$378,000.00	22	\$ 594,000.00
	Management Workshop	\$ 52,500.00	\$ 33,500.00	McKinsey's commercial rate card consists of a weekly price for each team bundle. McKinsey's rates are not based on a cost buildup nor the cost of personnel deployed. Rather, the rates are based upon the value that our clients attribute to our work, competition, and related market factors. Consistent with our commercial pricing approach, we do not have a system to track hours, and as such, we do not translate our team price into hours worked by week.			6	\$ 201,000.00	14	\$469,000.00	22	\$ 737,000.00
TOTAL VALUE OF COLUMNS G, H, I & J - BALANCE OF WORK												
					\$902,000.00	\$	1,265,000.00	\$1,749,000.00	\$	2,233,000.00		