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NOTES:

McKinsey WV Governor CRFP GOV2500000001 Proposal

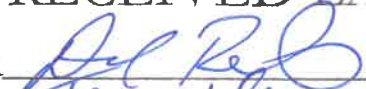
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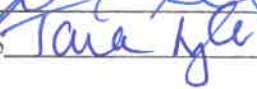
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1.0 McKinsey's best value pricing

("McKinsey") works on a firm-fixed-price (FFP) basis, using a team bundle approach. The team bundles reflect the specific mix of skills, roles, and experience required for engagements and are inclusive of full-time project staff; leadership and experts; and research and administrative support. This integrated set of resources is designed to provide West Virginia's Office of the Governor ("West Virginia") with technical expertise and offer executive-level advice, in-depth private and public sector expertise, quantitative and qualitative analysis, and capability-building for West Virginia personnel. We calculate our fixed price using the weekly team bundle price for a complete team for each specific project, multiplied by the estimated number of weeks. Within that agreed price, we commit to deliver the agreed services and deliverables—adding resources, if necessary, at no additional cost—to ensure delivery of the work.

Our approach to pricing reflects our commitment to bring the best of our firm to each engagement, and to provide a flexible, integrated approach to supporting clients on important and complex issues. Our dedicated engagement team may draw upon this extensive expertise throughout the engagement. The FFP program lends itself to our policy of leveraging the full set of capabilities of our firm—rather than the capabilities of select individuals—in each of our efforts. It ensures that our clients receive the high-quality support they need, and that we bear the risk of delivering the promised results at the quoted price.

1.1 Team-based client service model

We work in teams to provide the most effective and efficient services possible to our clients and ensure that we bring the full set of capabilities of our firm—not just the capabilities of select individuals—to our engagements. When engaging our services, our client not only receives the dedicated support of a full-time team, but also accesses, inclusive in our total price:

- Ongoing and intensive leadership and direction from our partners, who are our senior-most leaders and regular advisors to government executives and CEOs. This core set of leaders on an engagement is responsible for the successful delivery of services. Our partners work directly with the full-time team through problem-solving sessions, document reviews, and impromptu check-ins
- Expert advice on any industry, functional topic, or sector (public, private, social) from additional partners and several thousand knowledge professionals within the firm
- Proprietary McKinsey knowledge from a repository of thousands of documents based on years of our firm's investment in new knowledge and solutions
- A highly trained research team with hubs around the globe, enabling us to perform research around the clock.
- A team of communications, graphics, IT, and administrative specialists who support engagements across industries, functions, and sectors.

We provide these resources at whatever level is necessary to fulfill the demands of the project. These services typically account for several additional full-time equivalents (FTEs) per week of support, depending on the needs of the project. It is through this combination of team expertise and access to McKinsey's worldwide network of professionals that we deliver the maximum value to all our clients.



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Office of the Governor
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CRFP GOV2500000001
July 23, 2025

names, client materials, or reports prepared for clients without their prior written permission. West Virginia also understands that McKinsey will not advocate, present findings, or speak on the West Virginia's behalf in any public forum without specific written authorization and agreement.

2. McKinsey's pricing consists of fixed weekly team bundle rates. McKinsey has proposed a total firm fixed price based on its understanding of the level of effort required in order to meet requirements of the RFP. During performance, McKinsey may make changes to its staffing as far as total number of resources and weeks provided as may be necessary for successful performance of the statement of work. Accordingly, the staffing of our team bundles provided in this proposal are an estimation only but our total firm fixed price, as quoted, shall remain the same.
3. McKinsey (including subcontractors) assumes that pricing for additional work that may result from the Additional/Optional Services exercise will need to be re-examined with accurate scope of work and labor category descriptions to determine accuracy and finalized pricing.
4. McKinsey assumes an annual escalation of 4%, effective in January of each calendar year.
5. McKinsey's price assumes, and is contingent on the assumption, that deliverables will be resourced and completed in parallel which provides cost savings realized through economies of scale and resource synergies of simultaneous performance. McKinsey's firm fixed price for these deliverables is therefore non-severable. If West Virginia does not order all deliverables, McKinsey reserves the right to reprice accordingly.
6. McKinsey and West Virginia will negotiate a commercial license permitting West Virginia (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 commercial license will replace other data rights provisions and clauses, as a result of this award. McKinsey assumes that West Virginia will enter into reasonable negotiations for a commercial license to take place immediately after award to cover the requirements set forth in the RFP; this allows McKinsey to deliver impact to West Virginia while protecting its proprietary data.

McKinsey
& Company

Office of the Governor

Performance Evaluation Audit

Technical Proposal

VENDOR NAME: McKinsey & Company, Inc. Washington D.C.

BUYER: Toby L Welch

SOLICITATION NO: CRFP
GOV2500000001

BID OPENING DATE: Wednesday
July 23, 2025

BID OPENING TIME: 1:30 PM

FAX NUMBER: (304) 558-3970

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**McKinsey
& Company**

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23 July 2025

Toby L. Welch
Senior Buyer
Purchasing Division
Department of Administration
2019 Washington Street East
Charleston, WV 25305-0130

Subject: Office of the Governor – Performance Evaluation Audit, CRFP GOV2500000001

Dear Toby Welch and Members of the Selection Committee:

Please find attached McKinsey & Company, Inc. Washington D.C.'s (McKinsey)'s response to Office of the Governor's Performance Evaluation Audit, CRFP GOV2500000001. We look forward to the potential to serve the Governor's Office.

If you have any questions about our proposal response, please do not hesitate to contact me at +1 901 497 6360 or sarah_tucker-ray@mckinsey.com. For contractual questions, please contact Joe Strubhar, Contracts Manager, at +1 646 633 6924 or joe_strubhar@mckinsey.com and mckinsey_contracts@mckinsey.com.

Sincerely,



Sarah Tucker-Ray, Partner
(901) 497 - 6360 – telephone
sarah_tucker-ray@mckinsey.com

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Exhibit 1: Compliance Table

RFP Requirement	RFP Section	Our TOC Section	Status	Notes
PROJECT SPECIFICATIONS (Section 4)				
Background and Current Operating Environment	4.1	2.1, Exec Sum.	<input checked="" type="checkbox"/>	Covered
Project Goals and Proposed Approach	4.2	2.0	<input checked="" type="checkbox"/>	Covered
- Methodology for identifying areas	4.2.1	2.2, 2.3	<input checked="" type="checkbox"/>	Covered
- Capability to provide studies/analysis	4.2.2	2.3, 2.4	<input checked="" type="checkbox"/>	Covered
- Expert advice and guidance	4.2.3	2.4	<input checked="" type="checkbox"/>	Covered
Project Goals and Objectives	4.3	3.0	<input checked="" type="checkbox"/>	Covered
- Performance evaluation methodology	4.3.1	3.1	<input checked="" type="checkbox"/>	Covered
- Review against industry standards	4.3.2	3.1	<input checked="" type="checkbox"/>	Covered
- Comprehensive performance evaluation	4.3.3	3.2	<input checked="" type="checkbox"/>	Covered
- Methodology for recommendations	4.3.4	3.3	<input checked="" type="checkbox"/>	Covered
- Methodology for recommendations (duplicate)	4.3.5	3.3	<input checked="" type="checkbox"/>	Covered
- Organizational structure analysis	4.3.6	3.4	<input checked="" type="checkbox"/>	Covered
- Benchmarking methodology	4.3.7	3.5	<input checked="" type="checkbox"/>	Covered
- Practical revisions/adjustments	4.3.8	3.6	<input checked="" type="checkbox"/>	Covered
- Project schedule attachment	4.3.9	3.7	<input checked="" type="checkbox"/>	Covered
- Technology environment assessment	4.3.10	3.8	<input checked="" type="checkbox"/>	Covered
- Additional/Optional Services	4.3.11	3.9	<input checked="" type="checkbox"/>	Covered
MANDATORY PROJECT REQUIREMENTS				
Organizational structure review	4.4.1	4.1	<input checked="" type="checkbox"/>	Covered
Policy and compliance analysis	4.4.2	4.2	<input checked="" type="checkbox"/>	Covered
Service inventory	4.4.3	4.3	<input checked="" type="checkbox"/>	Covered
Background information compilation	4.4.4	4.4	<input checked="" type="checkbox"/>	Covered
Stakeholder questionnaire	4.4.5	4.5	<input checked="" type="checkbox"/>	Covered
Project planning and communication	4.4.6	4.6	<input checked="" type="checkbox"/>	Covered
Status reporting	4.4.7	4.7	<input checked="" type="checkbox"/>	Covered
Report development	4.4.8, 4.4.8.1	4.8	<input checked="" type="checkbox"/>	Covered
Content development	4.4.9	4.9	<input checked="" type="checkbox"/>	Covered
Service efficiency recommendations	4.4.10	4.10	<input checked="" type="checkbox"/>	Covered
Security compliance	4.4.11	4.11	<input checked="" type="checkbox"/>	Covered
QUALIFICATIONS AND EXPERIENCE				
General qualifications	4.5.1	5.0	<input checked="" type="checkbox"/>	Covered
- Expertise and experience	4.5.1.1	5.1	<input checked="" type="checkbox"/>	Covered
- Examples of similar projects	4.5.1.2	5.2	<input checked="" type="checkbox"/>	Covered
- Organization definition	4.5.1.3	5.3, 5.4	<input checked="" type="checkbox"/>	Covered
- Demonstrated capabilities	4.5.1.4	5.3	<input checked="" type="checkbox"/>	Covered
- Understanding of required work	4.5.1.5	5.5	<input checked="" type="checkbox"/>	Covered
MANDATORY QUALIFICATIONS				
Structured methodologies	4.5.2.1	6.1	<input checked="" type="checkbox"/>	Covered
Conflict of interest disclosure	4.5.2.2	6.2	<input checked="" type="checkbox"/>	Covered
Data protection compliance	4.5.2.3	6.3	<input checked="" type="checkbox"/>	Covered
Non-disclosure agreement	4.5.2.4	6.4	<input checked="" type="checkbox"/>	Covered
Litigation history	4.5.2.5	6.5	<input checked="" type="checkbox"/>	Covered

VENDOR PROPOSAL REQUIREMENTS (Section 5)				
Two-part submission	5.3.1	Present	<input checked="" type="checkbox"/>	See separate cost volume
Title page requirements	5.3.2	Present	<input checked="" type="checkbox"/>	Need separate title page
Table of contents	5.3.3	Present	<input checked="" type="checkbox"/>	This document
Response reference	5.3.4	Present	<input checked="" type="checkbox"/>	Confirmed here and individual sections
GENERAL TERMS REQUIREMENTS				
Insurance certificates	Section 3, Item 8	6.7	<input checked="" type="checkbox"/>	Covered
Vendor registration	Section 2, Item 12	6.6	<input checked="" type="checkbox"/>	Covered
Certification and signature page	Page 25 of RFP	Appendix A	<input checked="" type="checkbox"/>	See Appendix A
COST PROPOSAL				
Cost sheet (Attachment A)	Attachment A	Present, Sep. Volume	<input checked="" type="checkbox"/>	See separate cost proposal

1.0 Executive Summary

Our team recognizes that this performance evaluation initiative comes at a pivotal moment for West Virginia. Governor Morrisey's administration has inherited significant structural challenges while pursuing an ambitious reform agenda centered on transparency, accountability, and fiscal responsibility. The decision to centralize this evaluation under direct Governor's Office control, with all funding flowing through the executive branch, demonstrates the administration's commitment to coordinated reform rather than fragmented departmental initiatives.

We have studied the recent departmental performance challenges that underscore the critical need for this evaluation. The \$465 million federal funding compliance crisis in education, the Department of Motor Vehicle's recurring mainframe outages that have left citizens without essential services, and the nation's second-highest rate of structurally deficient bridges all illustrate the scope of operational challenges across state government. We understand that West Virginia's citizens deserve a government that delivers value for their tax dollars, and this evaluation represents an opportunity to move beyond crisis management toward operational excellence. To do this, we believe West Virginia can realize an initial high return by focusing on three areas:

- **Overall efficiency efforts.** We understand that West Virginia faces a projected \$400 million budget deficit for FY 2026, with personal income tax collections having declined 24% since FY 2023—creating urgent pressure for government efficiency improvements. The state's demographic challenges—including ongoing population decline and the nation's second-lowest workforce participation rate—compound the difficulty of delivering effective services with shrinking resources. Team McKinsey's proprietary government efficiency research looks across six key levers to identify state cost saving opportunities (Exhibit 4), with Team McKinsey having delivered between \$300M-\$2B savings in multiple other states. As one example, in a similar state Team McKinsey identified almost 500 potential initiatives, with highest potential areas of lean operations, technology modernization, and agile organization delivering significant savings (up to \$950M, \$230M, and \$340M annually, respectively).
- **Customer experience improvements.** In Team McKinsey's proprietary State of the States survey, the nation's most comprehensive evaluation of resident customer experience with state government services, West Virginia demonstrates an opportunity to improve satisfaction with public services by up to 2.6x in comparison with the highest performing states. Government leaders could prioritize the services for improvement and modernization that matter most to residents—Taxes, Medicaid, Public Transit, and Vehicle Services. In Michigan, we addressed operational challenges and enhanced customer experience, achieving significant improvements such as clearing 80% of the fraud backlog in four weeks and reducing Unemployment Insurance calls. See Exhibits 7 & 9 for more information on our research on customer experience in West Virginia.
- **Workforce challenges and quality issues.** The dissolution and restructuring of the Department of Health & Human Resources due in part to a 24% vacancy rate, and the Department of Corrections' staffing crisis requiring National Guard deployment, demonstrate systemic workforce issues requiring comprehensive assessment. Team McKinsey brings a proven approach to diagnosing and addressing workforce challenges. For example, we partnered with a major state Department of Transportation to develop a

machine learning model that forecasted future labor supply and demand, identified critical skill gaps, and translated those insights into actionable strategies. Our work culminated in a two-year plan outlining activities to address talent shortages, build priority skills, and improve long-term performance and productivity.

We understand how important this performance evaluation initiative is to West Virginians. We have tailored an integrated team - comprising McKinsey & Company, Inc. Washington D.C. (McKinsey), The Stephen Group (TSG), Seventeenth Edition (17a), and Celonis - to bring distinctive and tested expertise to support the State in this effort. Our team, referred to as Team McKinsey, is uniquely positioned to partner with the State of West Virginia for the following reasons:

Our firms bring proven experience in government efficiency and performance initiatives of comparable scope and complexity. We recently supported a major transportation agency in identifying \$150 million in annual efficiency opportunities through a comprehensive organizational assessment, while our work with a state government delivered over \$1 billion in identified impact through systematic fiscal baselining and multi-state benchmarking. Additionally, our crisis response capabilities were demonstrated when we helped a state agency clear 80% of its operational backlog within four weeks using advanced analytics and process improvements. Team McKinsey understands West Virginia's unique position where federal funding comprises over 50% of the state budget, creating both opportunities and vulnerabilities that must be carefully considered in our recommendations, particularly given the state's emphasis on regulatory compliance and federal funding optimization.

We bring our leaders and bench of experts with unmatched depth and breadth of expertise relevant to this effort, including in human services programs, public and private sector transportation, organizational health, and operations improvement. Our core team has **80+ years of state and local government experience** including a majority of members that have successfully designed and implemented large-scale programs in other Southeastern states— with a scope that directly translates to the work requested by West Virginia. For example, several leaders served Tennessee on cost efficiency, citizen and employee experience, and overall effectiveness, identifying over \$1 billion in potential impact and a 25% improvement in capital and talent allocation. Similarly, Team McKinsey supported the optimization of Centers for Medicare and Medicaid Services' (CMS's) procurement spend model, enhancing operational efficiency, identifying \$360M+ in value, and building capabilities.

Furthermore, our firms includes a unique mix of leaders who bring practical experience of how to plan and prepare for change. Team McKinsey includes two former state COOs, who together served 5 governors in leading state government transformations, ensuring we bring practical operational improvements and compliance enhancements rather than theoretical transformation models, recognizing the administration's preference for implementable solutions within existing organizational structures. In addition to our core team, Team McKinsey's national model provides access to **100+ experts and advisors with senior executive level government experience** including a former governor, former cabinet secretary and budget director, former head of department of personnel, former Department of Health & Human Services (DHHS) commissioner and Dep. Dir. of Public Safety, former state Dep. Dir. of Digital Innovation, and former Medicaid Director, among many others.

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We understand that our work will be closely coordinated with the Governor's Office through dedicated liaison arrangements, ensuring alignment with administration priorities while maintaining the independence necessary for objective assessment. We also appreciate the integrated approach of evaluating all three departments—Human Services, Homeland Security, and Transportation—under a single engagement. This unified methodology will enable us to identify cross-departmental inefficiencies, shared technology needs, and common process improvements that individual agency reviews might miss. **McKinsey's prior work with West Virginia Forward and The Stephens Group's current work with the West Virginia Home Visiting Program provide an ingoing understanding of the State's stakeholder landscape and unique economic focus areas.** Our responsive stakeholder engagement provides additional coordination, including the flexibility to co-locate with your team and conduct in-person meetings as often as you prefer with the agency leadership, Governor's Office staff, and key stakeholders across the state.

McKinsey's thought leadership on government efficiency transformation, including our recent publications on government productivity¹ and performance for state governments², positions us to bring cutting-edge insights to this evaluation while maintaining focus on practical implementation. The \$800M we strategically invest each year in research and capability-building ensures we can deploy distinctive tools and analytics immediately upon project launch that both deepen and accelerate shaping a tailored roadmap and solutions. For example, our benchmarking and best practices methodology will compare West Virginia's performance against multiple peer states, while our proprietary research on federal funding optimization strategies will inform practical recommendations for enhanced compliance and resource leveraging. In a similar effort, Team McKinsey used these strategies to support Southeastern Pennsylvania Transportation Authority (SEPTA) in assessing its operations, capital, real estate, cash flows, and organization, resulting in approximately \$150 million in annual savings.


Our team recognizes the political context and high-level oversight of this engagement. The Morrissey administration's commitment to eliminating government waste while protecting essential services, combined with the executive orders mandating comprehensive spending reviews and agency performance audits, provides strong executive support for meaningful reform. Our proposed partnership approach ensures that all suggestions will be practical, implementable, and designed to work within West Virginia's fiscal constraints while positioning the state for long-term success through enhanced compliance, improved efficiency, and strengthened accountability mechanisms. This engagement will culminate with the delivery of three comprehensive final reports and accompanying presentation materials demonstrating key insights and opportunities, tailored to each department and supported by ongoing leadership counseling.

¹ McKinsey & Co., "Boosting productivity in the US federal government" April 24, 2025 <<https://www.mckinsey.com/industries/public-sector/our-insights/boosting-productivity-in-the-us-federal-government>>

² McKinsey & Co., "Capturing performance opportunities in US state and local governments" April 25, 2025 <<https://www.mckinsey.com/industries/public-sector/our-insights/capturing-performance-opportunities-in-us-state-and-local-governments>>


Exhibit 2: Team McKinsey's core differentiators

Core Team with deep experience



Trey Childress , Responsible Partner	Stephanie Stefanski , Engagement Director and Primary POC	Mike Kerlin , Senior Partner and Core Team Leader
------------------------------------------------	---------------------------------------------------------------------	-------------------------------------------------------------

World class experts directly engaged



Hrishika Vuppala , Technology in Government	Sarah Tucker-Ray , Government Performance	Jared Katseff , Transportation and Transit	Katherine Linzer , Human Services	John Stephen , Homeland Security and Compliance
-------------------------------------------------------	-----------------------------------------------------	------------------------------------------------------	---------------------------------------------	-----------------------------------------------------------

Additional experts highlighted in Section 5.4

Proven experience with similar efforts

We have completed 1,110+ public and private transformations focused on organizational change, totaling \$100B+ of CFO-certified impact, including reducing a state's deficit by \$1.3B in 1 year.

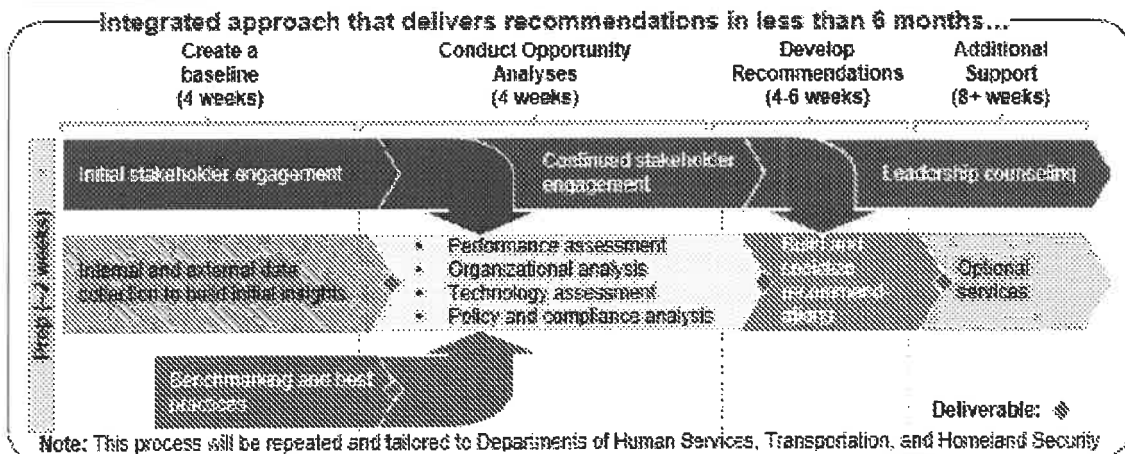
We have received a 97% overall recommendation rating from North America public sector clients, which includes helping develop strategies and identify tens of billions in cross-agency savings.

We have served 145+ clients on 700+ engagements in the last five years on public finance. This includes identifying \$200M+ savings opportunity from AI-enabled automation for a Southeastern state government and identified a 20-30% productivity improvement potential.

Unique understanding of your context

Our team's experience working with West Virginia Forward provides an ongoing understanding of the State's key priorities and stakeholders, as does The Stephens Group's current work with West Virginia's Right from the Start Home Visiting Program.

Additionally, we have deep expertise in tailoring work to each department prioritized for this assessment, including engagements with state and federal level departments of Human Services and Transportation.



...and fosters buy-in across the Governor's Office and key departments

Stakeholder engagement	12+ workshops to ensure collaboration, buy in, and the full vetting of analyses. We also provide an additional 8 weeks of engagement with our team's core delivery leaders to ensure stakeholders have time to ask questions, refine as needed, and ensure alignment.
Clear insights & recommendations	Given the complex nature of the scope and the need to synthesize strategic priorities across the Governor's office and three departments, there is a very high premium on clear, simple synthesis of facts and insights. Our approach ensures clear messaging to various audiences.
Experts with experience	No other consultancy includes two former state COOs, who together served 5 governors in leading state government transformations. Our team includes 10+ core experts, including the leader of our State & Local practice, and access to dozens of additional experts.

2.0 Project Goals and Proposed Approach (4.2)

2.1 Understanding of Project Purpose (Reference: RFP 4.2)

Our team recognizes that the West Virginia Governor's Office seeks a transformative performance evaluation engagement that goes beyond traditional compliance auditing. We understand this initiative represents a critical opportunity to enhance government services for West Virginia residents by conducting three separate and concurrent departmental evaluations within an ambitious six-month timeframe.

The core purpose of this engagement is twofold: first, to identify areas where departments are not delivering optimal value to stakeholders and residents; and second, to uncover opportunities where value can be created or enhanced. This dual focus on eliminating inefficiencies while simultaneously identifying growth opportunities aligns with modern government transformation best practices and the Governor's vision for a more transparent, economical, and effective state government.

We appreciate that this RFP, issued under W. Va. Code §5A-3-10b, represents more than a routine assessment. It signals the Governor's commitment to accountability and continuous improvement across state government. Our approach will deliver actionable insights that enable each department to better serve West Virginia residents while promoting fiscal responsibility and operational excellence.

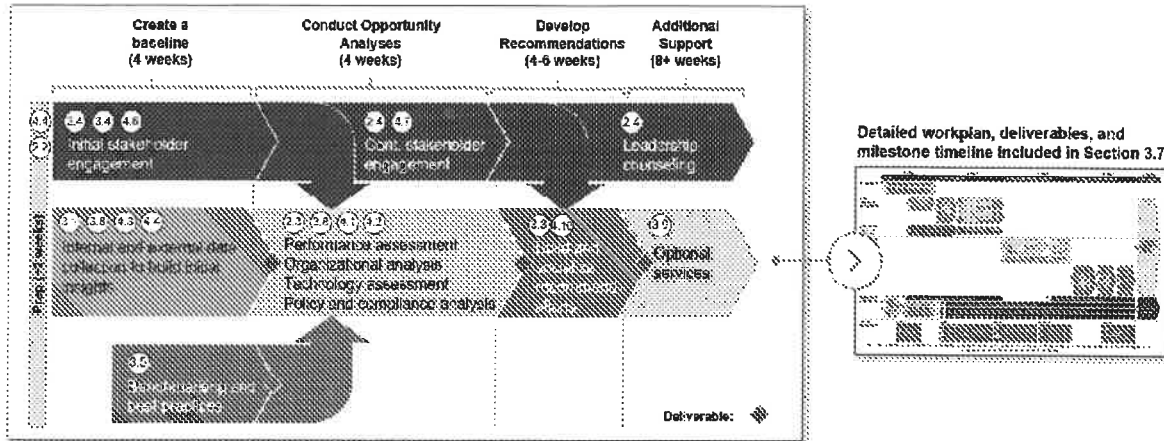
Our team will approach this engagement with the understanding that "value" must be defined through the lens of West Virginia's unique needs, challenges, and opportunities. We will evaluate not just what departments do, but how effectively they serve their constituents, how efficiently they utilize taxpayer resources, and how transparently they operate. This comprehensive evaluation will provide the Governor's Office with a clear roadmap for enhancing government performance and public trust.

Throughout the six-month engagement, we commit to maintaining the highest standards of professionalism, confidentiality, and collaboration, ensuring that our findings and recommendations serve as catalysts for meaningful, sustainable improvements in state government operations.

2.2 Evaluation Methodology and Framework (Reference: RFP 4.2.1, 4.3.1)

Our team will conduct a comprehensive assessment of operational, organizational, spend, and technology efficiencies and opportunities across three departments: Human Services, Transportation, and Homeland Security. This effort spans four distinct phases (Exhibit 3), and the evaluation methodology and framework will be applied across the departments, with tailored metrics and criteria to the nature of services and policy objectives each Department sets out to achieve. Building on Team McKinsey's tried and tested Transformation methodology - deployed with over 1,100 public and private sector clients - Team McKinsey can conduct a diagnostic that includes an organizational, operational, and compliance assessment.

Exhibit 3: Overview of proposed methodology



The first step is to establish a baseline over the last five years to understand the current status and trends in funding (including both federal grants and state revenue streams), organizational structure, spend, technology infrastructure, and regulation deployment for each department. The selection of metrics and criteria to assess in the baseline analysis will be determined in collaboration with the Governor’s Office, including working sessions and methodology selection workshops. To support this, we leverage our proprietary tools and capabilities to build comprehensive visualizations, benchmarking, and insights on spans, layers, reporting hierarchies, vacancies, attrition, and hiring timelines—providing rapid structural diagnostics in days, not months. Our team will bring a perspective on best practices and typical metrics we’ve deployed in other government agencies and departments and work closely with the Governor’s Office to align on the final criteria. These working sessions can also more closely tailor the evaluation frameworks and criteria to West Virginia’s unique context, as well as the stated objectives and mission of each selected Department for evaluation.

Next, we will compare this baseline assessment to 2-3 select peer state agencies. Given our experience serving state agencies on similar evaluations, we can bring an on-the-ground perspective on the types of metrics that drive agency performance (See Section 3.5 for further details on our approach to benchmarking). We also have benchmarks for leading private sector organizations, which we can apply when relevant.

In addition to quantitative financial data, our approach also integrates key stakeholder inputs to create a comprehensive perspective on what is working well, and where there are opportunities to increase efficiencies and create additional value for each organization. We propose first interviewing key leadership in each of the three departments to capture their vision of what has historically worked well, the key challenges they are facing, and what areas they would like to see improved over the near-term.

Finally, to ensure continuity and consistency of future departmental evaluation efforts, our team will host training sessions for department liaisons on the process. We will build playbooks and replicable Excel models so that future data can be collected, analyzed, and stored in the same way, allowing for ongoing monitoring and performance tracking as new initiatives and organizational changes are implemented.

Activities:

- Develop evaluation criteria and set of metrics

- Solicit required data from departments (i.e., organizational charts, financial reports, grant funding records, etc.)
- Run organizational diagnostics to identify gaps in structure, spans, layers, vacancies, hiring time, attrition, and managerial inefficiencies
- Schedule and host workshops with Governor's Office and Department leaders to 1) Align on evaluation methodology and metrics and 2) Collect insights on potential improvements across organization, technology, and operations
- Conduct benchmark analysis across selected departments and with similar departments / agencies in other states
- Synthesize data and insights into comprehensive report on department evaluation and results

2.3 Approach to Value Creation (*Reference: RFP 4.2.1, 4.2.2*)







Once the initial baseline assessment is completed and aligned with the Governor's Office, our team will translate identified gaps and potential performance improvement activities into a portfolio of potentially highest impact initiatives and recommendations to generate value and improve operational, organizational, spend, and technology efficiencies within each Department. Our "bottoms-up" opportunity sizing will be built on:

- Benchmarks both internally across the three Departments as well as externally with other institutions and the private sector
- Value stream mapping to determine how resourcing translates to each Department's core services, and implications for stakeholder and resident value delivery
- Focus groups with key stakeholders to define value from a citizen perspective

These techniques triangulate the size of each opportunity and the potential value that could be created, if the levers were deployed. For each analysis, our team will align methodology and approach with the Governor's Office and create playbooks for future replicability. Once the full set of opportunities, and potential value, are identified, we will work with the Governor's Office to rank order and prioritize based on size of impact and ease of capture (i.e., feasibility, alignment with Governor's and Department leadership's stated priorities, cost to implement, etc.)

Our proprietary library of value creation opportunities is comprised of hundreds of potential performance improvements based on decades of experience with transformation and business process improvements across the private and public sectors. For the purposes of this proposal, we are including some themes that will be tested across all domains, as well as domain-specific hypotheses. During the assessment phase, we will focus on cross-functional and enterprise opportunities that include hypotheses addressing program optimization, technology modernization, asset optimization, citizen service improvements, organizational improvements, and sourcing and vendor management (**Exhibit 4**). Within certain levers, programmatic performance improvements specific to the agency will also be tested.





Exhibit 4: Preliminary perspective on cost saving potential in an example state

NO. EXHAUSTIVE Lever	Key questions	Example Initiatives	# initiatives	Value(\$)
 Program optimization	Are State programs achieving desired results? Do they align with strategic goals? Are subgrantees performing?	<ul style="list-style-type: none"> Implement enterprise-wide program ROI system Maximize support from federal funds Improve subgrantee accountability 	37	\$180M+
 Lean operations	How can processes be automated to reduce costs and improve user experience? How can AI optimize workflows?	<ul style="list-style-type: none"> Redesign end-to-end processes Digitalize citizen-facing forms and records Implement rules-based automation Support decisions with advanced analytics 	229	\$960M+
 Agile organization	How can State streamline management & consolidate duplicate functions? How can talent processes be improved?	<ul style="list-style-type: none"> Re-organize to reduce layers and better match spans to actual roles Fully implement shared services across internal functions 	114	\$340M+
 Asset optimization	What is the "right size" of these assets given true need? How can maintenance be delivered cheaply more efficiently?	<ul style="list-style-type: none"> Improve capital allocation for high- and medium-value projects with central oversight Fully implement shared fleet management 	26	\$80M+
 Technology modernization	How can applications be rationalized? How can infra-structure be more cost effective?	<ul style="list-style-type: none"> Rationalize redundant applications Mitigate canceled/holdover-budget projects Modernize tech stack, transition to cloud 	42	\$230M+
 Procurement and vendor management	How can the State better manage demand for vendors? Is the State getting the best pricing possible? How can procurement processes deliver better speed and value?	<ul style="list-style-type: none"> Systematically manage demand Improve adherence to state contract vehicles Expand state contract vehicles to cover all major categories 	41	\$170M+
Total			489	\$1.9B+

Based on our preliminary analysis, we believe West Virginia could unlock \$150M–\$350M in annualized savings across the three departments by pursuing a set of high-potential levers. While our understanding will deepen with further analysis, initial signals suggest opportunities may lie in operational improvements, procurement, and technology modernization. Operational improvements, particularly efforts to streamline duplicative roles, clarify decision rights, and improve spans and layers, could account for roughly 40%–80% of the total savings opportunity.

Procurement may represent another \$10M-90M in potential value by consolidating purchasing across agencies, renegotiating contracts, and enhancing vendor management. In fact, some states have achieved over 50% of total savings through procurement efforts alone, given the scale of public sector contracting. Technology improvements, such as digitizing legacy systems, reducing IT fragmentation, and automating routine tasks, could add an additional \$35M – 115M in value. These estimates reflect early hypotheses based on benchmarks from peer states and will be refined as we dig deeper into West Virginia’s current-state operations and spend profile.

Exhibit 5: Example domain-related programmatic improvement levers (not exhaustive)

Illustrative	Non-comprehensive
 <p>Healthcare</p> <ul style="list-style-type: none"> Enhance eligibility verification and third-party liability processes Innovate care delivery and payment models Reduce administrative costs Improve payment integrity across all categories of medical spend 	 <p>Economic and social support</p> <ul style="list-style-type: none"> Simplify, automate, and digitize services where possible Improve eligibility and payment integrity across programs
 <p>Public Safety</p> <ul style="list-style-type: none"> Automate processes where applicable (e.g., permitting under Fire Marshall) Explore potential cost-sharing arrangements with municipalities that rely upon the state’s police force as their primary law enforcement Reduce recidivism 	 <p>Transport</p> <ul style="list-style-type: none"> Optimize management and maintenance of existing assets Prioritize capital projects based on optimal tradeoffs between assets and maximizing impact Ensure long-term sustainability of funding portfolio by investigating additional revenue sources (e.g., tolling)

Activities:

- Develop conceptual framework and mapping of selected, core services for each Department: Homeland Security, Human Services, and Transportation
- Identify metrics to estimate potential value stream of each selected, core service
- Guide strategy and approach to conduct focus groups with citizens to inform value stream estimates
- Synthesize qualitative and quantitative data into comprehensive value stream estimation for each Department and selected service
- Develop preliminary list of opportunities, mapped to identified value streams and building on baseline assessment

2.4 Stakeholder Engagement Strategy (Reference: RFP 4.2.2, 4.2.3)

Our stakeholder engagement strategy will aim to collect perspectives and input across key stakeholder groups, while also building trust and eliciting constructive input on the new path forward for the Departments of Homeland Security, Human Services, and Transportation. There are three layers of stakeholders we would engage in delivery of this work: 1) The Governor's Office; 2) Department directors and selected employees; 3) Civil Society

At the outset of the engagement, we will conduct a full stakeholder mapping of relevant stakeholders impacted by each Department's core set of services (i.e., relevant Department directors and employees, municipal governments, civic organizations, and key community groups) to ensure a representative and diverse set of voices to engage during the project. We will host working sessions with the Governor's office to refine and finalize the set of stakeholders to engage for each Department's services and co-create interview guides and survey materials to distribute as part of the work.

We will also develop a robust stakeholder engagement workplan and timeline, to ensure sufficient planning and outreach required to organize focus groups, town halls (i.e., within specific departments), and/or listening sessions to elicit feedback from each group around what is working well in terms of service delivery (i.e., perceived quality and delivery of services, resourcing, infrastructure, etc.), technology infrastructure (i.e., user experience, digital interface, data management and storage, etc.), and organizational structure. This workplan will tie into tailored communications plans for each stakeholder group and within each department.

Client spotlight: University in West Virginia

Conducted comprehensive diagnostics including external landscape trends (e.g., degree program trends, peer trends), and internal practices (e.g., enrollment, student support, financial trends etc.) – with early impact including a 14% year-over-year improvement in new student enrollment

Aligned with university leadership and key influencers on five strategic priorities via multiple strategy planning workshops and 60+ interviews and focus groups

To ensure a representative sample of identified stakeholder groups, we will also work with a qualified survey company (i.e., Qualtrics) to

distribute questionnaires to selected groups and ensure a representative sample size reflective of West Virginia's demographics (See Section 4.5 for more details).

Our aim is to co-develop each step of this process in close collaboration with the Governor's Office and key representatives from each Department, ensuring that while our team creates the

plan and approach, the Governor's Office team builds capabilities and ownership to deploy the plans and host focus groups, interviews, and other forms of stakeholder engagement (Section 4.7 highlights our methodology for engaging with core leadership and working team members).

Activities:

- Map key stakeholders for engagement, by Department, Service area, and Community
- Develop tailored stakeholder engagement workplan and communications materials (i.e., surveys, interview guides, etc.)
- Coordinate focus groups, town halls, listening sessions with relevant Department leads
- Design and deploy surveys for each stakeholder group (i.e., Department employees, community members)
- Stand up weekly working sessions with Governor's Office to coordinate on stakeholder engagement and ensure continuity and consistency for future efforts

3.0 Project Goals and Objectives (4.3)

The table below outlines our approach to addressing the project's core goals and objectives. For each requirement, we detail our differentiated approach, the relevant expertise and tools Team McKinsey brings, and the key deliverables we will provide. This framework sets the foundation for the pages that follow, where we expand on each element in greater depth to demonstrate how we will drive value.

Exhibit 6: Team McKinsey's Differentiated Approach

West Virginia Requirement	Differentiated Team McKinsey Approach	Team McKinsey Expertise / Capabilities	Deliverables
3.1 Performance Evaluation Approach	Applies a structured, context-specific evaluation method tailored to each department's mission, combining baseline trend analysis, peer benchmarking, and stakeholder input to drive insight and build internal performance management capacity	<ul style="list-style-type: none"> • Voice of the Client Survey, a structured methodology designed to capture and analyze client or customer feedback • Public Sector benchmark database based on in-depth experience serving federal, state, and local agencies 	<ul style="list-style-type: none"> • Five-year baseline performance diagnostics • Stakeholder survey and insights synthesis • Performance management toolkit (i.e., playbooks, models, training)
3.2 Comprehensive Performance Assessment	Combines structured qualitative and quantitative analysis to assess organizational structure, key processes, and stakeholder dynamics, delivering a holistic view of current-state performance aligned to mission priorities	<ul style="list-style-type: none"> • Cross-government library of improvement levers (see Exhibit 4 for additional detail) • Celonis Enterprise Performance Resiliency (EPR) dashboard 	<ul style="list-style-type: none"> • Survey summary aligned to Phase 1 priorities • Organizational assessments of structure, governance, and interdependencies • Process maps and gap analysis for grants, budget, and program functions
3.3 Recommendation Development	Applies cross-functional analysis and stakeholder input to develop tailored, actionable recommendations and	<ul style="list-style-type: none"> • Decision rights and accountability framework 	<ul style="list-style-type: none"> • Future-state org structure and process recommendations

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Performance Evaluation Audit

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West Virginia Requirement	Differentiated Team McKinsey Approach	Team McKinsey Expertise / Capabilities	Deliverables
	implementation tools that improve structure, operations, and coordination across core departments	<ul style="list-style-type: none"> Impact-feasibility matrix McKinsey Implementation Readiness Assessment 	<ul style="list-style-type: none"> Improvement plans for Grants, Budget, and key program (e.g., LIEAP) Key program staffing and coordination model Prioritization frameworks Leadership workshop with implementation roadmap
3.4: Organizational Analysis	Delivers rapid, data-backed insights on org structure and performance through peer, comparative benchmarks and an organizational "fingerprint" analysis (i.e., operating model choices), leveraging AI and publicly available data	<ul style="list-style-type: none"> Organizational structure assessment based on internal benchmarks and visualization of spans and layers Operating Model Fingerprint 	<ul style="list-style-type: none"> Organizational structure visualizations Span/layer diagnostics Benchmark comparisons Identification of improvement areas
3.5: Benchmarking and Best Practices	Tailors high-impact public and private sector examples to illustrate what "good" looks like for priority areas—reducing ambiguity, accelerating adoption, and enabling effective execution	<ul style="list-style-type: none"> Extensive library of case studies and benchmarks (e.g., Corporate Business Functions benchmarks tool) State-of-the-States customer experience survey McKinsey's Global Procurement Excellence 360 	<ul style="list-style-type: none"> "What good looks like" perspective for each priority Matched case studies from government and industry Best practice summaries and benchmarks
3.6: Practical Organization Improvements	Uses targeted, data-driven activities grounded in prior organizational analysis to address critical pain points—clarifying roles, streamlining processes, and improving coordination across departments	<ul style="list-style-type: none"> Library of best practice role descriptions across roles and industries Automation360 	<ul style="list-style-type: none"> Role clarity workshops to resolve overlap Process maps and redesigned workflows Collaboration sessions across departments Communication protocols to improve decision-making
3.8: Technology Assessment	Applies a department-specific, user-centered lens to assess current-state technology infrastructure, combining baseline analysis, benchmarking, and stakeholder input to develop actionable roadmaps for improved tech performance and resilience	<ul style="list-style-type: none"> Operating Model Index Technology Quotient ContractAI 	<ul style="list-style-type: none"> Technology asset inventory and gap analysis Workshops with IT leaders to validate findings and identify improvements EPR assessment and prioritized roadmap of tech initiatives Operational model and success metrics to guide implementation

3.1 Performance Evaluation Approach (4.3.2)

The goal of the Performance Evaluation Approach is to outline a structured and context-specific methodology for evaluating the performance of West Virginia's Departments of Human Services, Transportation, and Homeland Security.

This will be supported by three main objectives:

- Conduct a five-year baseline analysis to understand trends in funding, organizational structure, service delivery, technology infrastructure, and regulatory implementation
- Identify key performance metrics and benchmarks to assess operational effectiveness, efficiency, and alignment with strategic goals
- Build internal capacity for ongoing performance monitoring and continuous improvement through tools, training, and stakeholder engagement

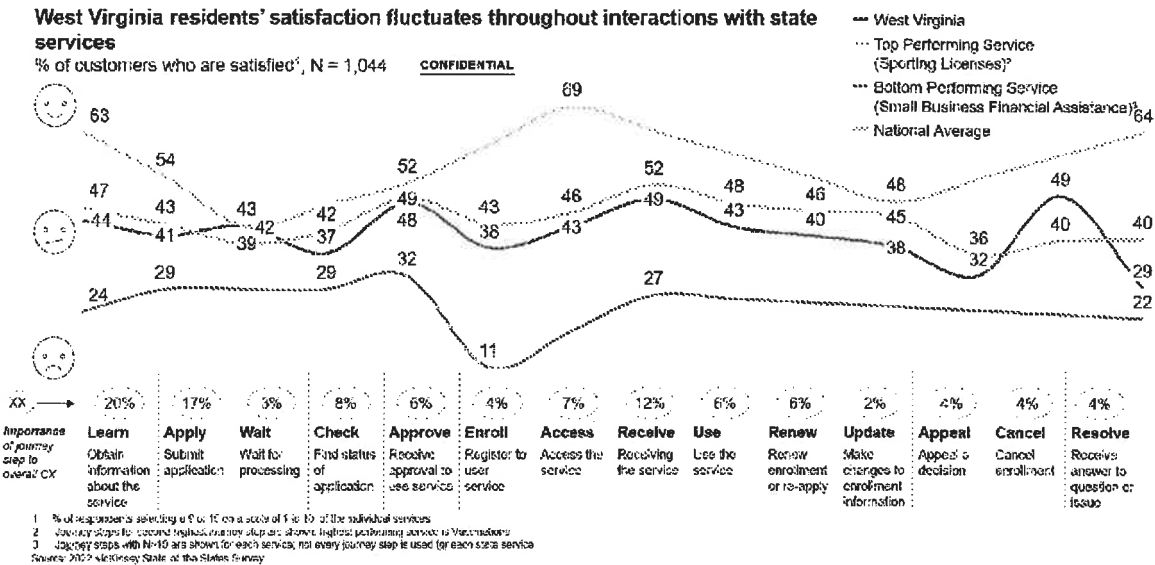
Our team will conduct a comprehensive performance evaluation of the Departments of Human Services, Transportation, and Homeland Security, focusing on service delivery, organizational effectiveness, financial stewardship, and technological capabilities. Using a proven evaluation methodology, applied across numerous state and federal agencies, we will tailor metrics and criteria to align with each department's unique services and policy objectives. This structured, contextualized approach will provide a robust framework for assessing current performance and identifying opportunities for improvement.

The evaluation will begin with a five-year baseline analysis to assess trends in funding (federal and state), organizational structure, service delivery and spend, technology infrastructure, and regulatory implementation. Metrics for this analysis will be developed collaboratively with the Governor's Office through working sessions and methodology workshops, ensuring alignment with West Virginia's specific context and departmental missions. Best practices and benchmarks from similar evaluations in other states will inform the selection of metrics, providing a comparative perspective on performance.

Typical metrics may include employee productivity (i.e., number of cases processed or projects complete, training programs completed, etc.), budget utilization (i.e., mapping of allocated budget to initiatives and impact), system uptime and reliability, cybersecurity incidents, call center volume, and end-to-end processing time associated with key services (i.e., average time to complete online paperwork or procedures).

To provide broader context, we will compare the baseline findings with benchmarks from 2–3 peer state agencies and relevant private sector organizations (e.g., application review, call center performance). We will draw on our deep experience conducting similar assessments to identify key performance drivers. Alongside quantitative data, we will incorporate qualitative insights from interviews with department leadership to understand historical successes, current challenges, and areas for improvement. These insights will be further enriched by a structured staff and stakeholder questionnaire, designed to validate emerging themes and surface additional priorities (see Section 4.5 for more details).

Exhibit 7: In West Virginia, customers have “high” and “low” when analyzing the specific steps (i.e., “journeys”) taken within services



Finally, we will provide training for department liaisons on the evaluation process and develop replicable resources, including playbooks and Excel models. These tools will enable ongoing performance monitoring and tracking, ensuring that future evaluations remain consistent and actionable as new initiatives and organizational changes are implemented. This approach will not only provide a clear roadmap for improvement but also build internal capacity for continuous performance management across the three agencies.

Deliverables:

- Five-year baseline performance diagnostic summaries across funding, staffing, service delivery, and technology
- Stakeholder survey design, deployment, and synthesis of findings to identify systemic issues and opportunities (see Section 4.5 for related activities)
- Comparative benchmarking analysis using peer state agency data and relevant private sector benchmarks (see Section 4.1 for related activities)
- Reusable performance management toolkit, including playbooks, Excel models, and liaison training materials

3.2 Comprehensive Performance Assessment (Reference: RFP 4.3.3)

The goal of the Comprehensive Performance Assessment is to conduct a current state assessment of the organizational structure, functions, and key processes to understand strengths and opportunities related to each Agency's mission and strategic goals.

This will be supported by three main objectives:

- Gather and synthesize data to identify department-wide patterns across key survey categories and organizational segments
- Analyze the current organizational structures and operating models within each Department (e.g., Department of Human Services), including division examples such as

the Bureau for Family Assistance (BFA), and assess interdependencies with internal and external stakeholders

- Map key processes, particularly in grants management, budgeting, and program operations (e.g., Low Income Home Energy Assistance Program, or LIHEAP), to identify pain points, gaps, and opportunities for operational improvement

This approach combines qualitative and quantitative analysis to create a holistic view of Departments' current organizational states. We will begin by analyzing survey data across dimensions such as role, tenure, and office to surface department-wide themes and trends, using a standardized reporting template to capture outcomes aligned to Phase 1 priorities.

In parallel, we will conduct a structured assessment of the current organizational structure and operating model—examining staffing patterns, spans of control, governance practices, and collaboration mechanisms across Departments, local service delivery units, and other agencies or divisions (e.g., BFA). This analysis will be informed by data from interviews, document reviews, and surveys, and will leverage internal tools (e.g., GenAI, Exhibit 7).

Finally, we will work with functional stakeholders to map critical processes related to grants management, budget operations, and programs, such as LIEAP. These process maps will identify step-by-step workflows, pain points, and performance bottlenecks. Findings will be benchmarked against comparable organizations and applicable federal/state expectations and reviewed with leadership to ensure shared understanding and alignment (See 'Client Spotlight: State DOT').

Client spotlight: West Virginia Forward

Led a comprehensive economic diagnostic - conducting deep dives into high-potential industries and assessing key economic enablers - which informed the "West Virginia Forward" initiative. Delivered industry pitch packs for the Department of Commerce to support business attraction efforts. An ~8% increase in tourism has been attributed to this work

For additional context, see our final report on the WV Dept. of Commerce website¹

Client spotlight: State DOT

Developed a strategic plan for a DOT with actionable metrics, including for procurement, reducing end to end procurement cycle times from 300-400 days to 120-190 days (50-60% improvement) and increasing visibility into the procurement workflow

Celonis, a strategic partner of Team McKinsey and a leading provider of process intelligence solutions, will be leveraged in this initial phase as a proof of value (POV) that builds a digital twin of your business process events. We propose to focus on the procurement to payment business process within the State's ERP (WVOASIS) and will align on scope of the POV prior to commencing. This will enable our team to uncover potential process inefficiencies, identify opportunities to optimize workflows, and deliver actionable, data-driven recommendations to enhance service delivery, workforce configuration, and operational efficiency. Insights from the 'proof of value'

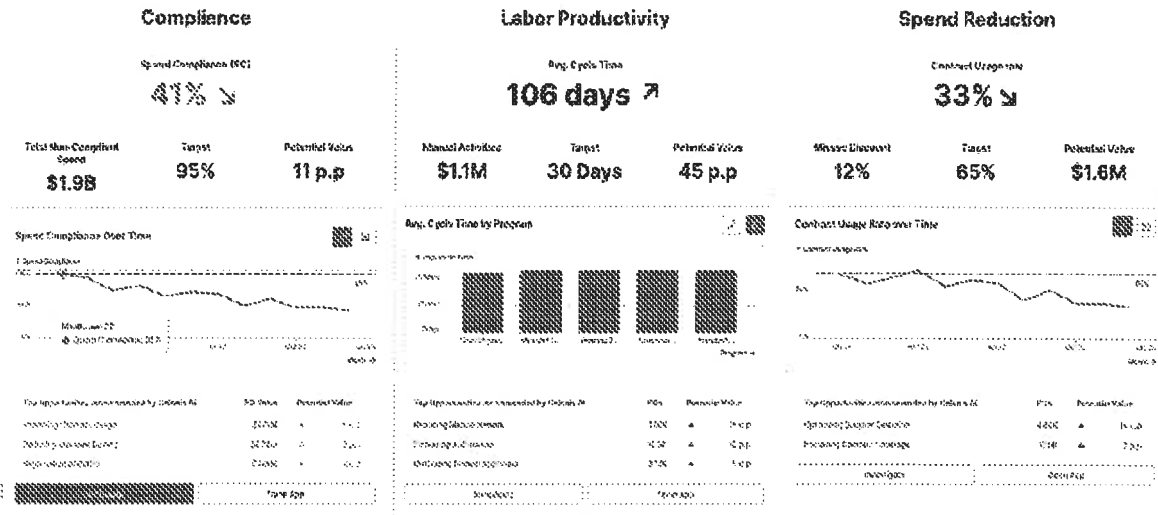
activity will inform the potential for a broader rollout in future phases, enabling the State to scale improvements agency-wide and realize sustained cost savings and performance gains. Other states have utilized Celonis to reduce process inefficiencies by up to 30% and recover contract leakage by 2% of total spend lost to leakage. See Exhibit 8.

³ West Virginia Forward: Strategy for Economic Development and Job Growth. commerce.wv.gov/assets/files/wv-forward/West-Virginia-Forward-Summary-of-Findings.pdf

Exhibit 8: Celonis provides data driven input on business process execution enabling users to proactively address process bottlenecks

Current Tower

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Deliverables:

- Survey outcomes summary aligned to Phase 1 priority areas and organizational segments
- Organizational assessment highlighting staffing structures, governance processes, and interdependencies
- Process maps and operational gap analysis for grants, budget, and program functions

3.3 Recommendation Development (*Reference: RFP 4.3.4, 4.3.5*)

The goal of Recommendation Development is to define a clear set of actionable recommendations that strengthen Departments' organizational structures and operational performance.

This will be supported by three main objectives:

- Design a future-state organizational structure and supporting processes that resolve current inefficiencies and strengthen governance and accountability.
- Identify department-specific improvements in Grants Management, Budget Office, and key programs (e.g., LIEAP) to enhance effectiveness, timeliness, and resource utilization.
- Develop prioritization frameworks to guide the sequencing and implementation of initiatives, accounting for factors such as feasibility, dependencies, and resourcing constraints.

Expertise spotlight

Our recommendations are made more actionable by our unique mix of former executive level government leaders, including:

- *Trey Childress* – former COO in Georgia and Illinois and Budget Director in Georgia
- *Drew Erdmann* – former Missouri COO
- *John Stephen* - former Commissioner of Health and Human Services, Assistant Commissioner of Safety, and Homeland Security Director

To achieve these objectives, the approach will be rooted in cross-functional analysis and stakeholder engagement. Recommendations will be tailored to address specific challenges within core departments while maintaining alignment with the broader organizational strategy. Special attention will be given to pain points affecting grants execution, payment timelines, benefit distribution, and interdepartmental coordination. The process will also include the design of practical implementation tools such as prioritization matrices and updated process models to support actionable change. A final leadership workshop will ensure that recommendations

are aligned with Department goals and ready for transition to implementation.

Deliverables:

- Recommendations for a future-state organizational structure and supporting processes to address identified structural and operational pain points
- Department-specific improvement plans for Grants Management, Budget Office, and key programs (e.g., LIEAP), including future-state processes, tools, and actionable initiatives, and for key programs, an updated staffing structure and interaction model with other offices and Local Administering Agencies
- Prioritization frameworks tailored to each department to support initiative sequencing based on feasibility, impact, accountability, and dependencies
- Final workshop materials, including synthesized recommendations and an implementation roadmap to support leadership alignment and decision-making on next steps

3.4 Organizational Analysis (Reference: RFP 4.3.6)

The goal of the Organizational Analysis is to provide a clear, data-driven understanding of how organizational structure influences agency performance.

This will be supported by three main objectives:

- Diagnose reporting relationships, spans of control, and staffing patterns using advanced visualization and benchmarking tools
- Identify structural inefficiencies and workforce challenges that may hinder performance
- Equip agency leaders with targeted, actionable insights to inform organizational improvement initiatives

Best-in-class organizational analysis helps agencies understand how structure and staffing patterns influence performance. The most effective approaches bring together data on reporting relationships, workforce dynamics, and operational design to uncover patterns that might otherwise go unnoticed. When supported by robust benchmarks and intuitive tools, this type of analysis can quickly surface actionable insights, which we then translate into a structured set of diagnostic and engagement activities (see Section 4.1 for the full activity sequence).

Our work in other states suggests that structural issues – like excessive layers, suboptimized spans of control, or persistent vacancy rates – can significantly affect organizational performance (see ‘Client Spotlight’). Examples like this highlight the scale of improvement that can result from a structured, data-driven review of operations.

Our team will use a proprietary organizational structure assessment to generate comprehensive visualizations, off-the-shelf benchmarks, and organizational structure improvement initiatives in days, not weeks or months. Similar assessments have been successfully deployed for over 1,000 clients with more than 19 million total employees, and a simple flat file personnel upload (sanitized of employee Personally Identifiable Information (PII)) in the hands of our experts can yield various views of spans, layers, reporting hierarchies, and managerial inefficiencies across agencies for leaders to engage with and to cross-reference with other disguised public and private sector organizations.

We will overlay these structural elements with additional sanitized personnel data around time to hire, levels of vacancies, attrition rates, and other measures that tend to identify “hotspots”. This can be combined with our Operating Model Fingerprint, which uses AI to highlight each department’s unique operating model choices, benchmarked against a customized peer set. To

Client spotlight: Arkansas

A government-wide performance review surfaced nearly 300 initiatives across 15 departments, including some tied to organizational design, with an estimated \$300 million in savings over six years

Reflecting on the impact of this work, Governor Sanders noted, “Across all state agencies, this team [McKinsey] discovered potential ways to save taxpayer money and improve services... and I look forward to this project continuing and reducing the burden of government on our taxpayers.”

For additional context, see coverage from Arkansas Advocate² and THV11³

⁴ (Feb 2024) *Legislative panel endorses contract with McKinsey to improve Arkansas government efficiency.* arkansasadvocate.com/2024/02/13/legislative-panel-endorses-contract-with-mckinsey-to-improve-arkansas-government-efficiency/

⁵ (Dec 2024) *New report outlines how Arkansas government could save \$300M over next 6 years.* thv11.com/article/news/politics/new-report-arkansas-government-save-300m-next-6-years/91-b710cd0e-b673-4704-8c47-d2b28cc2d3bd

complement these internal data sources, we also incorporate publicly available information and qualitative insights from department leaders to ensure an accurate and grounded understanding of current-state conditions.

Deliverables (Activities leading to these outcomes are detailed in Section 4.1):

- Org structure visualizations and span/layer diagnostics
- Comparative benchmarking across public and private sector datasets
- Identification of structural inefficiencies and performance “hotspots”

3.5 Benchmarking and Best Practices (Reference: RFP 4.3.7)

The goal of this section is to establish a clear perspective on what “good” looks like for the key opportunities identified to improve efficiency and effectiveness.

This will be supported by three main objectives:

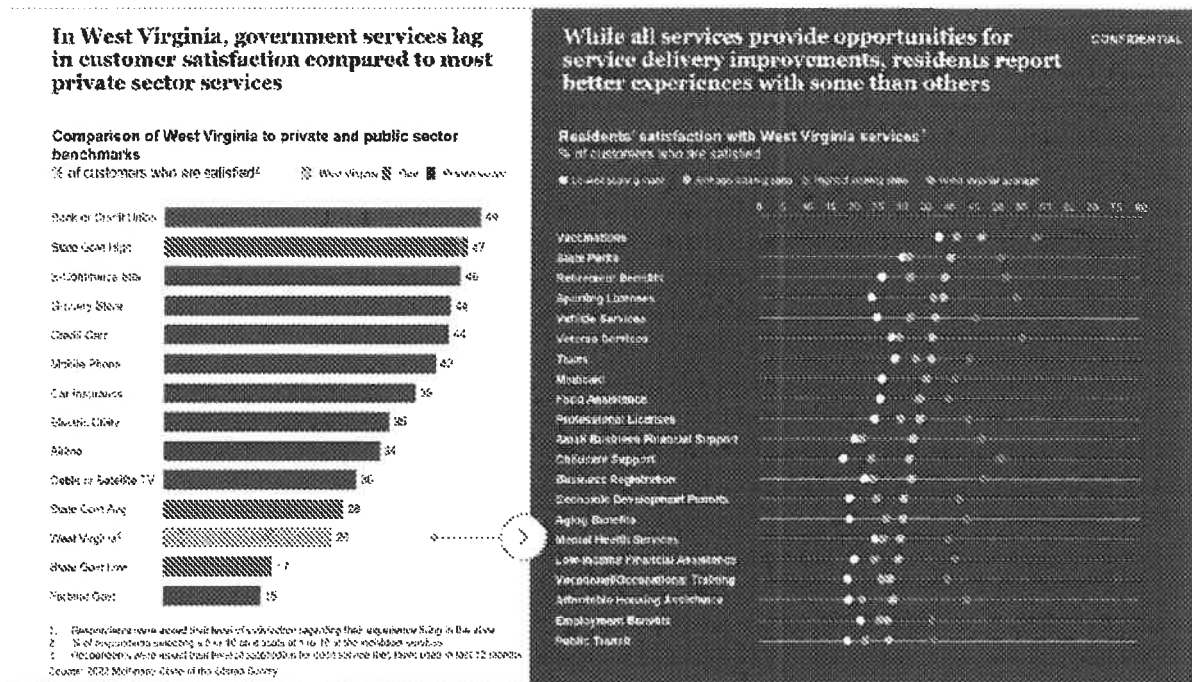
- Highlight successful initiatives from other states as benchmarks for improvement
- Introduce private sector practices that enable effective cross-functional collaboration
- Enable initiative owners with practical examples to accelerate adoption and execution

To build this perspective, we will draw from relevant case studies (e.g., Tennessee on Career and Technical Education, Pennsylvania on revenue fraud, waste, and abuse), as well as high-impact private sector models, like effective cross-department collaboration structures. These examples will be tailored to the specific opportunity areas, ensuring they are both aspirational and achievable. By creating a tangible view of what “good” looks like, we aim to reduce ambiguity, accelerate learning, and strengthen both the technical and change management aspects of transformation (See Exhibit 9).

Deliverables:

- A synthesized “what good looks like” perspective for each priority area
- Matched case studies from government and industry
- Best practice summaries and relevant performance benchmarks

Exhibit 9: Sample benchmarking of customer experience from McKinsey's State-of-the-States research



3.6 Practical Organization Improvements (Reference: RFP 4.3.8)

The goal of Practical Organization Improvements is to outline a strategic approach for identifying and addressing key organizational challenges.

This will be supported by three main objectives:

- Surface critical organizational pain points that hinder service delivery and accountability
- Develop and facilitate structured activities (e.g., workshops, process mapping) to support departments in clarifying roles and improving coordination
- Provide actionable insights that equip leaders to make informed decisions about potential organizational changes

State governments face unique challenges in ensuring that their organizational structures enable efficient service delivery, clear accountability, and effective collaboration. To address these challenges, we would take a targeted and data-driven approach, leveraging inputs from our comprehensive organizational analysis (Section 3.4) to identify priority areas for improvement within each department. This analysis would provide a clear understanding of existing inefficiencies, such as unclear roles, overlapping responsibilities, and communication bottlenecks, allowing us to focus on the most critical areas that impact service quality and delivery timelines, guided by activities outlined in Section 4.1 (i.e., Benchmark organizational metrics against anonymized public and private sector data from over 1,000 organizations; Conduct role clarity workshops with all three departments to align on updated responsibilities, authority, and decision-making processes).

Our approach would begin by using the findings from the organizational analysis to guide the design of role clarity workshops, process mapping exercises, and inter-departmental collaboration sessions. These activities would be tailored to address the specific pain points identified in each department, ensuring that the redesign efforts are both practical and impactful

Client spotlight: State value Identification

HR staffing levels were found to be approximately 10% higher than public sector benchmarks and nearly 60% higher than private sector benchmarks, while IT spending per employee was roughly 33% above public sector norms

(see 'Client Spotlight'). By targeting the areas that matter most, these sessions often surface critical insights, such as where resources may be misaligned or under-leveraged, allowing leaders to focus attention where the opportunity for improvement is greatest. If the analysis reveals significant duplication of responsibilities between two departments, we would prioritize process mapping and collaboration sessions to resolve these overlaps. Similarly, if communication gaps are identified, we would focus on developing new protocols to improve information flow and decision-making.

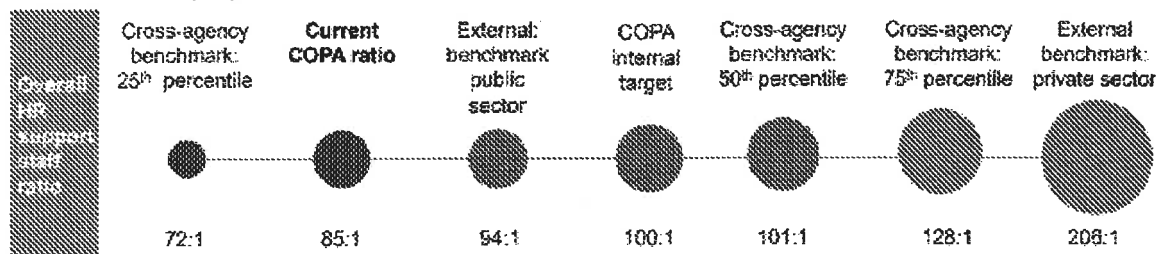
By grounding our efforts in the insights from the organizational analysis, we ensure that the redesign process is both strategic and actionable. This approach allows us to focus on the highest-impact changes, while also engaging stakeholders in a meaningful way to build consensus and ensure successful implementation. Ultimately, our goal is to provide recommendations and scenarios to inform the creation of a streamlined organizational structure that eliminates inefficiencies, clarifies roles and responsibilities, and fosters collaboration across departments, enabling state governments to deliver better services to their constituents.

Deliverables: (Activities leading to these outcomes are detailed in Section 4.1):

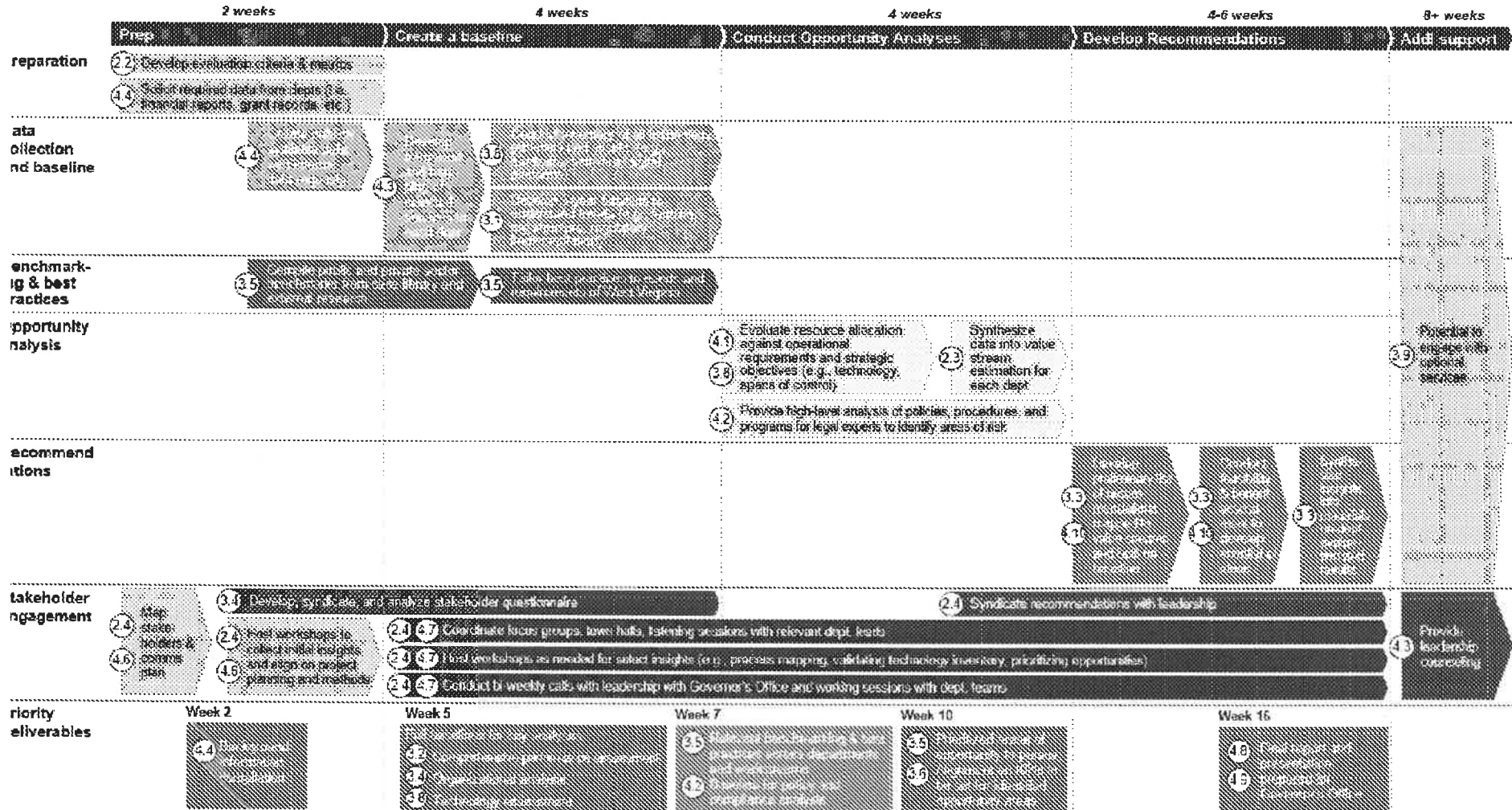
- Role clarity workshops to address overlapping responsibilities
- Process mapping and redesign to address workflow inefficiencies
- Collaboration sessions to improve interdepartmental coordination
- Development of communication protocols to close gaps in information flow and decision-making

Exhibit 10: Sample benchmarking of HR support staff to employee ratio

Ratio of total employees to HR staff



3.7 Project Timeline (Reference: RFP 4.3.9)



Note -- all key activities outside of leadership activities will be conducted separately for Departments of Human Services, Transportation, and Homeland Security separately, and timing may vary as analyses are tailored to the complexity and needs of each Agency

3.8 Technology Assessment (*Reference: RFP 4.3.10*)

The goal of the Technology Assessment is to assess the current technology landscape across the three selected departments and identify opportunities to improve performance, user experience, and operational resilience.

This will be supported by three main objectives:

- Establish a comprehensive baseline of existing technology assets, development practices, and incident management protocols
- Identify technology gaps, redundancies, and opportunities for improvement through benchmarking and stakeholder engagement
- Develop a tailored, phased roadmap with actionable initiatives and success metrics aligned to each department's mission and services

Our initial approach would be similar across each of the three selected departments, while integrating metrics tailored to the end user experience for each core technology tool or platform.

First, we would gather data through departmental interviews and spend data on the existing technology stake, software development lifecycle practices, and incident management processes to establish a baseline. This would include a full inventory of all technology assets (i.e., hardware, software, and digital platforms) and review of Software Development Life Cycle (SDLC) practices to assess the efficiency of technology development, testing, and deployment. We'd also collect incident reports and management protocols to understand how technology-related disruptions are handled. We would leverage procurement data to identify redundancies in IT spend (i.e., software licenses for similar / redundant programs and platforms) across and within state departments, which could provide additional insights around technology redundancies.

Once this initial baseline assessment is completed, we would conduct a detailed gap analysis against modern government tech standards and operational processes, building on our knowledge and experience across multiple state and federal agencies, and complementing with similar sized organizations in the private sector.

Prior to finalizing our technology assessment, we would organize stakeholder consultations and workshops with IT department leaders and technology experts to validate findings and identify improvement opportunities. We would also ensure that any resident and civil society surveys and focus groups include information about user experience with existing technology interfaces.

While each department may share similarities in our initial approach and methodology, we would also embed key considerations for each, tied to their key services. For example, the Department of Transportation and Homeland Security assessments may consider how data and technology is integrated to optimize transportation networks, improve crisis response capabilities, and ensure continuity during emergencies and crises. The Department of Human Services assessment, on the other hand, may focus on direct civilian service delivery, such as benefit application systems and case management tools.

Our approach would deliver a comprehensive baseline of the current technology landscape for each department, identification of key gaps and opportunities through stakeholder consultations and benchmarking, and a phased roadmap with actionable opportunities for enhanced

Client spotlight: Michigan

Following a tech assessment and through our partnership, a state agency cleared 80% of its fraud backlog in 4 weeks, raised call answer rates to 90%, launched a new website and public dashboard, and cleared a 2M+ paper backlog in 16 weeks

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technology performance and resilience. We will also identify potential redundancies or inefficiencies of current technology stack and software within and across the selected departments.

Deliverables:

- Technology asset inventory and gap analysis
- Workshops with IT leaders to validate findings and identify improvements
- Enterprise Performance Resiliency (EPR) assessment and prioritized roadmap of tech initiatives
- Operational model and success metrics to guide implementation

Activities include the following:

- Conduct an inventory of all technology assets, including hardware, software, and digital platforms
- Review SDLC practices to assess the efficiency of development, testing, and deployment processes
- Analyze incident management protocols to understand how technology-related disruptions are handled
- Identify gaps in the current technology infrastructure and operational processes
- Conduct workshops with department leaders and technology experts to validate findings and gather insights
- Evaluate the resilience of critical systems using EPR assessments
- Identify initiatives to address gaps and improve technology performance
- Prioritize initiatives based on impact, feasibility, and alignment with departmental goals
- Create a detailed roadmap outlining short-term, medium-term, and long-term actions

- Define an operational model to guide the execution of the roadmap and ensure accountability
- Establish metrics to monitor progress and measure the success of implemented initiatives

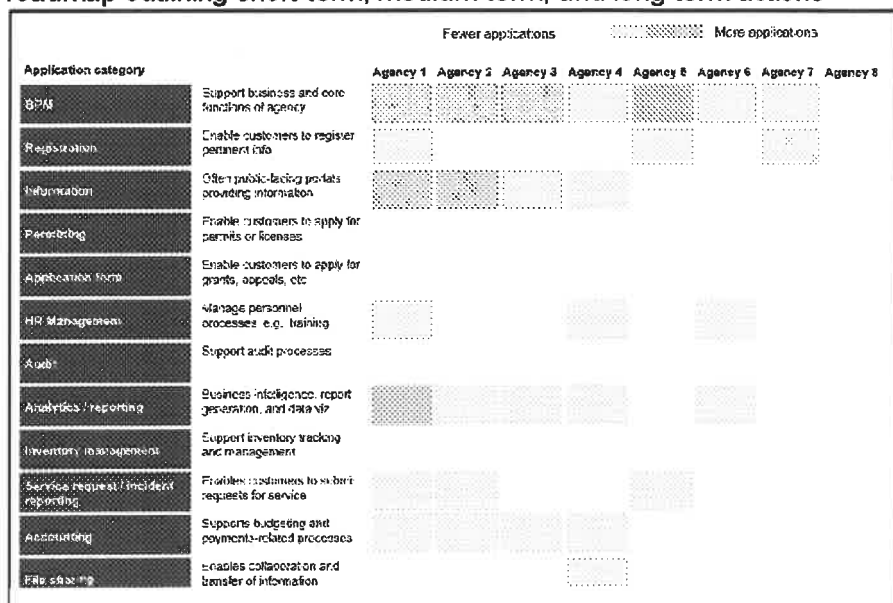


Exhibit 11: Sample IT assessment identifying potential duplications in IT spend across and within agencies

3.9 Service Delivery Enhancement (*Reference: RFP 4.3.11*)

Given our experience in leading large-scale transformations, unexpected opportunities and changes in client aspirations and constraints may change support needs for Initiative Planning and Implementation support for early or select “quicker wins.” To anticipate this, we propose adding unpriced optional services that would allow for continuity and seamless support in the event this is necessary. Proposed optional services would include:

- **Revenue Productivity Improvement.** Identify and size opportunities to enhance state-generated revenue streams (i.e., business licenses, sales tax or other tax programs, natural resource and recreational fees, etc.)
- **Initiative Planning Extension.** Support additional initiative planning for the initiative portfolio for large and/or complex initiatives. Support would include continued Transformation Management Office support, initiative owner capability-building and technical assistance, and performance management.
- **Implementation Support.** For initiatives that are prioritized and need additional support, optional services would include standing up Transformation Management Office support as well as team time dedicated specifically to initiative implementation (including technical expertise in the domain of the selected initiatives).

4.0 Mandatory Project Requirements (4.4)

4.1 Organizational Structure Review (*Reference: RFP 4.4.1*)

To conduct a comprehensive organizational structure review, it is essential to follow a structured approach that evaluates current procedures, systems, resource allocation, and alignment with operational objectives (more details in Sections 3.4 and 3.6). This review will build on insights generated through our proprietary organizational structure assessment, helping to identify inefficiencies in spans, layers, and workflows that may limit efficacy and impede service delivery. The following activities outline a streamlined process to assess organizational performance, identify gaps, and develop actionable recommendations tailored to the unique needs of each agency:

- **Data Collection and Analysis:** We begin by collecting both quantitative and qualitative inputs to assess the current state of organizational performance.
 - Gather and review organizational charts, staffing levels, process documentation, and budget data across departments
 - Collect and analyze performance metrics (e.g., vacancy rates, attrition, time-to-hire) to surface “hotspots” and performance gaps
 - Conduct stakeholder interviews and targeted employee surveys to understand pain points, bottlenecks, and interdepartmental friction
- **Process and Resource Assessment:** Using the collected data, we will assess how resources and workflows align with operational demands.
 - Map existing workflows and key operational processes to identify redundancies, inefficiencies, or fragmentation across functions

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- Analyze spans of control, reporting relationships, and organizational layering to identify structural imbalances, supported by visualization output of spans and layers
- Evaluate how resources (human, financial, and technological) are allocated across departments and compare them to operational requirements and strategic objectives
- **Benchmarking and Gap Analysis:** We will contextualize findings by comparing the organization to both public and private sector peers.
 - Benchmark organizational metrics against anonymized public and private sector data from over 1,000 organizations
 - Identify gaps between current structures, staffing ratios, and resource allocations and best practices
 - Surface areas of over- or under-resourcing and compare functional performance across departments
 - Provide case examples of how governments and other organizations have made informed decisions on spans of control, reporting lines, and layers to improve managerial effectiveness
- **Objective Alignment and Validation:** With data insights in hand, we will engage leaders to validate findings and align on root causes and priorities.
 - Facilitate “mirror workshops” with department leaders to reflect back key findings, align on root causes of inefficiencies, and prioritize areas for redesign
 - Conduct role clarity workshops with all three departments to align on updated responsibilities, authority, and decision-making processes
 - Update existing role descriptions based on workshop input to reduce redundancy and reflect current scope and decision rights
 - Review decision rights, role clarity, and accountability structures to ensure organizational coherence
 - Develop new communication protocols to standardize information sharing and ensure timely updates within and across departments
- **Recommendation Development:**
 - Develop actionable recommendations to improve organizational structure, resource allocation, and alignment with operational goals
 - Create a high-level implementation roadmap with milestones, KPIs, and a communication plan

Exhibit 12: Focus of Organizational Structure review by department

	Department of Transportation	Department of Human Services	Department of Homeland Security
Focus Areas	Infrastructure project management, funding allocation for road and bridge maintenance, and	Delivery of public health services, social services, and emergency response capabilities	Emergency preparedness, cybersecurity, and coordination with federal and local law enforcement agencies

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	coordination across regional offices		
Unique Activities	<ul style="list-style-type: none"> Assess the efficiency of project prioritization and delivery processes. Evaluate the alignment of resources with state and federal transportation funding requirements. Engage external stakeholders such as contractors, local governments, and the Federal Highway Administration. 	<ul style="list-style-type: none"> Assess the integration of health and social services programs to ensure holistic care delivery. Evaluate resource allocation for public health emergencies and ongoing social service programs. Engage external stakeholders such as healthcare providers, non-profits, and federal agencies like the Center for Disease Control. 	<ul style="list-style-type: none"> Assess the agency's readiness for natural disasters, cyber threats, and other emergencies. Evaluate inter-agency coordination for homeland security initiatives. Engage external stakeholders such as Federal Emergency Management Agency (FEMA), local law enforcement, and private sector partners.
Key Stakeholders	State and regional Dept. of Transportation (DOT) leadership, project managers, contractors, and citizens impacted by transportation projects.	Dept. of Human Services (DHS) leadership, program managers, healthcare providers, social workers, and citizens receiving services.	Homeland Security leadership, emergency management teams, law enforcement agencies, and private sector partners involved in critical infrastructure.

4.2 Policy and Compliance Analysis (Reference: RFP 4.4.2)

Our approach to reviewing and analyzing a department's policies, procedures, and programs for compliance with federal and state laws involves leveraging strategic expertise while collaborating with specialized partners for legal and regulatory advice to ensure compliance with all applicable laws and policies.

Client spotlight: State DOT

Reviewed state DOT's road-building process to separate federal and state project requirements, to create a streamlined approach for state-funded projects and a capital allocation strategy to prioritize them—accelerating project delivery through new processes by 75%+, reducing delays, and accelerating timelines across the transportation portfolio.

This partnership allows Team McKinsey to maintain our focus on strategic services while ensuring that the legal and compliance aspects are handled by experts in the field. The specialized policy firm will conduct detailed legal reviews, provide regulatory guidance, and ensure that the department's policies and procedures align with federal and state requirements. Team McKinsey facilitates this collaboration by onboarding the policy firm through its established processes, ensuring seamless integration and alignment with the overall project objectives and timeline.

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This partnership ensures a comprehensive review of the department's operations, not only identifying areas of non-compliance but also providing actionable recommendations to address deficiencies, mitigate risks, and enhance overall operational efficiency. This effort will include the following:

1. **Establish a compliance framework:** We will provide opportunities for core team members at each department to identify federal and state laws, regulations, statutes, and administrative rules most relevant to the department's operations.
2. **Conduct a strategic review of the department's operations:** Team McKinsey will provide a high-level analysis of the department's policies, procedures, and programs for legal experts to identify areas where compliance risks intersect with operational inefficiencies. This includes mapping out key processes, understanding the department's strategic priorities, and identifying potential vulnerabilities.
3. **Perform a detailed legal and regulatory review:** The policy firm will conduct an in-depth review of each department's policies, procedures, and programs to assess compliance with identified priority laws and regulations. This includes evaluating documentation, identifying gaps or inconsistencies, and providing legal interpretations where necessary.
4. **Synthesize findings and develop actionable recommendations:** We will consolidate the insights and recommendations from the policy firm's legal review with our strategic analysis to develop a set of possible opportunities in the final report and presentation.

4.3 Service Inventory (Reference: RFP 4.4.3)

A comprehensive service inventory is a critical first step in identifying opportunities to enhance efficiency, improve service delivery, and align resources with strategic goals. By systematically cataloging and categorizing services across each of the three departments and their respective divisions, we will ensure that no critical function is overlooked, enabling a holistic view of the state's operations. This approach is tailored to West Virginia's unique context, leveraging state-specific data, stakeholder insights, and best practices from comparable states to ensure relevance and impact. Key activities of the service inventory include:

1. **Identify Agency Divisions and Subdivisions:** Review organizational charts and official documentation to understand the structure of each agency and its divisions (e.g., for Dept. of Homeland Security, divisions may include emergency relief services, state firefighters, and parole board)
2. **Catalog Services Provided:** List all services offered by each division using agency materials (e.g., budget line items), websites, and standards across states, focusing on their primary functions and mandates.
3. **Categorize Services:** Within the comprehensive inventory of services, categorizing them by type (e.g., emergency response, infrastructure development, social services) Conduct interviews with key personnel (e.g., division heads) to validate findings (e.g., DOT may focus on infrastructure maintenance and transportation safety)
4. **Assess Resource Allocation:** Review budget documents to understand funding levels and resource distribution for each agency and division. Confirm financial, human, and technological resources allocated to each service through stakeholder review

4.4 Background Information Compilation (Reference: RFP 4.4.4)

To build a clear understanding of each department's current structure and workforce, we conduct a targeted data collection effort in collaboration with agency partners. This includes

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gathering internal documents, reviewing public sources, and incorporating leadership input to ensure the analysis reflects the unique context and operational nuances of West Virginia. The information collected will inform diagnostic outputs developed through our organizational structure assessment based on internal benchmarks and visualization of spans and layers (see Section 3.4 for additional insight).

Organizational data includes:

1. Department Organization Charts and Staff Count

- Review publicly available organizational charts from department websites, annual reports, or state publications.
- Request internal organizational charts and staffing data from department leadership or HR offices.
- Analyze state budget documents and legislative reports to estimate staff counts by department and division. Cross-reference data with state workforce databases or union records (if applicable).
- Conduct interviews with department leaders or HR representatives to confirm the accuracy of the organizational structure and staffing levels.

2. Position Descriptions and Skills/Competencies Required

- Review job descriptions and postings on state employment platforms (e.g., WV Division of Personnel website)
- Request internal documentation of job classifications, position descriptions, and competency frameworks from HR departments and/or department leadership (e.g., for Dept. of Human Services, focus on social work, case management, and public health expertise)
- Categorize positions by criticality (e.g., prioritizing analysis for those with staffing shortages), and conduct interviews with department managers to understand the skills and competencies required for key roles.

3. Background Reports / Studies

- Review recent service delivery reviews, performance audits, and strategic plans published by the departments or state government, and request relevant internal documents
- Search for relevant legislative reports, inspector general audits, and budget analyses.
- Gather industry-specific studies or reports from national organizations (e.g., American Association of State Highway and Transportation Officials (AASHTO) for transportation, American Public Human Services Association (APHSA) for human services, and FEMA for homeland security).

4. General Industry Service Norms or Standards

- Research state and federal guidelines, regulations, and performance benchmarks for each sector .
- Benchmark against best practices from other states with similar demographics or challenges (see section 3.5 for more information).

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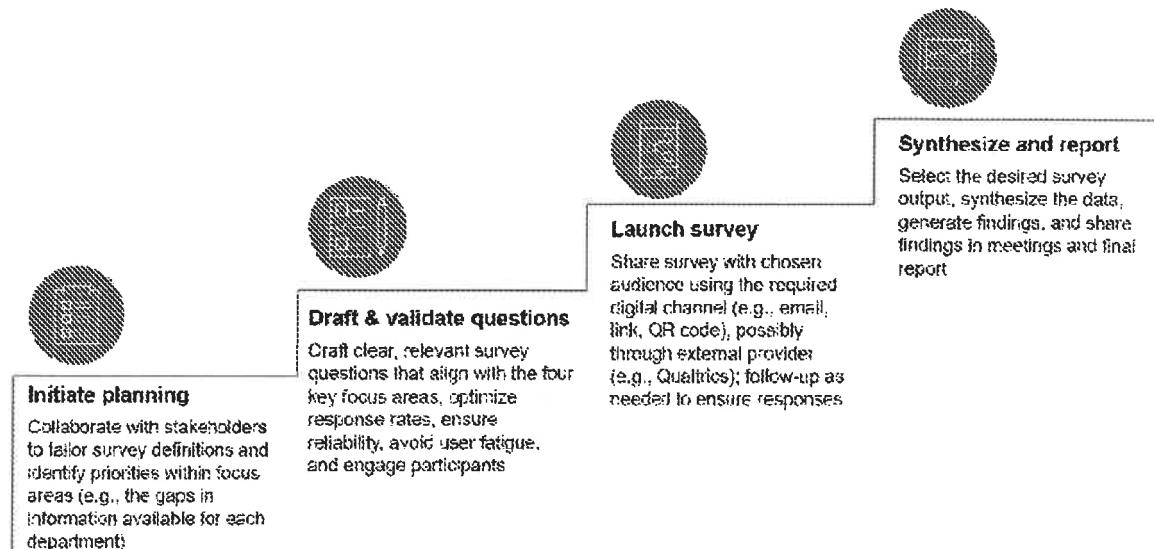
- Consult industry associations and professional organizations for sector-specific standards. For example:
 - **WV DOT:** Federal Highway Administration (FHWA), American Association of State Highway and Transportation Officials (AASHTO), and state DOTs with similar rural profiles.
 - **WV Dept. of Human Services:** Administration for Children and Families (ACF), the Centers for Medicare & Medicaid Services (CMS), and the National Association of Social Workers (NASW).
 - **WV Dept. of Homeland Security:** FEMA's National Incident Management System (NIMS), National Preparedness Goal, and standards from the International Association of Emergency Managers (IAEM).

4.5 Stakeholder Questionnaire Development (Reference: RFP 4.4.5)

Team McKinsey recognizes that a well-designed stakeholder questionnaire is a cornerstone of any effective diagnostic effort, providing a structured and data-driven foundation for understanding complex organizational dynamics. By capturing diverse perspectives from employees, leaders, and external stakeholders, the questionnaire serves as a critical tool to identify strengths, uncover challenges, and surface actionable opportunities for improvement. This approach not only ensures that the voices of key stakeholders are heard but also enables the development of tailored solutions that align with the unique needs and priorities of each department and the divisions within. Leveraging advanced analytics, proven methodologies, and a deep understanding of organizational systems, Team McKinsey's approach ensures that the questionnaire is both comprehensive and highly relevant to the client's context.

For West Virginia, the stakeholder questionnaire will be meticulously customized to reflect the state's specific goals, challenges, and operational nuances (see Exhibit 13 for the comprehensive development process). By combining insights from initial stakeholder interviews, document reviews, and organizational analyses, we will design a tool that captures critical data across key focus areas, such as interdepartmental relationships, service delivery, and improvement opportunities. The questionnaire can be administered using a mix of methods, including online surveys, focus groups, and one-on-one interviews, to ensure inclusivity and robust participation. This tailored approach not only enhances the quality of the data collected but also builds trust and engagement among stakeholders, setting the stage for actionable insights and meaningful change.

Exhibit 13: Potential approach for questionnaire development



1. Initiate planning and engagement

- a. Collaborate with the Governor's Office and key stakeholders to define objectives and scope of the survey.
- b. Conduct stakeholder interviews to understand priorities, challenges, and expectations.
- c. Review existing documentation, organizational charts, performance reports, and historical data to identify significant patterns and trends in reporting relationships and positions.
- d. Develop a comprehensive understanding of the state department's structure, operations, and interactions with other departments.

2. Draft and validate questions

- a. Use insights from early analyses and background information to design a structured questionnaire tailored to the specific needs of this effort.
- b. Ensure the questionnaire covers key focus areas:
 - i. **Strengths and weaknesses** in organizational structure and processes.
 - ii. **Interdepartmental relationships**, including the extent and nature of interactions with other state departments.
 - iii. **Service delivery**, focusing on quality, cost-saving opportunities, and timeliness.
 - iv. **Improvement suggestions**, prioritizing actionable recommendations from employees and stakeholders.

3. Launch survey and engage key stakeholders

- a. Align closely with department leadership to coordinate communications, confirm the final list of recipients, and ensure high participation through tailored outreach.

- b. Define a deployment plan with key milestones and a response tracking mechanism to monitor progress and identify any participation gaps.
- c. Administer the questionnaire using a mix of methods (e.g., online surveys, focus groups, and one-on-one interviews) to capture diverse perspectives.
- d. Provide clear instructions and ensure confidentiality to encourage honest and constructive feedback.

4. Synthesize and report

- a. Collect responses and analyze data to identify key trends, recurring issues, and areas for improvement, using advanced analytics to prioritize improvement suggestions based on impact, feasibility, and alignment with organizational goals.
- b. Cross-reference survey findings with initial background analysis to validate results and uncover deeper insights.
- c. Present findings to the governor's office and stakeholders in a clear and actionable format, including visualizations and initial recommendations.

4.6 Project Planning and Communication (*Reference: RFP 4.4.6*)

Team McKinsey's approach to project planning and coordination is rooted in a commitment to ensuring that every project is underpinned by a structured and comprehensive framework. This approach is particularly critical in the context of large-scale diagnostic and change efforts, such as those required in West Virginia, where the complexity of challenges demands meticulous planning, robust risk management, and seamless stakeholder coordination. Our methodology emphasizes the importance of integrating cross-sectoral insights, fostering collaboration among key stakeholders, and utilizing advanced tools to drive efficiency and accountability throughout the project lifecycle.

- Planning Support
 - **Development of a comprehensive project roadmap:** Collaborate with the Governor's Office and a core project team including representatives from each agency to create a detailed project roadmap, including key milestones, timelines, and deliverables (see Section 3.7 for example roadmap).
 - **Risk assessment and mitigation planning:** Conduct a risk assessment to identify potential challenges and develop mitigation strategies to address them proactively.
 - **Performance tracking and reporting tools:** Recommend and implement tools (e.g., dashboards or web-based platforms) to monitor progress, measure impact, and ensure accountability.
- Communication Support: Develop a tailored communication plan to ensure consistent messaging and alignment across all stakeholders. This will include:
 - **Integration of change management principles:** Embed change management strategies into initial Project Kickoff, which can include defining a clear vision, emphasizing benefits, and preparing for resistance.
 - **Stakeholder mapping and prioritization:** Identify and prioritize key stakeholders across, including staff in priority agencies, community leaders, and federal partners, to ensure their needs and expectations are addressed.

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- **Regular progress updates:** Design mechanisms for regular updates, such as monthly newsletters, progress reports, or dashboards, to keep stakeholders informed. Support the Governor's Office in developing materials on project progress, challenges, and successes to build credibility and maintain trust.
- **Stakeholder engagement sessions:** For relevant stakeholders, facilitate town halls, workshops, and focus groups to gather feedback, address concerns, and build trust.
- **Targeted messaging for key audiences:** Craft customized messages for different stakeholder groups, including staff, community members, and federal partners, to ensure relevance and clarity.

4.7 Status Reporting (*Reference: RFP 4.4.7*)

To ensure alignment on the direction of the work, to validate and review findings, and to problem-solve throughout the engagement, we will propose a regular cadence of steering committee and core team meetings. Core team meetings should occur weekly with Department-level working teams and leaders, who are responsible for day-to-day coordination of activities associated with the engagement. We will stand up these working sessions with core team members to review our methodology and approach, finalize stakeholder engagement groups and communication plans, and implement our methodology. We will also set up interim steering committee meetings 1-2 times per month with senior leadership from the Governor's Office to share feedback, and collect additional insights and perspectives, to shape both the baseline analysis and the opportunity identification.

4.8 Report Development (*Reference: RFP 4.4.8, RFP 4.4.8.1*)

A comprehensive final report is essential for providing actionable insights and a roadmap for improvement tailored to each agency. We will prepare three separate reports for West Virginia's Department of Homeland Security, Department of Human Services, and Department of Transportation. Each report will include three key components—Performance Evaluation, Organization Analysis, and Technology Assessment—which are critical to understanding the current state of operations, identifying gaps, and recommending strategies for improvement. For each component, the report will highlight key findings, benchmarking and best practices from peers, and a set of recommendations (see Exhibit 14).

In addition, each report will have the following features:

1. **Tailored to Each Agency:** Each report will be customized to reflect the unique needs, challenges, and opportunities of each department, ensuring targeted recommendations for improvement.
2. **Concise and Visual:** The reports will be communicated concisely, with high-quality visuals such as charts, graphs, and infographics to effectively convey analysis and key findings.
3. **Confidentiality:** All reports will remain confidential, with publishing rights exclusively under the authority of the West Virginia Governor's Office.
4. **Actionable Roadmaps:** Each report will include a high-level timeline for implementing recommendations, ensuring a structured approach to achieving improvements.

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Exhibit 14: Report Components

Component	Key Findings	Benchmarking / Best Practices	Recommendations (prior examples)
Performance Evaluation	<ul style="list-style-type: none"> Identified inefficiencies in service delivery processes. Gaps in meeting performance targets compared to peer agencies. Stakeholder concerns about responsiveness and resource allocation. 	<ul style="list-style-type: none"> Comparison of performance metrics with leading agencies in similar sectors. Analysis of best practices in service delivery, resource utilization, and performance management. 	<ul style="list-style-type: none"> Streamline service delivery processes to improve efficiency. Reallocate resources to address performance gaps. Implement performance tracking systems to monitor progress and ensure accountability.
Organizational Analysis	<ul style="list-style-type: none"> Structural inefficiencies hindering cross-functional collaboration. Lack of clarity in roles and responsibilities. Limited adoption of modern organizational practices such as Agile methodologies. 	<ul style="list-style-type: none"> Assessment of organizational structures and processes against industry leaders. Identification of best practices in cross-functional collaboration, role clarity, and Agile adoption. 	<ul style="list-style-type: none"> Redesign organizational structure to enhance collaboration. Clearly define roles and responsibilities. Introduce Agile practices to improve adaptability and efficiency.
Technology Assessment	<ul style="list-style-type: none"> Outdated technology infrastructure limiting operational efficiency. Challenges in data management and analytics capabilities. Lack of a unified cloud infrastructure for scalability and innovation. 	<ul style="list-style-type: none"> Evaluation of technology ecosystems and data management practices in leading organizations. Review of best practices in cloud adoption, data analytics, and digital transformation. 	<ul style="list-style-type: none"> Upgrade technology infrastructure to support modern operations. Implement advanced data management and analytics tools. Develop a unified cloud infrastructure to enable scalability and innovation.

4.9 Content Development (Reference: RFP 4.4.9)

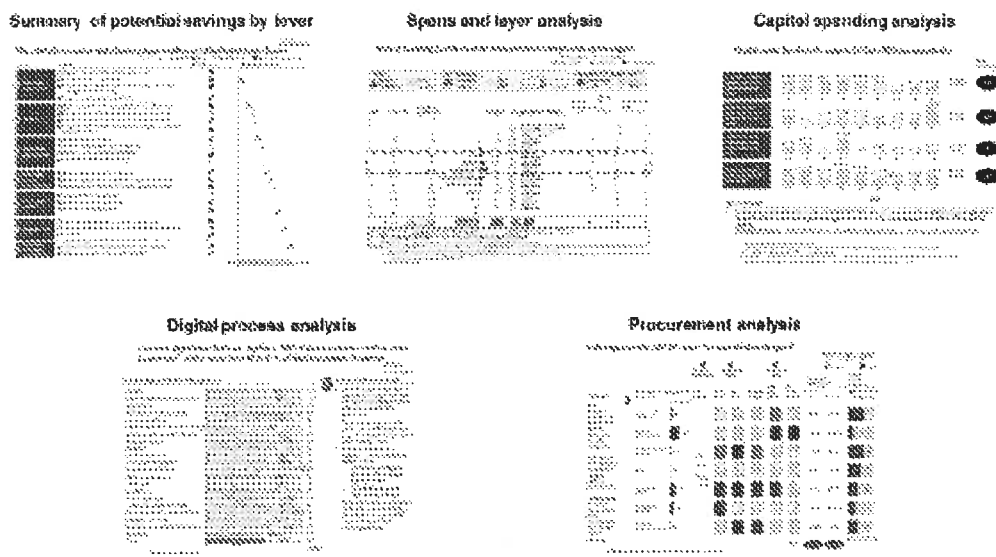
We believe that effective content and presentation materials are critical for clearly communicating findings and recommendations, ensuring alignment, and driving action. To ensure that the Governor’s Office and all agencies can communicate with the diverse stakeholders involved in this effort, we will translate report findings through the following:

- Structure the Content:** Use a top-down approach with clear, concise, and actionable insights tailored to each department and consistent with the report, focusing on specific priorities and concerns uncovered during early stakeholder engagement.

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- **Develop Tailored Materials:** Create different materials for various stakeholder types, such as detailed PowerPoint decks for division heads, one-page summaries for external stakeholders, and online dashboards or interactive formats for operational teams.
- **Leverage Visuals:** Use a variety of visuals, including charts, graphs, infographics, heat maps, and process flows, presented in formats like PowerPoint, PDFs, online dashboards, or interactive tools (see Exhibit 15 for example visuals from similar efforts).
- **Deliver Effectively:** As needed, support the Governor's Office to conduct workshops, read-outs, and one-on-one sessions to present findings and recommendations, ensuring clarity and engagement.

Exhibit 15: Sample visuals describing key insights from report



4.10 Service Efficiency (Reference: RFP 4.4.10)

We employ a structured and data-driven approach to identify, prioritize, and recommend improvements in service delivery. This process ensures alignment with organizational goals, leverages best practices, and delivers actionable insights. Below is a detailed breakdown of our methodology:

1. Identify Opportunities
 - a. Synthesize analyses: Collate data from Service Inventory (Section 4.3), Background Information, Technology Assessment, and Performance Assessment to determine priority improvement opportunities (e.g., inefficiencies, bottlenecks, and areas for cost savings – both agency-specific and overall)
 - b. Generate ideas: Explore innovative solutions and "white space" opportunities in best practice library that address both immediate challenges and long-term goals. Conduct brainstorming sessions, workshops, and ideation exercises to validate and improve potential improvement ideas.

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- c. **Tailor opportunities:** Adjust ideas to each organization's specific context, ensuring relevance and practicality (e.g., find specific IT platforms needed for the services provided by DOT).

2. Prioritize Ideas

- a. **Assess Feasibility and Benefits:** Evaluate each idea using a prioritization matrix that considers feasibility, potential benefits, and alignment with strategic goals. Feasibility should include operational complexity and high-level resource requirements, using inputs such as financial baselines and organizational capabilities.
- b. **Test Scenarios:** Stress-test ideas through scenario planning to ensure they are robust and adaptable to different market conditions. Facilitate workshops to align on critical trends, articulate potential scenarios, and evaluate the impact of each idea.
- c. **Create a Shortlist:** Develop a shortlist of prioritized ideas based on the feasibility and benefit assessment. Include detailed financial impact analyses and implementation roadmaps for each shortlisted idea.

3. Syndicate and Recommend

- a. **Syndicate the shortlist of ideas with leadership** through workshops and presentations to gather feedback and secure buy-in. Facilitate discussions to ensure leadership is fully engaged and aligned on proposed initiatives.
- b. **Tailor recommendations to address the specific needs and aspirations of each department,** ensuring alignment and practicality.
- c. **Create high-level implementation roadmap,** including an approach to refine recommendations to ensure continued relevance and effectiveness, as well as a method to track performance metrics to measure progress and identify areas for further improvement.

4.11 Security Compliance (*Reference: RFP 4.4.11*)

Our team understands the critical importance of maintaining strict compliance with all current and future security and privacy policies established by the West Virginia Office of Technology (WVOT) and departmental security protocols. We recognize that this engagement will involve access to sensitive government data, systems, and information that requires the highest levels of protection and confidentiality.

Compliance Framework: We will ensure full compliance with all WVOT security policies, including those outlined on the WVDHHR website under Office of Management Information Services (<http://www.wvdhhr.org/mis/policies.asp>), as well as any additional departmental security requirements specific to Human Services, Transportation, and Homeland Security operations.

Specialized Partnership: Given the specialized nature of government security compliance requirements, our team has partnered with pre-vetted partners. Seventeenth Addition (17A) and The Stevens Group, firm with extensive experience in navigating government security protocols and regulatory compliance. This partnership ensures that all security and privacy requirements are handled by experts with deep knowledge of federal and state cybersecurity frameworks, data protection standards, and government information security protocols.

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Key Security Measures: Our approach will include:

- Comprehensive review and adherence to all WVOT cybersecurity policies
- Implementation of required data handling and storage protocols
- Compliance with state and federal information security standards
- Regular security briefings and updates as policies evolve
- Coordination with departmental IT security teams for system access requirements

Ongoing Compliance: We understand that security policies may evolve during the engagement period and commit to maintaining compliance with any updated requirements. Our team will establish regular check-ins with WVOT and departmental security personnel to ensure continued adherence to all applicable policies and procedures.

5.0 Qualifications and Experience (Reference: RFP 4.5)

5.1 Firm Overview and Relevant Experience (Reference: RFP 4.5.1.1, 4.5.1.2)

McKinsey & Company, Inc. Washington D.C. (McKinsey Washington) is uniquely positioned to deliver the independent, objective, and reliable performance evaluation services requested by the State of West Virginia. With over 21 years of experience providing professional management and technical consulting services, McKinsey Washington has developed a deep understanding of the unique challenges and opportunities faced by public sector organizations. Established in 2003 specifically to support the needs of federal, state, and local government clients, McKinsey Washington has successfully completed over 2,500 projects, including engagements with all 15 U.S. federal executive cabinet departments, 38 U.S. states, and numerous quasi-public and private sector organizations. This extensive experience demonstrates our ability to deliver high-quality evaluations that promote accountability, transparency, and operational excellence.

2,500

projects, including all 15 U.S. federal executive cabinet departments, 38 U.S. states, and numerous quasi-public and private sector organizations

35,000

employees, including 18,000 consultants and 3,000 research professionals

McKinsey Washington is part of McKinsey & Company, Inc., a global consulting firm with a 100-year history of delivering impactful solutions to clients across 20 industries and 10 functional areas. The parent company's vast resources, including a network of over 35,000 employees—18,000 of whom are consultants and 3,000 are research professionals—are available to support McKinsey Washington's engagements as needed. This access to a global pool of expertise ensures that we can address even the most complex and specialized challenges with precision and insight. Our consultants bring diverse

backgrounds, including experience in public administration, policy analysis, organizational development, and data analytics, which are critical to conducting comprehensive performance evaluations.

In the past two years alone, McKinsey Washington has supported over 750 projects for public, quasi-public, and private sector clients, including federal agencies such as the Department of Defense, Department of Veterans Affairs, Department of Homeland Security, and Department of Health and Human Services. These engagements have included performance evaluations, operational assessments, and strategic planning initiatives, all of which align closely with the requirements outlined in the State of West Virginia's RFP. Our ability to deliver results across a wide range of clients and contexts underscores our capacity to meet the specific needs of this engagement.

McKinsey Washington's resources and infrastructure are designed to ensure the successful execution of concurrent projects without compromising quality or timeliness. With approximately 170 employees, including 85 dedicated consultants, McKinsey Washington has the in-house capacity to manage complex engagements. Additionally, we can draw on the broader resources

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of McKinsey & Company, Inc., as needed, to scale our efforts and provide specialized expertise. Our consultants are supported by advanced tools and technologies, including proprietary dashboards, methodologies, software applications, and market research reports. These resources enable us to conduct rigorous analyses and deliver actionable recommendations that drive measurable improvements.

Transparency and stakeholder engagement are central to our approach. We understand that the success of a performance evaluation depends on the active participation of all stakeholders, including government officials, employees, and residents. To this end, we employ a collaborative approach that involves regular consultations, workshops, and feedback sessions. This approach not only ensures that our evaluations are informed by diverse perspectives but also fosters a sense of ownership and buy-in among stakeholders, which is essential for the successful implementation of our recommendations.

5.2 Similar Project Experience (*Reference: RFP 4.5.1.2*)

Team McKinsey brings extensive experience conducting performance evaluations for state and local government entities, with a proven track record of delivering actionable recommendations that drive measurable improvements in efficiency, transparency, and service delivery. The following table presents representative engagements that demonstrate our capability to execute complex, multi-department evaluations within aggressive timelines. Each project showcases our ability to navigate the unique challenges of government transformation, from addressing political sensitivities to managing stakeholder resistance while maintaining objectivity and delivering value. These engagements reflect our core competencies in organizational assessment, operational analysis, technology evaluation, and change management—all directly applicable to West Virginia's current needs. Select representative engagements are detailed further in Exhibit 17, while others are highlighted in brief throughout this document.

The following Exhibit 16 provides relevance to key assessment areas, defined from the RFP:

1. **Performance Evaluation** - Core performance assessment of service delivery, operational, financial, and organizational efficiency
2. **Organizational Analysis** - Structure, staffing, processes, and organizational health assessment
3. **Technology Assessment** - Review of IT infrastructure, systems, and digital capabilities
4. **Service Delivery** - Analysis and improvement of citizen services and operational effectiveness
5. **Policy & Compliance** - Review of policies, procedures, and regulatory compliance

Exhibit 16: Case relevance to key assessment areas

Project Names and Key Assessment Areas	Performance Evaluation	Organizational Analysis	Technology Assessment	Service Delivery	Policy & Compliance
Primary cases					
1. Southeastern Pennsylvania Transportation Authority (SEPTA) – Efficiency and Accountability Program	✓	✓	✓	✓	✓
Relevance to WV: Government agency focused on enhancing government services and improving operational efficiency. Demonstrates a comprehensive approach to evaluating organizational performance, identifying inefficiencies, and implementing accountability measures to achieve impact.					
2. State of Tennessee – Value Identification	✓	✓		✓	✓
Relevance to WV: Government agency focused on enhancing government services and improving operational efficiency. Approach demonstrates a comprehensive method for evaluating fiscal performance, benchmarking against peers, and identifying opportunities for quick wins and long-term transformation. Results demonstrate how a structured evaluation can lead to transformative outcomes, including cost savings, improved citizen experience, and enhanced organizational readiness for change.					
3. State of Michigan Unemployment Insurance Agency (UIA) – Operational Excellence and Customer Experience	✓	✓	✓	✓	✓
Relevance to WV: Demonstrates how a state agency can overcome significant operational challenges while simultaneously improving the experience of its constituents. The focus on backlog reduction, fraud detection, and customer journey mapping aligns with the West Virginia's emphasis on delivering value to residents through efficient and transparent government services. The use of advanced analytics, technology-driven solutions, and stakeholder engagement provides a strong example of how to address complex issues and achieve measurable results within a constrained timeframe.					
4. New Jersey Department of Health (NJDOH) - Public Health Strategy and Capacity Building	✓	✓	✓	✓	✓
Relevance to WV: Exemplifies our distinctive strategic, operational, and organizational change expertise. Our work resulted in the development of new analytical capabilities for NJDOH, tangible process improvements across multiple areas of the organization, launching of a new Performance and Grant Management Unit, and articulation of a brand-new HR strategy.					
5. Federal Health Agency Transformation: Driving Operational Excellence and Sustainable Value Creation	✓	✓	✓		✓
Relevance to WV: McKinsey led a comprehensive transformation initiative at a major federal health agency, delivering \$360M+ in realized value with 5X+ ROI while building enduring organizational					

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Project Names and Key Assessment Areas	Performance Evaluation	Organizational Analysis	Technology Assessment	Service Delivery	Policy & Compliance
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capabilities. The engagement spanned procurement optimization, cloud modernization, and operating model transformation, positioning the agency for long-term operational excellence. This engagement exemplifies how combining operational excellence with capability building creates lasting impact in large government organizations, directly applicable to West Virginia's multi-department evaluation requirements.

6. West Virginia Home Visiting Program (WVHVP) - Right From The Start (RFTS) program	✓	✓	✓	✓	✓
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Relevance to WV: TSG successfully led a comprehensive multi-year evaluation and program improvement initiative for the West Virginia Home Visiting Program's Right From The Start (RFTS) program, demonstrating our deep understanding of West Virginia's governmental structure, regulatory environment, and operational challenges. This engagement involved conducting organizational assessments, developing evidence-based evaluation frameworks, and creating performance monitoring tools across 8 regional sites statewide. The project showcases TSG's proven capability to navigate federal compliance requirements, IRB protocols, and multi-stakeholder coordination while delivering actionable recommendations that enhance service delivery and promote accountability - directly applicable to evaluating the Department of Human Services, Department of Homeland Security, and Department of Transportation.

Select additional project experience relevant to this work:

7. State DOT - Strategic Plan (see section 3.2)	✓	✓			
8. State of Arkansas - Performance Review (see section 3.4)	✓	✓	✓		
9. State - Value Identification (see section 3.6)	✓	✓	✓	✓	
10. State DOT - Funding Allocation Decision-Making (see section 4.2)	✓	✓			

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Exhibit 17: Detailed descriptions of past projects completed

Project Name	Description and Impact
<p>Southeastern Pennsylvania Transportation Authority (SEPTA) – Efficiency and Accountability Program</p> <p>1234 Market Street, Philadelphia, Pennsylvania, 19107</p> <p>Reference: Ayanna Matlock, Deputy Transformation Officer, (215) 407-3032, amatlock@septa.org</p>	<p>Description: McKinsey supported SEPTA in conducting a comprehensive assessment of the performance of SEPTA’s operations, capital, real estate, cash flows and organization. The objective was to identify opportunities for SEPTA to improve its organizational performance through improving efficiency and accountability. The work included:</p> <ul style="list-style-type: none"> • Completed detailed economic modeling, financial analyses, and feasibility assessments across all departments and functions; including transit operations; vehicle engineering; corporate functions; and real estate to identify opportunities for efficiencies and improved operating models to increase accountability for impact • Conducted structured interviews with function leads to understand pain points, process/system maturity, capability, and value drivers • Built a baseline of resourcing and spend across all areas that considered regional economic projections that influenced ridership recovery with multiple revenue growth scenarios with documented assumptions • Performed detailed benchmarking across numerous financial and operational metrics (e.g., operating expense per vehicle revenue mile by category, functional spend per dollar of revenue by function) • Mobilized hundreds of employees to develop rigorous business cases leveraging complex economic inputs and financial models to assess and prioritize initiatives • Developed multi-year ridership projection models based on underlying economic activity forecasts provided by research and analytical trends • Performed maturity assessment on key functions - results used to inform areas of process improvements to clarify accountability of roles in the organization and ensure the program’s actions aligned with overall mission and strategy of SEPTA • Stood up governance and program infrastructure tools to monitor financial impact and critical key performance indicators (KPIs) related to the program’s initiatives • Developed trainings for staff members on financial analysis and modeling to support workforce upskilling and advanced capability building throughout the organization. <p>Impact: The project delivered significant financial and operational improvements for SEPTA, including:</p> <ul style="list-style-type: none"> • Identifying opportunities to increase financial resiliency by approximately \$150 million annually, representing a 10% improvement in the budget • Reprioritizing capital project development to align with strategic goals • Reducing inefficiencies and enhancing accountability through improved processes and governance • Upskilling staff to ensure sustainable improvements and advanced capabilities within the organization
<p>State of Tennessee – Value Identification</p>	<p>Description: McKinsey collaborated with the State of Tennessee to conduct a government efficiency and effectiveness assessment aimed at improving performance across state government. The project focused on cost efficiency, citizen and employee experience, and overall effectiveness through four key workstreams:</p>

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312 Rosa L. Parks Avenue, 3rd Floor, Nashville, TN 37243-1102

Reference: Available upon request

- **Fiscal Baselineing:** Developed a comprehensive baseline of Tennessee’s revenues and expenditures to enable detailed analysis and opportunity identification
- **Benchmarking:** Compared Tennessee’s fiscal and operational performance internally and against peer states to identify major inefficiencies
- **Opportunity Sizing for “Deep Dives”:** Conducted targeted investigations into selected areas to identify quick wins and long-term value opportunities for Tennesseans; worked with the State to decide whether these deep dives would be targeted to topical areas (e.g., transportation, education), or focused on themes that cross-cut agencies and programs (procurement, IT value assurance, etc.)
- **Change Readiness and Organization:** Addressed the human elements of organizational change, including formalization of leadership aspirations, a execution of a change readiness survey, and the design of a delivery unit to drive transformation

Impact:

McKinsey laid the foundation for implementation of a broad-based transformation by supporting State leadership to build change stories, design a Delivery Unit, and conduct an Execution Assessment across multiple levels of state government. The effort identified \$1B+ in potential impact, and 25% improvement in allocation of capital and talent to priorities and programs with greatest potential impact for the State to generate higher quality of life and stronger economic growth for residents.

State of Michigan Unemployment Insurance Agency (UIA) – Operational Excellence and Customer Experience

105 W. Allegan St., Lansing, MI 48933

Reference: Brett Gleason Chief Operating Officer, 1-517-643-2909, gleasonb1@michigan.gov

Description:

McKinsey partnered with Michigan’s Department of Labor and Economic Opportunity’s Unemployment Insurance Agency (UIA) to address operational challenges and improve customer experience during the pandemic. Our work included successful administration of core unemployment insurance functions given the unprecedented challenges related to the pandemic and broader economic development planning. We provided sustained operational support, including the following activities:

- Used analytical approaches, expertise, and rapid problem-solving to address a range of operational challenges, from adjudication prioritization to paper and electronic document processing to call center operations
- Drove strategies for faster processing and resolution of backlogs through process mapping to identify key pain points
- Developed projections for future staffing and adjudication needs and working closely with the agency to proactively address operational challenges
- Implemented advanced analytics and machine learning models to identify fraud patterns and improve detection, identifying problems and solutions for the agency’s fraud detection system and increasing the true positive rate for detection
- Worked closely with the fraud team to understand, prioritize, and process significant backlogs of identity verification (IDV) cases; put in place ongoing processes for identifying and testing new fraud detection rules; and establish an ongoing process for monitoring and improving existing fraud detection rules

In parallel, we redesigned customer experience and improved internal capabilities to support better service delivery. This work included:

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	<ul style="list-style-type: none"> • Mapped a set of core citizen/claimant journeys with input from a broad range of stakeholders (for example, getting reactions on key interfaces from stakeholders in claims centers) • Identified key challenges in the customer journey that impacted both the quality of the claimant’s experience and the efficiency of the process to get their benefits • Developed hundreds of opportunities for improvement using a customer experience lens towards value assurance (e.g., human centered design and gaps) • Launched the implementation of a set of initiatives to improve the experience, including a redesign of the agency’s website, review and changes to key claimant communications, a streamlined process for weekly certifications, and other improvements • Conducted an analysis of current technology capabilities and needs; created a gap analysis of current plans and technology needed to improve the efficiency and experience of workers, employers, and agency staff; and developed a roadmap for technology to support planning and decision-making on RFPs and short-term changes • Supported the agency on internal capability building and leadership coaching across each workstream <p>Impact: The project delivered significant operational and customer experience improvements for Michigan’s UIA, including:</p> <ul style="list-style-type: none"> • Clearing over 80% of the unemployment fraud backlog (IDV) within the first 4 weeks using bulk approvals, analytics, and sampling • Reducing inbound UI calls by introducing web chat and call appointments, while improving call center performance to answer up to 90% of incoming calls • Launching a public dashboard to enhance transparency of agency performance and redesigning the UI website to improve customer experience within 4 weeks • Developing over 20 internal dashboards for daily executive reporting and operational process management • Clearing 100% of a 2 million+ paper backlog in the mailroom through automated scanning technologies within 16 weeks
<p>New Jersey Department of Health (NJDOH) - Public Health Strategy and Capacity Building</p> <p>55 North Willow Street, Trenton, NJ 08608-1203</p> <p>Reference: Not available</p>	<p>Description: McKinsey supported NJDOH for 2 years from July 2021 to March 2023 on a wide range of non-COVID-19 public health topics. The support included work on development of a centralized data and analytics hub, mapping the future of public health (maternal health, lead, HIV, LTC), IT roadmap and strategy, federal public health funding application and management, performance management, modernization of vital statistics and registry, and long-term care resiliency. Selected example details include:</p> <p>Development of a Centralized Data and Analytics Hub</p> <ul style="list-style-type: none"> • Helped establish and expand the Hub through capability building for DOH staff • Supported the modernization of data infrastructure to enable analytics use cases, including integration of data sources from multiple agencies, organizations, providers, etc. to obtain a holistic view of ongoing situations • Codified learnings from various stakeholder groups (e.g., PODs, Consumer, FQHC, HIT, Comms) from the COVID-19 pandemic to improve future immunization efforts

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- Supported the design and establishment of Maternal Data Center (MDC)
- Deployed a Tech Quotient organizational capability tool, collecting insight on staff skills and gaps to inform organizational change efforts

Federal public health funding application and management

- Assisted development of performance management to track \$2B+ in COVID-19 relief funding across 15 divisions
- Supported redirection of \$200M+ in COVID-19 relief funds to high-priority NJDOH initiatives
- Developed strategic priorities to support successful application for ~\$100M CDC Strengthening Grant and supported grant management upon funding approval

Performance Management

- Assisted in launching and scaling the Performance Management and Grant Management Unit (PGMU) including the development of Performance Management Dashboard
- Helped develop, refine, and deploy the Health Equity Scorecard to measure and inform actions to reduce health disparity among New Jerseyans

IT roadmap and strategy

- Supported and reinforced DOH centralized IT function to expand its capabilities
- Supported the definition of the IT function's PMO body
- Supported the NJHIN growth and sustainability

Long-term Care (LTC) Resilience

- Helped establish a public-facing nursing home dashboard as mandated by Bill 4478, aiming to help residents make informed decisions when selecting a nursing home and equipping businesses / organizations with facility-level information that underpins investment, improvement, and advocacy decisions
- Provided continuous support to the operations of the dashboard

Impact:

The impact of the work included:

- Co-developed data/analytics capabilities and dashboards (including public facing) for nursing home care, maternal health, childhood lead, etc.
- Stand-up of a centralized data and analytics hub, including creation of new roles and org structures
 - Process improvements for staff and residents for key resident facing business processes
 - Creation of IT function's PMO and HR strategy

Federal Health Agency Transformation: Driving Operational Excellence and Sustainable Value Creation

Relevance to WV: McKinsey led a comprehensive transformation initiative at a major federal health agency, delivering \$360M+ in realized value with 5X+ ROI while building enduring organizational capabilities. The engagement spanned procurement optimization, cloud modernization, and operating model transformation, positioning the agency for long-term operational excellence. This engagement exemplifies how combining operational excellence with capability building creates lasting impact in large government organizations, directly applicable to West Virginia's multi-department evaluation requirements.

Address and Reference
withheld for confidentiality

Description:

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Enterprise-Wide Value Creation: McKinsey transformed procurement operations across billions in contract spend through advanced analytics and category management, fundamentally changing how the agency approaches vendor relationships and cost management. The team achieved a 20% reduction in cloud infrastructure costs while simultaneously modernizing technology architecture through data center consolidation and hybrid cloud adoption.

Organizational Capability Building: The engagement established self-sustaining improvement mechanisms by training hundreds of personnel and creating a dedicated center of excellence for spend optimization. McKinsey embedded analytical tools and frameworks that enable continuous optimization beyond the engagement period.

Leadership Alignment and Change Management: McKinsey instituted governance rhythms with C-suite leadership, ensuring strategic alignment and rapid issue resolution. The team demonstrated quick wins while building toward long-term structural changes, maintaining momentum throughout the multi-year transformation journey.

Impact:

- **\$360M+ value captured with 5X+ ROI**, establishing sustainable value creation mechanisms across procurement and technology domains
- **Built organizational capabilities at scale**, training hundreds of personnel and creating permanent center of excellence for ongoing optimization
- **Achieved operational excellence**, combining immediate wins with long-term structural improvements and embedded analytical frameworks for continuous improvement

West Virginia Home Visiting Program (WVHVP) - Right From The Start (RFTS) program

350 Capitol Street, Room 427, Charleston, West Virginia 25301

Reference: Jackie Newson, Director Home Visitation Programs, 304-356-4408, Jackie.J.Newson@wv.gov

Description:

Evaluation Planning and Literature Review: TSG conducted an extensive multi-phase literature review spanning 2022-2024, systematically comparing the RFTS program to other nationally recognized evidence-based home visiting models to identify best practices and evaluation methodologies. Our team performed comprehensive analysis of study designs and evaluation strategies employed by comparable programs across multiple states, examining their approaches to implementation fidelity, outcome measurement, and federal compliance requirements. We provided detailed recommendations for aligning quality assurance tools with federal standards, developing comprehensive program dashboards for real-time performance monitoring, and optimizing the strategic use of federal MIECHV funding streams. This foundational work established the evidence-based framework necessary for positioning RFTS as a federally recognized program while identifying specific areas for operational enhancement and systematic improvement.

Tool Development and Performance Monitoring: Building on our literature review findings, TSG developed a comprehensive contractor audit tool specifically aligned with the RFTS policy manual requirements and federal compliance standards. Our team designed and implemented performance measurement frameworks for both regional and statewide dashboard systems, ensuring consistent monitoring capabilities across all service delivery areas. We drafted formal implementation and formative evaluation plans specifically designed to support future summative impact studies, incorporating rigorous research methodologies and data collection protocols. These tools provided program administrators with standardized

assessment capabilities, enabling consistent quality monitoring and evidence-based decision-making across all operational levels while establishing the foundation for long-term program evaluation and continuous improvement initiatives.

Expanded Implementation Evaluation: TSG designed and executed a comprehensive assessment of implementation fidelity across all 8 regional sites throughout West Virginia, employing both qualitative and quantitative data collection methodologies to evaluate program consistency and effectiveness. Our evaluation team collected extensive field data through structured interviews, stakeholder focus groups, and IRB-approved research protocols that ensured ethical compliance and methodological rigor. We systematically evaluated consistency in service delivery approaches, workforce supervision practices, referral coordination mechanisms, and utilization patterns of the WV Connections referral system. This comprehensive assessment provided detailed insights into regional variation, identified best practices for scaling across sites, and established baseline metrics for ongoing performance monitoring and quality improvement initiatives.

Evaluation Framework Development: Our team established comprehensive research design parameters, identifying required data elements, external data source integration opportunities, and valid comparison group methodologies for rigorous impact evaluation. We developed and managed all IRB protocol requirements, ensuring ethical compliance while maintaining research validity and stakeholder protection throughout the evaluation process. The framework included systematic assessment of the WV Connections statewide referral system integration, measuring efficiency gains, cost-effectiveness improvements, and service delivery standardization across all participating regions. This work established the methodological foundation for future summative evaluations while providing immediate operational insights for program enhancement and federal funding qualification.

Impact:

- **Strengthened comprehensive evaluation capacity for a statewide program serving pregnant women and infants**, establishing robust foundation for summative impact evaluations with contextual understanding of service delivery variation and effectiveness across all 8 regional sites
- **Developed and implemented evidence-based quality assurance and continuous quality improvement systems**, including new contractor audit tools, performance dashboards, and fidelity monitoring frameworks that enabled more consistent, high-fidelity service delivery statewide
- **Enhanced federal funding readiness and compliance positioning**, significantly improving RFTS program alignment with federal evidence-based criteria for MIECHV funding eligibility through systematic evaluation design and implementation fidelity documentation
- **Created comprehensive data-driven management capabilities**, including real-time dashboard systems and regional fidelity rubrics that support continuous performance tracking, evidence-based decision-making, and proactive program improvement initiatives
- **Achieved measurable equity and efficiency improvements**, systematically identifying regional service delivery variation and promoting alignment of best practices to enhance maternal and child

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health outcomes across all regions while optimizing resource allocation and service coordination

- **Established sustainable evaluation infrastructure**, providing West Virginia with enduring research protocols, assessment tools, and performance monitoring systems that support long-term program development, federal compliance, and evidence-based policy making beyond the initial engagement period

5.3 Organizational Capabilities (*Reference: RFP 4.5.1.3, 4.5.1.4*)

5.3.1 History of Team McKinsey

McKinsey & Company (McKinsey) – For nearly a century, McKinsey & Company has operated as a single global consulting partnership committed to helping organizations realize sustainable, inclusive growth. With nearly a century of experience, our firm is established as a trusted advisor and counselor to the world's most impactful public, private, and social sector leaders. Our firm's network is global in scale, with unparalleled depth of expertise across every economic sector and subsector. We have a track record of helping organizations tackle their most difficult challenges and seize their most significant opportunities. To do that, we focus on our dual mission: to help our clients make distinctive, lasting, and substantial improvements in their performance *and* to build a great firm that attracts, develops, excites, and retains exceptional people.

McKinsey & Company, Inc. Washington D.C. (the responding entity to this RFP) was established in 2003 specifically to support the needs of US federal, state, and local clients. McKinsey Washington can draw on the talent pool and extensive resources of McKinsey & Company, the ultimate parent company, to help government better fulfill its mission. Our public and social sector practice aspires to bring the best of our global firm to help governments and nonprofit institutions improve the lives of citizens worldwide and help solve the world's most pressing economic and social issues. Our guiding mission, therefore, is completely aligned with Pennsylvania's aspirations in this endeavor.

Our unique breadth and depth of experience means that we can work with the Governor's Office, Dept. of Transportation, Dept. of Human Services, and Dept. of Homeland Security to quickly develop practical answers backed by distinctive insights. We draw upon the rich expertise of our 45,000+ professionals, who include consultants, subject matter experts and knowledge professionals, data scientists, and dedicated researchers, among others. This proposal details how we will bring the best of our unique global network of experience, insights, and capabilities to help deliver a distinctive performance evaluation for West Virginia.

Seventeenth Addition (17a) – 17a is an Ohio-based WBE firm with an office in Cincinnati and is even named after the state – Ohio was the 17th state added to the union (i.e., 17A stands for 17th addition). 17a specializes in engagement and equity-focused research and will ensure that Ohio hears from a truly diverse and equitable slate of stakeholders. They have worked with impact-oriented organizations based in Ohio since 2015, including multiple state and local agencies, leading stakeholder engagement on projects. McKinsey is proud to partner with 17a for this effort. This partnership brings together complementary capabilities and experiences from both organizations while enabling us to provide objective and independent advice to WV.

The Stevens Group (TSG) – The Stephen Group, based in Manchester, NH, helps clients face an ever changing public sector market, driven by complex governmental policies and

regulations, producing uncertainties that may significantly impact decisions and value. Many of these uncertainties cannot be controlled, but armed with rich intelligence and knowledge assets, investors can be more accurately predict significant aspects of the present and future environment. We reject the notion that outside forces will determine the results. Instead, we embrace this chaotic and evolving environment and use our deep experience, knowledge assets and practical tactical advice to provide intelligence and rigorous analysis which will lead to extraordinary results. Our private-sector clients measure those results by achieving a sustainable competitive advantage and long-lasting success in public and private markets impacted by evolving regulation. Our public-sector clients measure those results as significant improvements in efficiencies, quality of service, increased cost savings, and (ultimately) benefit to the taxpayer.

5.3.2 Organization of McKinsey & Co.

McKinsey Holdings, Inc., a Delaware Corporation; with the ultimate parent company of McKinsey & Company, Inc., however, any resulting contract would be with McKinsey & Company, Inc. Washington D.C. as this is the performing entity.

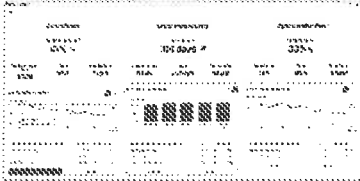
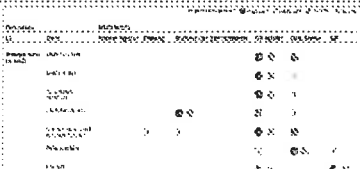
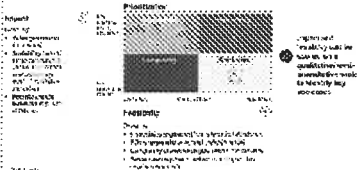
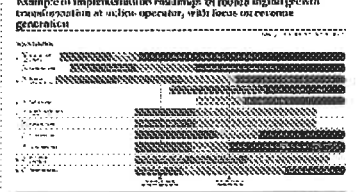
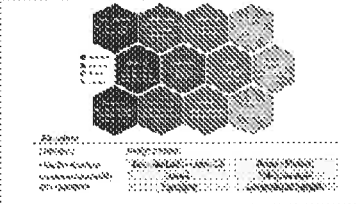
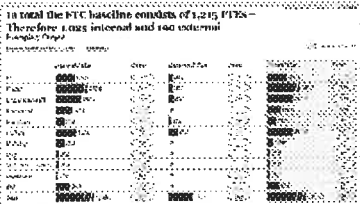

5.3.3 Capabilities

Team McKinsey's approach is built on a set of distinctive tools and capabilities uniquely positioned to help deliver on this engagement's goals by addressing complex challenges, driving operational excellence, and enabling data-driven decision-making to move quickly (Exhibit 18). Each capability is backed by extensive experience and a track record of success across various industries and geographies, ensuring the ability to tailor each one to West Virginia's needs.

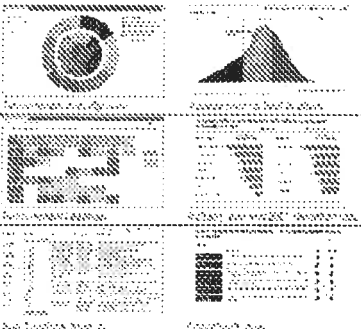
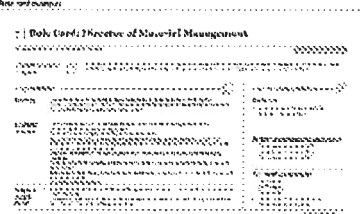
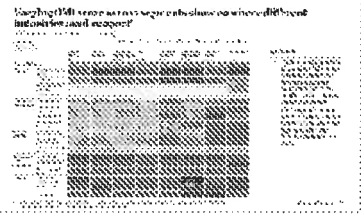
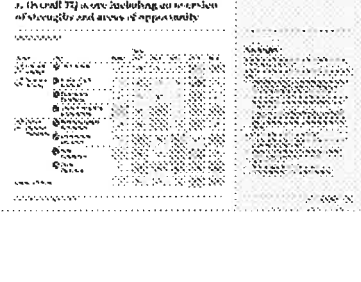

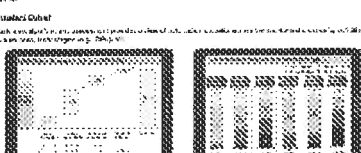
Exhibit 18: Potential capabilities used by Team McKinsey

Capabilities	Example	Description and relevance
Voice of the Client Survey	<p>Client example: Evaluation of VEC (voice of customer) with technical specifications</p> <p>Example of a survey tool</p>	<ul style="list-style-type: none"> Structured methodology designed to capture and analyze client or customer feedback Customizable modules that deliver data-driven insights aligned with clients goals
Public Sector benchmark database based on in-depth experience serving federal, state, and local agencies	<p>Supply chain cost</p> <p>Example of SCPCs</p> <p>Transportation</p> <p>Client: 5.2, Median: 5.4, Top quartile: 3.1</p>	<ul style="list-style-type: none"> Extensive benchmark database built from deep experience across federal, state, and local agencies
Cross-government library of improvement levers (see Exhibit 7 for additional detail)	<p>Healthcare</p> <ul style="list-style-type: none"> Enhance digital connectivity and business facility Improve care to home and patient mobility Reduce costs for the care Improve patient health and quality of life <p>Economic and social support</p> <ul style="list-style-type: none"> Support economic and social development Improve supply and demand Improve access programs <p>Public Safety</p> <ul style="list-style-type: none"> Improve public safety and security Improve public safety and security Improve public safety and security Improve public safety and security <p>Transport</p> <ul style="list-style-type: none"> Improve management and operations of existing assets Improve capital projects based on operational efficiency Improve public safety and security Improve public safety and security 	<ul style="list-style-type: none"> List of levers comprised of hundreds of potential performance improvements based on decades of experience with transformation and business process improvements across the private and public sectors

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Capabilities	Example	Description and relevance
Celonis Enterprise Performance Resiliency (EPR) dashboard		<ul style="list-style-type: none"> Digital twin of your business process events, focusing on procurement to payment business process within the State's ERP (WVOASIS) Dashboard that enables our team to uncover potential process inefficiencies, identify opportunities to optimize workflows, and deliver actionable, data-driven recommendations to enhance service delivery, workforce configuration, and operational efficiency
Decision rights and accountability framework		<ul style="list-style-type: none"> "RACI" (Responsible, Accountable, Consulted, Informed) Framework used to clarify roles and responsibilities through assigning individuals a level of involvement in key step of a process, particularly helpful in complex and cross-functional stakeholder environments
Impact-feasibility matrix		<ul style="list-style-type: none"> Decision-making matrix used to create a prioritized list of opportunities – to drive savings and push forward execution Matrix that covers four categories: high priority (high impact and feasibility), quick wins (high feasibility / low priority), select bets (high impact / low feasibility) and low priority (low impact / feasibility)
McKinsey Implementation Readiness Assessment		<ul style="list-style-type: none"> Assessment tool that looks at organizational, technical, and cultural preparedness of an organization and can help enhance transparency and boost implementation success through structured diagnostics and leadership alignment Score cards and tailored roadmaps based on stakeholder interviews, document reviews, and best-practice benchmarks
Operating Model Fingerprint		<ul style="list-style-type: none"> The Operating Model Fingerprint is made up of 12 key elements, which identify an organization's unique operating model choices and be used to understand which "fingerprint" elements are most important to an organization and where changes are needed to reach a desired aspiration Integrated dataset across publicly available data and AI-backed technologies to benchmark your current fingerprint against a customized peer of peers
Extensive library of case studies and benchmarks		<ul style="list-style-type: none"> Case study and benchmark library built on extensive, on-the-ground experience with data across all departments and functions included in scope Proprietary database of Corporate and Business Functions benchmarks, including FTE/cost data from >3000 organizations of all major General and Administrative functions in various industries
State-of-the-States customer experience survey		<ul style="list-style-type: none"> The nation's most comprehensive evaluation of resident customer experience with state government services in the United States, with 80K responses across all 50 states Use cases include: <ul style="list-style-type: none"> Identify services with opportunity to improve & create a business case for change Redesign specific journeys to optimize drivers of satisfaction (e.g., timeliness, accuracy, etc.) Prioritize investments and approaches (e.g., address disparities, digital investments, etc.)

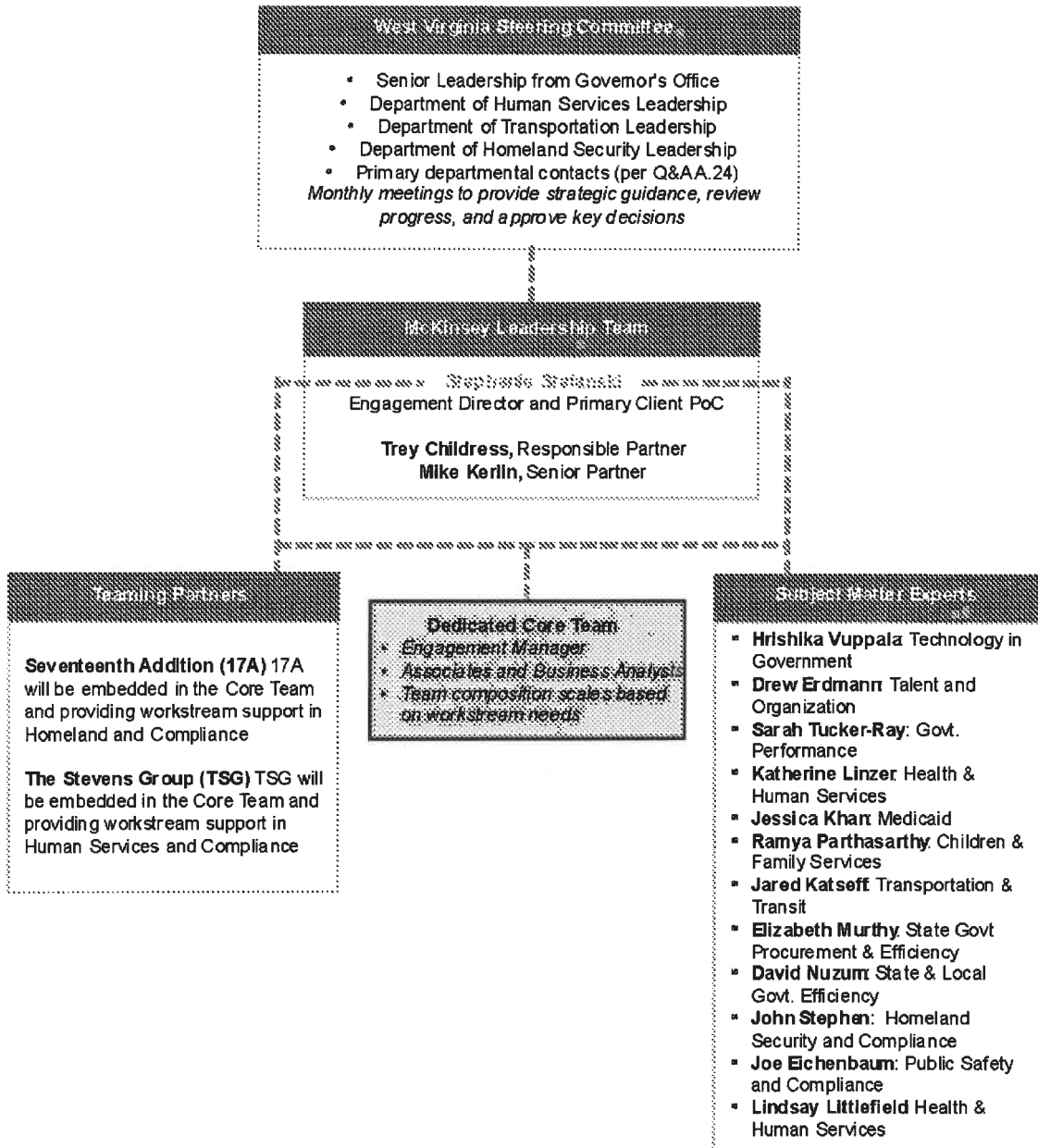
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Capabilities	Example	Description and relevance
<p>Global Procurement Excellence 360 (GPE360)</p>		<ul style="list-style-type: none"> • Web-enabled modular diagnostic tool that benchmarks procurement function with an estimate of value at stake • Procurement function maturity assessment, with heatmap providing current state assessment vs. a potential future state
<p>Library of best practice role descriptions across roles and industries</p>		<ul style="list-style-type: none"> • Compendium of role descriptions for recruiting and job clarify across industries, organized by job family • Best practice framework with standard requirements (e.g., responsibilities, functional skills) that can feed into skill development matrix
<p>Operating Model Index (OMI)</p>		<ul style="list-style-type: none"> • OMI can identify areas of improvements in a company's operating model by assessing maturity against the proven product and platform op model framework across 5 areas: Structure, Strategy and governance, Ways of working, Culture and talent management, tooling • Benchmark database that includes relevant peers and illuminates opportunities across operating model
<p>Technology Quotient</p>		<ul style="list-style-type: none"> • Rapid diagnostic of the IT function's maturity across a range of important IT capabilities providing a comprehensive set of analysis including: <ul style="list-style-type: none"> • Technology capability maturity matrix across the 8 Tech:Forward plays and a total of >60 capability areas individually per team/business unit • Granular drill-down per play to analyze root-causes and identify additional strengths • Benchmarking of technology maturity with peers and agile leaders across all sector, additional comparison of key value and speed KPIs
<p>ContractAI</p>		<ul style="list-style-type: none"> • GenAI technology that can synthesize, analyze and provide recommendations for improvement across entire contract portfolio to support efficiency in procurement
<p>Automation360</p>		<ul style="list-style-type: none"> • Suite of diagnostic tools that provides visibility into intelligent automation opportunities using MGI benchmarks across 800+ roles and 2000+ activities • Library and assessment of task and role-level opportunities for automation technologies

5.4 Project Team Qualifications (Reference: RFP 4.5.1.3)

For this engagement, we have assembled an exceptionally qualified team with proven expertise and experience across the tasks and deliverables outlined in our proposal. Team McKinsey's proposed organizational structure is outlined in Exhibit 19, and our team-based client service approach is further described in the following section.

Exhibit 19: Team McKinsey's proposed organizational structure




Accountable Leadership Team – senior leadership responsible for successful delivery.



Our leadership team is made up of seasoned consultants who have led similar engagements and who are ultimately accountable and responsible for the successful delivery of the project across all dimensions. These leaders will work closely together to bring expertise and diverse

experiences. They will meet frequently with the **Office of the Governor** team and provide insight, problem-solving support, and quality management for the core working team. The team is composed of **Mike Kerlin** (Senior Partner), **Trey Childress** (Responsible Partner), and **Stephanie Stefanski** (Engagement Director). Aligning to responses provided in the Q&A, we are just including bios in lieu of full resumes, which can be seen in the below **Exhibits 21 and 21**.

Exhibit 20: Select experts relevant to this work.

Name and Title	Bio
 <p>Trey Childress Responsible Partner</p> <p>Role: Trey will be responsible for managing our overall client relationship during the engagement and ensuring the project team has all necessary resources for the delivery of the engagement.</p>	<p>Trey Childress is a Partner at McKinsey with over 25 years of experience in public sector transformations. He has led executive branch operations and transformations in Georgia and Illinois, focusing on efficiency, customer experience, and organizational health.</p> <p>Relevant Projects:</p> <ol style="list-style-type: none"> State of Arkansas – Transformation Strategy, Diagnostic and Implementation Planning - Identified and prioritized efficiency and effectiveness opportunities across a \$30B enterprise. City of Austin – Development Services Department - Conducted a holistic assessment of organizational structure and services to improve customer outcomes. North Carolina – Department of Employment Security Operations and System Transformation - Established performance management and change management processes to transform unemployment insurance systems. State of Tennessee – Transformation Strategy – Conducted an execution assessment across multiple levels of state government, identifying \$1B+ in potential impact and 25% improvement in capital and talent allocation <p>Education: MBA, Cornell University; MS in Public Policy, Georgia Institute of Technology; BS in Industrial & System Engineering and International Affairs, Georgia Institute of Technology</p>

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Name and Title	Bio
 <p>Stephanie Stefanski Engagement Director and Primary PoC</p> <p><i>Role:</i> Stephanie will be responsible for driving the engagement forward with WV and operating as the primary point of contact for the client. Her expertise will guide the working team, manage all teaming partners, and be closely aligned to Trey and Mike for ensuring adequate resources.</p>	<p>Stephanie Stefanski is an Associate Partner at McKinsey with over 10 years of experience in sustainable socio-economic development. She specializes in natural resource policy, economic development, and financing strategies for rural and remote communities in North and South America.</p> <p>Relevant Projects:</p> <ol style="list-style-type: none"> State Dept. of Public Health: Developed operational strategy to achieve state objectives regarding public health, including on-the-ground stakeholder engagement to secure deployment of medical vans to over 30 storefronts and communities. Transformation with LatAm Ministry of the Environment: Led in-depth diagnostic of existing revenue streams and budget allocation and design of financing initiatives to secure \$700M+ to unlock national Ministry's economic development targets. Procurement spend optimization: Led multiple procurement spend optimization strategies for large, private sector organizations, including \$20B+ in negotiated supplier savings with a S&P 500 PharmaCo and \$1B+ for a S&P 500 retailer <p>Education: PhD in Environmental and Natural Resource Economics, Duke University; Master's in Environmental Economics, Yale University; B.A./B.S. in Economics and Political Economy, Tulane University.</p>
 <p>Mike Kerlin Responsible Senior Partner</p> <p><i>Role:</i> Mike will provide overall executive oversight on the delivery and closely support Trey/Stephanie.</p>	<p>Mike Kerlin is a Senior Partner at McKinsey and the leader of the Global Economic Development Practice. With over 20 years of experience, he has led more than 50 engagements in economic development, strategic planning, and operational streamlining across the U.S. and internationally.</p> <p>Relevant Projects:</p> <ol style="list-style-type: none"> Pennsylvania Department of Community and Economic Development – Pennsylvania's Economic Competitiveness Strategy - Supported the development of the first statewide economic development plan in 20 years. Commonwealth of Pennsylvania Office of the Budget – Budget Diagnostic - Led efforts to identify \$1B+ in reduced costs and increased revenues while improving service to citizens. Chamber of Commerce of Greater Philadelphia – Economic Strategy, Tech Sector Strategy, and Business Attraction - Provided extensive support for economic strategy and business attraction, including Philadelphia's bid for Amazon's second headquarters West Virginia – Economic Diagnostic – Led an economic diagnostic that shaped the "West Virginia Forward" initiative, delivering pitch packs for the Department of Commerce and contributing to an ~8% tourism increase <p>Education: MPA, Harvard Kennedy School; MBA, Harvard Business School; BA in Public & International Affairs, Princeton University</p>

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Core Working Team – 100% committed, responsible for day-to-day delivery.

McKinsey’s core working team includes qualified professionals committed full-time to specific tasks who are responsible for working collaboratively with the client team to meet The Governor’s Office objectives and deliver the day-to-day work. Upon award, we will carefully design the core working team to meet the requirements of the engagement and they will be available to start on immediately. The core working team will be led by a dedicated Engagement Manager and staffed with 1-2 additional full-time consultants depending on the phase of the engagement. Partners Seventeenth Addition (17A), The Stevens Group (TSG), and Celonis will be embedded in our core working team and supporting various workstreams.






Experts – world-class experts providing insights & problem-solving support.




McKinsey operates as one integrated firm—a single partnership united by a strong set of values, focused on client impact. Using this “One Firm” model, we can tap into our network of **25,000+ expert consultants and external Senior Advisors** across any of our offices or functional service lines, many of whom are recognized experts and leaders in their field. Our experts have deep experience in specific topics and support delivery of requirements with specific expertise and knowledge. They regularly attend problem-solving sessions and provide input on deliverables. While we have highlighted a selection of relevant experts in this proposal (Exhibit 21), we can pull in additional experts to the engagement to provide specific expertise on various topics and / or to support specific work streams as needed at any time.

Exhibit 21: Select experts relevant to this work.

Name and Title	Expertise
 <p>Hrishika Vuppala</p>	<p>Expertise: Technology in Government</p> <p>Hrishika Vuppala, a Senior Partner at McKinsey, specializes in digital service delivery and IT management for public sector clients. With 20+ years of experience, she has led IT transformations at various government projects. Her expertise includes cloud computing, cybersecurity, and digital strategy, driving innovation and efficiency in government technology initiatives.</p>
 <p>Drew Erdmann</p>	<p>Expertise: Talent and Org</p> <p>Drew Erdmann, a Partner at McKinsey, has over 25 years of experience in public service and consulting. He specializes in organizational performance transformations for government agencies and Fortune 500 companies. Drew has served as Missouri’s COO, where he led statewide initiatives to improve operational efficiency, workforce development, and strategic planning.</p>
 <p>Sarah Tucker-Ray</p>	<p>Expertise: Government Performance</p> <p>Sarah Tucker-Ray, a Partner at McKinsey, focuses on improving public sector outcomes. She has extensive experience in federal, state, and local government roles, including leading cost-saving initiatives and performance transformations in transportation and economic development. Sarah’s work emphasizes data-driven decision-making and stakeholder engagement to achieve sustainable improvements. She led West Virginia Forward, collaborating with higher education to develop a state economic development strategy.</p>

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Name and Title	Expertise
 <p>Katherine Linzer</p>	<p>Expertise: HHS</p> <p>Katherine Linzer, a Partner at McKinsey, leads transformative efforts in state health and human services. With over 10 years of experience, she specializes in Medicaid, long-term care, and behavioral health. Katherine advises on strategy and operational improvements, helping states enhance service delivery, policy implementation, and program management.</p>
 <p>Jessica Khan</p>	<p>Expertise: Medicaid</p> <p>Jessica Khan, a Partner at McKinsey, specializes in state Medicaid and human services programs. With over 25 years of experience, she has led major IT and data initiatives at CMS and supported states in Medicaid modernization efforts. Jessica's expertise includes program integrity, health IT, and policy development, driving innovation in Medicaid services.</p>
 <p>Ramya Parthasarathy</p>	<p>Expertise: Children and Family Services</p> <p>Ramya Parthasarathy, a Partner at McKinsey, focuses on improving health and human services outcomes, particularly for children. She has over 7 years of experience in strategic planning, program design, and stakeholder engagement across multiple states. Ramya's work includes child welfare reform, early childhood education, and family support services.</p>
 <p>Jared Katseff</p>	<p>Expertise: Transportation and Transit</p> <p>Jared Katseff, an Associate Partner at McKinsey, leads the Urban Transit service line in North America. He has extensive experience in transportation operations, strategy, and infrastructure finance. Jared advises major transit agencies and DOTs on improving service delivery, optimizing operations, and securing funding for large-scale projects.</p>
 <p>Elizabeth Murthy</p>	<p>Expertise: State government procurement and efficiency</p> <p>Elizabeth Murthy, a Partner at McKinsey, specializes in procurement and organizational transformations for state governments and health systems. She has led performance improvement initiatives and capability building efforts, with a focus on digital and analytics solutions. Elizabeth's work enhances procurement processes, operational efficiency, and strategic sourcing.</p>
 <p>David Nuzum</p>	<p>Expertise: State & local government efficiency</p> <p>David Nuzum is a Senior Partner and leader of McKinsey's US State Government Practice and founder of State HHS Practice. David leads McKinsey's Healthcare Innovation Practice and has over 25 years of experience in health and human services, including 12 years providing strategic and implementation advisory services to 16 state governments in health and human services, including MO, AR, IN, OH, MI, IL, MA, NY, NJ, PA, CT, DE, GA, ME, NC and VA.</p>

Name and Title	Expertise
 <p>John Stephen</p>	<p>Expertise: Homeland security and compliance</p> <p>John Stephen, Managing Partner at TSG, brings extensive government leadership experience as former Commissioner of Health and Human Services, Assistant Commissioner of Safety, and Homeland Security Director. He specializes in organizational transformation, child welfare systems, and strategic planning, having led successful state improvement projects across Arkansas, Nebraska, Texas, and Florida.</p>
 <p>Joe Eichenbaum</p>	<p>Expertise: Public safety and compliance</p> <p>Joe Eichenbaum, Lead Partner at 17a, specializes in public safety, law enforcement, and homeland security transformations. With 8+ years leading government strategy projects, he brings expertise in compliance systems, technology assessments, and interagency coordination. His experience includes criminal justice agencies, data-driven reporting, and cybersecurity standards implementation across multiple jurisdictions.</p>
 <p>Lindsay Littlefield</p>	<p>Expertise: Health & Human Services</p> <p>Lindsay Littlefield, Senior Consultant at TSG, combines consulting expertise with executive healthcare experience as former Chief Strategy Officer at Liberty Dental Plan and Texas legislative budget analyst. She specializes in strategic planning, change management, and policy development, leading transformation initiatives across Arkansas, Nebraska, Texas, and Mississippi government agencies.</p>

Support staff -- *“team behind the team” supporting successful delivery of project.*

Throughout the life of the contract, we can draw upon our internal administrative, design, research, logistical, and communications support staff, including research analysts; administrative assistants; and media, business presentation, and visual graphics designers to support the project.

5.5 Understanding of West Virginia Context *(Reference: RFP 4.5.1.5)*

Team McKinsey recognizes that this performance evaluation initiative comes at a pivotal moment for West Virginia. Governor Morrisey’s administration has inherited significant structural challenges while pursuing an ambitious reform agenda centered on transparency, accountability, and fiscal responsibility. We understand that West Virginia faces a projected \$400 million budget deficit for FY 2026, with personal income tax collections having declined 24% since FY 2023—creating urgent pressure for government efficiency improvements.

We have studied the recent departmental performance challenges that underscore the critical need for this evaluation. The dissolution and restructuring of DHHR due to a 24% vacancy rate and foster care system failures, the DMV’s recurring mainframe outages that have left citizens without essential services, and the Department of Corrections’ staffing crisis requiring National Guard deployment all demonstrate systemic issues requiring comprehensive assessment. The \$465 million federal funding compliance crisis in education and the nation’s second-highest rate of structurally deficient bridges further illustrate the scope of operational challenges across state government.

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Team McKinsey appreciates West Virginia's unique position where federal funding comprises over 50% of the state budget, creating both opportunities and vulnerabilities that must be carefully considered in our recommendations. We understand the state's demographic challenges—including ongoing population decline and the nation's second-lowest workforce participation rate—which compound the difficulty of delivering effective services with shrinking resources.

We also recognize the political context of this engagement. The Morrisey administration's commitment to eliminating government waste while protecting essential services, combined with the executive orders mandating comprehensive spending reviews and agency performance audits, provides strong executive support for meaningful reform. However, we understand that successful transformation requires building consensus among diverse stakeholders, including state employees concerned about job security, citizens demanding better services, and legislators controlling budget allocations.

Our approach will be informed by successful transformation efforts in comparable Appalachian states. Virginia's regulatory modernization achieving \$1.2 billion in annual savings, Kentucky's GRANT program leveraging federal funding through state matches, and Ohio's unified digital platform demonstrate that meaningful reform is achievable even in states facing similar economic and demographic challenges. We will adapt these proven models to West Virginia's specific context, culture, and capabilities.

Most importantly, we understand that West Virginia's citizens deserve a government that delivers value for their tax dollars. This evaluation represents an opportunity to move beyond crisis management toward sustainable operational excellence. Our recommendations will be practical, implementable, and designed to work within West Virginia's fiscal constraints while positioning the state for long-term success.

6.0 Mandatory Qualifications

6.1 Performance Optimization Methodologies (*Reference: RFP 4.5.2.1*)

McKinsey's extensive global experience across industries and functions ensures the development and application of best-in-class frameworks and tools. With a history of serving over 3,600 clients in the last three years alone, McKinsey combines deep functional expertise, proprietary tools, and a commitment to delivering sustainable impact. Their multidisciplinary teams, which include digital, analytics, and design experts, work closely with clients to tailor solutions that align with organizational goals and challenges. This breadth of experience allows McKinsey to adapt and refine their frameworks to meet the unique needs of public sector organizations, ensuring measurable improvements in performance, efficiency, and organizational health.

Non exhaustive list of potential frameworks and tools we will use in our West Virginia work include:

1. Organizational Health Index (OHI)
 - a. Measures organizational health using nine outcomes and 43 management practices, providing a comprehensive view of cultural and operational strengths.
 - b. Drives higher employee satisfaction, talent retention, and reduced burnout rates, leading to a more engaged workforce.
2. Talent-to-Value (T2V) Framework
 - a. Focuses on reallocating talent to areas of highest strategic value, ensuring resources are optimized for maximum impact.
 - b. Helps organizations identify and deploy top talent to critical roles, enhancing overall performance.
3. Enterprise Agile Methodologies
 - a. Extends agile principles beyond software development to broader organizational processes, enhancing adaptability.
 - b. Improves efficiency and reduces time-to-value for key initiatives, driving faster results.
4. Rewired Enterprise
 - a. Leverages digital and AI-driven operations to create future-ready organizations.
 - b. Empowers organizations to harness the power of technology for improved decision-making and efficiency.
5. Team Effectiveness Index (TEI)
 - a. Assesses team archetypes, health, and performance, providing actionable insights for improvement.
 - b. Enhances team collaboration and functionality, leading to better outcomes on key projects.
6. Operating Model Insights (OMI)

- a. Analyzes management ratios and benchmarks them against industry peers for optimal structure.
 - b. Helps organizations streamline operations, reducing inefficiencies and improving performance.
7. OrgLab
- a. A cloud-based tool for planning and visualizing organizational design, simplifying complex changes.
 - b. Facilitates smoother implementation of structural changes, minimizing disruption.
8. OrgScan
- a. Offers an outside-in view of peer organizational charts to assess alternative structures and identify best practices.
 - b. Provides a clear roadmap for achieving desired organizational outcomes, enhancing accountability.
9. Corporate Business Functions Benchmarking
- a. Benchmarks FTE/cost data across general and administrative functions using a database of over 3,000 organizations.
 - b. Offers actionable insights to optimize resource allocation and improve operational efficiency.

6.2 Conflict of Interest Disclosure (*Reference: RFP 4.5.2.2*)

McKinsey & Company, Inc. Washington D.C. ("McKinsey DC") primarily serves public sector clients, with some social sector and commercial client work. At this time, we are not aware of any McKinsey DC interest that poses a direct or indirect conflict of interest, as these terms are described in Section 38 of the General Terms and Conditions of the West Virginia Department of Administration RFP. For additional transparency, we note that affiliates McKinsey & Company, Inc. United States ("McKinsey US"), and McKinsey & Company Aerospace and Defense, LLC ("McKinsey USD") both serve or have served private sector clients that may provide or have provided products and/or services to West Virginia Department of Administration, West Virginia Office of the Governor, or State of West Virginia. These industries include medical electronics, healthcare systems and services (including for-profit and not-for-profit hospitals and health systems, payers, services and technology vendors, distributors, and pharmacies), pharmaceutical and medical products (including drugs and medications, R&D, distributors, and consumer health), aerospace (including aerospace aftermarket and services, aerospace equipment and products, civil aircraft, and ground support equipment), defense, and space (including prime contractors, suppliers, and service providers), construction equipment and technology, electric power and natural gas (including water utilities, power distribution, and power transmission), robotics, mobility disruptors, sustainability (including electrification and decarbonization transformations), travel and transportation providers (including airlines, airports, logistics providers, rail, travel distribution, urban transit, parcel and express, ride sharing, corporate aviation, air traffic control, aircraft maintenance, ground handling, and cruises), logistics (including air cargo, shipping, waste management, trucking, and freight rail), automotive (including light vehicle and commercial vehicle OEMs, dealers, and aftermarket), consumer packaged goods (including food and beverages), technology (including infrastructure, services and software), private equity firms, private financial institutions (including capital markets and investment banking, corporate and commercial banking, small business banking

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and digital assets), institutional investors, non-profits, foundations, enterprise software, telecommunications and network infrastructure, media, and real estate. McKinsey US's consulting services include analysis, advice, and implementation support across many areas of business, including marketing and commercial growth (including Go-to-Market strategy and execution, sales optimization, pricing and margin management, customer experience), pricing, operations (including digitization, analytics, automation, process improvements and efficiency, logistics, procurement, and capital projects), strategy, value creation (including assessment of capabilities and impact on customers, employees, finance and operations, and social and environmental), corporate finance, people and organization (including talent, operating model, organization design, change and culture management, leadership, and capability building), management of risk (including portfolio optimization), building of resilience against non-navigable events (including crisis response), technology, transformation (including helping companies significantly change their performance trajectory by reducing costs (e.g., procurement, labor, fixed costs, digitization and automation) and/or driving growth (e.g., acquisitions, divestitures, new investments, and business building)), mergers and acquisitions topics (including merger strategy, due diligence, integration planning, divestiture planning, IPOs, JVs and alliances), and sustainability. McKinsey DC does not hold ownership interests in its clients, but we note that other affiliates may hold ownership interests in McKinsey US clients across various industries.

6.3 Data Protection Compliance (*Reference: RFP 4.5.2.3*)

We will comply with all relevant data protection standards and confidentiality agreements to safeguard sensitive information uncovered during the engagement. Our data handling procedures will align with applicable regulations, including HIPAA, FERPA, FISMA, or others as required.

Key measures of Team McKinsey's data protection policies include:

1. **Access Controls:** Restricting data access to authorized personnel on a need-to-know basis.
2. **Data Encryption:** Securing data in transit and at rest with industry-standard encryption.
3. **Confidentiality Agreements:** Requiring all team members to sign confidentiality agreements.
4. **Secure Systems:** Using secure platforms for data storage and transmission.
5. **Incident Response:** Implementing a plan to address and report any data breaches.
6. **Regulatory Compliance:** Continuously updating practices to meet evolving privacy laws.
7. **Training:** Ensuring our team is trained on data protection and compliance best practices.

We will prioritize the security and confidentiality of your data and are happy to provide further details on our approach.

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6.4 Non-Disclosure Agreement (Reference: RFP 4.5.2.4, Appendix A)

NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement (this "Agreement"), entered into and made effective as of this the 22nd day of July, 2025, is by and between (1) McKinsey & Company, Inc. Washington D.C., located at 1200 19th Street NW, Suite 1000, Washington D.C. 20036 (the "Company"), and (2) the Office of the Governor of the State of West Virginia located at 1900 Kanawha Blvd. E., Charleston, West Virginia, 25305 (the "Governor's Office"). The Company and the Governor's Office each may be referred to hereinafter individually as a "Party" and collectively as the "Parties."

WHEREAS, the Company and the Governor's Office intend to enter into certain discussions concerning Work as described in CRFP 0100 GOV 260000001

(the "Project"), and in the course of such discussions it may be necessary for the Governor's Office and/or the Company to disclose certain confidential information to the other Party (the "Confidential Information"); and

WHEREAS, the Company and the Governor's Office desire to enter into this Agreement to allow for the exchange of Confidential Information, as hereinafter defined, to facilitate the development of the Project, as more fully set forth in this Agreement.

NOW THEREFORE, in consideration of the promises and covenants made herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Confidential Information.** "Confidential Information" shall mean all information, regardless of the form in which it is communicated or maintained (whether oral, written, digital or visual) and whether prepared by the Governor's Office, and its Affiliates, and/or the Company which relates to the Project, and the business and planned activities of the Parties, and their affiliates, including all reports, analyses, notes, copies, data, models, or other information based on, contain or reflect any such Confidential Information or which have been marked by the Parties as "confidential." Confidential Information shall not include the following:

- a. Information which is or becomes publicly available other than as a result of a violation of this Agreement;
- b. Information which is or becomes available on a non-confidential basis from a source which is not known to a Party to be prohibited from disclosing such information pursuant to a legal, contractual or fiduciary obligation;
- c. Information which a Party can demonstrate was legally in its possession prior to disclosure by the other Party;
- d. Information which a Party independently developed without the use of Confidential Information of the other Party; or

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e. Information which is required by state or federal law, or by a court of competent jurisdiction, to be disclosed.

2. **Nondisclosure and Use of Confidential Information.** The Company acknowledges and agrees that the Governor's Office is subject to the West Virginia Freedom of Information Act, W. Va. Code § 29B-1-1 *et seq.* (the "FOIA"), and that the Governor's Office's obligations hereunder are subject in all respect to applicable West Virginia law that requires "public bodies" to disclose "public records," as those terms are defined in the FOIA. FOIA, however, does recognize exemptions, including for trade secrets, which is defined to include "any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article or trade or a service or to locate minerals or other substances, having commercial value, and which gives its users an opportunity to obtain business advantage over competitors." W. Va. Code § 29B-1-4(a)(1). FOIA further exempts "[i]nternal memoranda or letters received or prepared by any public body," which includes "evidentiary privileges as the attorney-client privilege, the attorney work-product privilege, and the executive 'deliberative process privilege,'" and extends to "[d]raft documents." W. Va. Code § 29B-1-4(a)(8); *Daily Gazette Co. v. W. Va. Dev. Office*, 198 W. Va. 563, 571, 482 S.E.2d 180, 188 (1996); and *Highland Mining Co. v. W. Va. Univ. School of Medicine*, 235 W. Va. 370, 386, 774 S.E.2d 36, 52 (2015). The internal memoranda exemption applies to "written advice, opinions and recommendations to a public body from outside consultants or experts obtained during the public body's deliberative, decision-making process." *Syl. pt. 4, Daily Gazette Co.*, 198 W. Va. 563, 482 S.E.2d 180. Subject to the foregoing, Confidential Information of the Company shall be held in strict confidence by the Governor's Office, and shall not be disclosed without prior written consent of the Company, except to those employees and agents of the Governor's Office with a "need to know" the Confidential Information for purposes of discussing the Project with the Company. The Governor's Office shall not use the Confidential Information for any purpose other than in connection with discussing the Project with the Company.

3. **Required Disclosure.** In the event that a Party is requested or required by legal or other authority to disclose any Confidential Information, such Party shall promptly notify the other Party of such request or requirement prior to disclosure so that the Party opposed to disclosure may seek an appropriate protective order and/or waive compliance with the terms of this Agreement. In the event that a protective order or other remedy is not obtained by the time that such is required to disclose the Confidential Information, or the other Party waives compliance with the provisions hereof, the disclosing Party agrees to furnish only that portion of the Confidential Information that it reasonably determines, in consultation with its counsel, is consistent with the scope of the subpoena or demand, and to exercise reasonable efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

4. **Remedies.** Each Party agrees that given the subject matter, injunctive or other equitable relief will likely serve as the appropriate relief to remedy or prevent any breach or threatened breach of this Agreement.

5. **No License.** It is understood and agreed that nothing contained in this Agreement shall be construed as granting or conferring rights by license or otherwise in any Confidential Information disclosed during the term of this Agreement. Each Party acknowledges and agrees

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that each Party has and reserves the right, in its sole discretion and at any time and without notice, to terminate discussions or negotiations.

6. Amendment. Any amendment to this Agreement must be in writing and signed by an authorized representative of each Party.

7. No Other Agreement. It is understood that this Agreement is not intended to and does not obligate the Parties, or either of them, to enter into any further agreements or to proceed with any other transaction or relationship.

8. Non-Waiver. No waiver of any provision of the Agreement shall be deemed to be nor shall constitute a waiver of any other provision whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia without regard to rules concerning conflicts of laws.

10. Affiliate. "Affiliate" means any other person (natural person, corporation, limited liability company, partnership, firm, association, or any other entity) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the party specified. Control occurs wherever a legal or natural person directly or indirectly through one or more intermediate legal persons owns or controls in aggregate fifty percent or more of voting capital.

11. Media. So long as the Governor's Office does not disclose Confidential Information, the Governor's Office is free to make public comments on the Project. The Company, however, is strictly prohibited from making any public comments on the Project—regardless of whether those public comments directly relate to Confidential Information—without first obtaining written approval from the Governor's Office. "Public comments" include press conferences, press releases, social media posts, or any other means of disseminating information to the public.

12. Term & Termination. The Governor's Office may terminate this Agreement upon 30 days' written notice. The Company may terminate this Agreement upon written consent of the Governor's Office. This Agreement shall remain in full force and effect until it is terminated.

13. Notices. Any notices or requests that may be given or made pursuant to this Agreement must be in writing and delivered personally, by registered or certified mail, postage prepaid, by a recognized overnight delivery service or by facsimile, which shall be deemed received upon confirmation of receipt in legible form to the Parties at the following:

If to the Governor's Office:
 WEST VIRGINIA GOVERNOR'S OFFICE
 1980 Kanawha Blvd., East
 Charleston, WV 25305
 Attn: Jamion Wolford, CFO

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Performance Evaluation Audit

If to the Company, to:

McKinsey USG Contracts
1200 19th Street NW Suite 1000
Washington D.C. 20036

14. Entire Agreement. This Agreement constitutes the full and entire agreement between the Parties regarding the confidentiality and use of the Confidential Information.

15. Counterparts. This Agreement may be signed in counterparts, each of which may be deemed an original, and all of which together constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first set forth above.

WEST VIRGINIA OFFICE OF THE
GOVERNOR OF WEST VIRGINIA

By: _____

Its: _____

McKinsey & Company, Inc. Washington D.C.

By: *Sarah Tucker Ray*
Sarah Tucker Ray

Its: Partner

Performance Evaluation Audit

6.5 Litigation History (Reference: RFP 4.5.2.5)

Since January 2021, lawsuits have been filed against McKinsey by various plaintiff groups (subdivisions, school districts, third-party payors, parents and guardians of children born with neonatal abstinence syndrome, and Native American Tribes). The vast majority of these lawsuits have been resolved. In some actions, McKinsey and Company, Inc. Washington D.C. has been named as a defendant in lawsuits relating to McKinsey's past client service work for opioid manufacturers. McKinsey & Company Inc., Washington D.C. is presently engaged in litigation with certain insurers over coverage related to lawsuits filed against McKinsey relating to its past client service work for opioid manufacturers.

6.6 Vendor Registration Confirmation

Confirming we have registered and confirm the below details:

- Headquarters Account Legal Name is: MCKINSEY & COMPANY INC WASHINGTON DC
- Headquarters Account Code is: VC0000056738
- Vendor/Customer is: VS0000049488

6.7 Insurance Certificates (per Section 3, Item 8)

		CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 07/01/2025			
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.							
IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).							
PRODUCER MARSH USA LLC 501 MERRITT 7 NORWALK, CT 06858-9010 Attn: Norwalk.certrequest@marsh.com / Fax: 203-229-5511 ON102965230--GAWU-25-26	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL: ADDRESS: INSURER(S) AFFORDING COVERAGE NAIC # INSURER A : The Continental Insurance Company 35289 INSURER B : The Continental Casualty Company 35289 INSURER C : Sampo America Fire & Marine Insurance Company 38997 INSURER D : ACE American Insurance Company 22867 INSURER E : INSURER F :						
INSURED		CERTIFICATE NUMBER:					
MCKINSEY & COMPANY, INC. 175 Greenwich Street Three World Trade Center FL 60-40 NEW YORK, NY 10007		NYC-01023548-15		REVISION NUMBER: 9			
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
INSR	TYPE OF INSURANCE	ADCL	SUBR	POLICY NUMBER	POLICY EFF	POLICY EXP	LIMITS
A	X COMMERCIAL GENERAL LIABILITY		X OCCUR	8032970180	07/01/2025	07/01/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	CLAIMS-MADE X						
	GENL AGGREGATE LIMIT APPLIES PER:						
	POLICY		PROJ				
	OTHER:						
B	AUTOMOBILE LIABILITY			8032970177	07/01/2025	07/01/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Compl/Co! Ded (Hired) \$ 100A,000
	ANY AUTO						
	OWNED AUTOS ONLY		SCHEDULED AUTOS				
	HIRE AUTOS ONLY		NON-OWNED AUTOS ONLY				
A	X UMBRELLA LIAB		X OCCUR	8032970194	07/01/2025	07/01/2025	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
	EXCESS LIAB		CLAIMS-MADE				
	DED X		RETENTIONS 10,000				
G	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			MWF50391550200 (AOS)	07/01/2025	07/01/2025	X PER STATUTE OTHER
C	ANY PRODUCER/PARTNER/EXECUTIVE OFFICER/EMBER EXCLUDED? (Mandatory in NY)	Y/N		GWP3066323801 (FL, IA, MA, WI)	07/01/2025	07/01/2025	E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						
D	Property 'All Risk'			GPA 03774887-014	07/01/2025	07/01/2025	Deductible \$ 10,000 Blanket Limit 200,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)							
EVIDENCE OF COVERAGE:							
CERTIFICATE HOLDER				CANCELLATION			
McKinsey & Company, Inc. 175 Greenwich Street Three World Trade Center FL 60-40 New York, NY 10007				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Marsh USA LLC</i>			

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ACORD 25 (2016/03)

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Performance Evaluation Audit

AGENCY CUSTOMER ID: CN1G2985230

LOC #: Norwalk



ADDITIONAL REMARKS SCHEDULE

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AGENCY MARSH USA LLC		NAMED INSURED MCKINSEY & COMPANY, INC. 175 Greenwich Street Three World Trade Center R. 31 40 NEW YORK, NY 10067	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	N.A.C. CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Property: 500000 Deductible shown as the Break and Retention Priority including time element.
Other deductibles may apply as per policy terms and conditions.

All Risk of direct physical loss or damage to real and personal property on a replacement cost basis, subject to policy terms, conditions and exclusions. Coverage includes, but is not limited to fire, extended parts such as vandalism, malicious mischief, flood, earthquake and boiler & machinery.


Performance Evaluation Audit

23 July 2025

Appendix A: Signed RFP Forms and Addenda (EXCLUDES PRICE)

Performance Evaluation Audit

23 July 2025

	Department of Administration Purchasing Division 2016 Washington Street East Post Office Box 89136 Charleston, WV 25308-0136	State of West Virginia Centralized Request for Proposals Consulting

Proc Folder: 1732742	Reason for Modification: Addendum No 1 is issued to publish Questions and Answers		
Doc Description: Addendum No 1 - Performance Evaluation Audit			
Proc Type: Central Master Agreement			
Date issued	Solicitation Closes	Solicitation No	Version
2025-07-31	2025-07-23 13:30	CPFP 0107 GOV2600000001	2

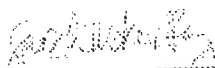
BID RECEIVING LOCATION

BID CLERK
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 2016 WASHINGTON ST E
 CHARLESTON WV 25308
 US

VENDOR

Vendor Customer Code: VS0000049488
 Vendor Name : McKinsey & Company, Inc. Washington D.C.
 Address : 1200 19th Street NW
 Street : Suite 1000
 City : Washington D.C.
 State : DC Country : USA Zip : 20036
 Principal Contact : Sarah Tucker-Ray
 Vendor Contact Phone: 901 497 6360 Extension:


FOR INFORMATION CONTACT THE BUYER
 Toby L. Walsh
 (304) 588-8802
 toby.l.walsh@wv.gov

Vendor Signature:  FENR 56-2405213 DATE July 22, 2025

All offers subject to all terms and conditions contained in this solicitation

Office of the Governor
Performance Evaluation Audit

CRFP GOV260000001
23 July 2025

	Department of Administration Purchasing Division 2015 Washington Street East Post Office Box 50130 Charleston, WV 25305-0130	State of West Virginia Centralized Request for Proposals Consulting

Proc Folder: 1732742	Reason for Modification:		
Doc Description: Performance Evaluation Audit			
Proc Type: Central Master Agreement			
Gate Issued	Solicitation Closes	Solicitation No	Version
2025-07-02	2025-07-23 13:30	CRFP 0100 GOV260000001	1

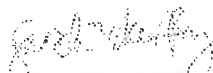
BID RECEIVING LOCATION

BID CLERK
DEPARTMENT OF ADMINISTRATION
PURCHASING DIVISION
2015 WASHINGTON ST E
CHARLESTON WV 25305
US

VENDOR

Vendor Customer Code: VS0000049488
Vendor Name : McKinsey & Company, Inc. Washington D.C.
Address : 1200 19th Street
Street : Suite 1000
City : Washington D.C.
State : DC Country : USA Zip : 20036
Principal Contact : Sarah Tucker-Ray
Vendor Contact Phone: 901 497 6360 Extension:

FOR INFORMATION CONTACT THE BUYER
Toby L. Welch
(304) 558-8802
toby.l.welch@wv.gov

Vendor Signature:  FENN# 56-2405213 DATE July 22, 2025

All offers subject to all terms and conditions contained in this solicitation

REQUEST FOR PROPOSAL
OFFICE OF THE GOVERNOR—PERFORMANCE EVALUATION AUDIT
CRFP GOV2500000

SECTION 3: GENERAL TERMS AND CONDITIONS

Terms and conditions begin on the next page.

Revised 07/01/2021

GENERAL TERMS AND CONDITIONS:

1. CONTRACTUAL AGREEMENT: Issuance of an Award Document signed by the Purchasing Division Director, or his designee, and approved as to form by the Attorney General's office constitutes acceptance by the State of this Contract made by and between the State of West Virginia and the Vendor. Vendor's signature on its bid, or on the Contract if the Contract is not the result of a bid solicitation, signifies Vendor's agreement to be bound by and accept the terms and conditions contained in this Contract.

2. DEFINITIONS: As used in this Solicitation/Contract, the following terms shall have the meanings attributed to them below. Additional definitions may be found in the specifications included with this Solicitation/Contract.

2.1. "Agency" or "Agencies" means the agency, board, commission, or other entity of the State of West Virginia that is identified on the first page of the Solicitation or any other public entity seeking to procure goods or services under this Contract.

2.2. "Bid" or "Proposal" means the vendors submitted response to this solicitation.

2.3. "Contract" means the binding agreement that is entered into between the State and the Vendor to provide the goods or services requested in the Solicitation.

2.4. "Director" means the Director of the West Virginia Department of Administration, Purchasing Division.

2.5. "Purchasing Division" means the West Virginia Department of Administration, Purchasing Division.

2.6. "Award Document" means the document signed by the Agency and the Purchasing Division, and approved as to form by the Attorney General, that identifies the Vendor as the contract holder.

2.7. "Solicitation" means the official notice of an opportunity to supply the State with goods or services that is published by the Purchasing Division.

2.8. "State" means the State of West Virginia and/or any of its agencies, commissions, boards, etc. as context requires.

2.9. "Vendor" or "Vendors" means any entity submitting a bid in response to the Solicitation, the entity that has been selected as the lowest responsible bidder, or the entity that has been awarded the Contract as context requires.

3. CONTRACT TERM; RENEWAL; EXTENSION: The term of this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below:

Term Contract

Initial Contract Term: The Initial Contract Term will be for a period of One Year (1). The Initial Contract Term becomes effective on the effective start date listed on the first page of this Contract, identified as the State of West Virginia contract cover page containing the signatures of the Purchasing Division, Attorney General, and Encumbrance clerk (or another page identified as _____), and the Initial Contract Term ends on the effective end date also shown on the first page of this Contract.

Renewal Term: This Contract may be renewed upon the mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any request for renewal should be delivered to the Agency and then submitted to the Purchasing Division thirty (30) days prior to the expiration date of the initial contract term or appropriate renewal term. A Contract renewal shall be in accordance with the terms and conditions of the original contract. Unless otherwise specified below, renewal of this Contract is limited to One (1) successive one (1) year periods or multiple renewal periods of less than one year, provided that the multiple renewal periods do not exceed the total number of months available in all renewal years combined. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's office (Attorney General approval is as to form only)

Alternate Renewal Term – This contract may be renewed for _____ successive _____ year periods or shorter periods provided that they do not exceed the total number of months contained in all available renewals. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's office (Attorney General approval is as to form only)

Delivery Order Limitations: In the event that this contract permits delivery orders, a delivery order may only be issued during the time this Contract is in effect. Any delivery order issued within one year of the expiration of this Contract shall be effective for one year from the date the delivery order is issued. No delivery order may be extended beyond one year after this Contract has expired.

Fixed Period Contract: This Contract becomes effective upon Vendor's receipt of the notice to proceed and must be completed within _____ days.

Performance Evaluation Audit

23 July 2025

Fixed Period Contract with Renewals: This Contract becomes effective upon Vendor's receipt of the notice to proceed and part of the Contract more fully described in the attached specifications must be completed within _____ days. Upon completion of the work covered by the preceding sentence, the vendor agrees that:

the contract will continue for _____ years;

the contract may be renewed for _____ successive _____ year periods or shorter periods provided that they do not exceed the total number of months contained in all available renewals. Automatic renewal of this Contract is prohibited. Renewals must be approved by the Vendor, Agency, Purchasing Division and Attorney General's Office (Attorney General approval is as to form only).

One-Time Purchase: The term of this Contract shall run from the issuance of the Award Document until all of the goods contracted for have been delivered, but in no event will this Contract extend for more than one fiscal year.

Construction/Project Oversight: This Contract becomes effective on the effective start date listed on the first page of this Contract, identified as the State of West Virginia contract cover page containing the signatures of the Purchasing Division, Attorney General, and Encumbrance clerk (or another page identified as _____), and continues until the project for which the vendor is providing oversight is complete.

Other: Contract Term specified in _____

4. AUTHORITY TO PROCEED: Vendor is authorized to begin performance of this contract on the date of encumbrance listed on the front page of the Award Document unless either the box for "Fixed Period Contract" or "Fixed Period Contract with Renewals" has been checked in Section 3 above. If either "Fixed Period Contract" or "Fixed Period Contract with Renewals" has been checked, Vendor must not begin work until it receives a separate notice to proceed from the State. The notice to proceed will then be incorporated into the Contract via change order to memorialize the official date that work commenced.

5. QUANTITIES: The quantities required under this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below.

Open End Contract: Quantities listed in this Solicitation/Award Document are approximations only, based on estimates supplied by the Agency. It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract, whether more or less than the quantities shown.

Service: The scope of the service to be provided will be more clearly defined in the specifications included herewith.

Combined Service and Goods: The scope of the service and deliverable goods to be provided will be more clearly defined in the specifications included herewith.

Revised 10/17/2024

Request for Proposal

One-Time Purchase: This Contract is for the purchase of a set quantity of goods that are identified in the specifications included herewith. Once those items have been delivered, no additional goods may be procured under this Contract without an appropriate change order approved by the Vendor, Agency, Purchasing Division, and Attorney General's office.

Construction: This Contract is for construction activity more fully defined in the specifications.

6. EMERGENCY PURCHASES: The Purchasing Division Director may authorize the Agency to purchase goods or services in the open market that Vendor would otherwise provide under this Contract if those goods or services are for immediate or expedited delivery in an emergency. Emergencies shall include, but are not limited to, delays in transportation or an unanticipated increase in the volume of work. An emergency purchase in the open market, approved by the Purchasing Division Director, shall not constitute of breach of this Contract and shall not entitle the Vendor to any form of compensation or damages. This provision does not excuse the State from fulfilling its obligations under a One-Time Purchase contract.

7. REQUIRED DOCUMENTS: All of the items checked in this section must be provided to the Purchasing Division by the Vendor as specified:

LICENSE(S) / CERTIFICATIONS / PERMITS: In addition to anything required under the Section of the General Terms and Conditions entitled Licensing, the apparent successful Vendor shall furnish proof of the following licenses, certifications, and/or permits upon request and in a form acceptable to the State. The request may be prior to or after contract award at the State's sole discretion.

Appendix A: Non-Disclosure Agreement

The apparent successful Vendor shall also furnish proof of any additional licenses or certifications contained in the specifications regardless of whether or not that requirement is listed above.

8. INSURANCE: The apparent successful Vendor shall furnish proof of the insurance identified by a checkmark below prior to Contract award. The insurance coverages identified below must be maintained throughout the life of this contract. Thirty (30) days prior to the expiration of the insurance policies, Vendor shall provide the Agency with proof that the insurance mandated herein has been continued. Vendor must also provide Agency with immediate notice of any changes in its insurance policies, including but not limited to, policy cancellation, policy reduction, or change in insurers. The apparent successful Vendor shall also furnish proof of any additional insurance requirements contained in the specifications prior to Contract award regardless of whether that insurance requirement is listed in this section.

Vendor must maintain:

- Commercial General Liability Insurance** in at least an amount of: \$1,000,000.00 per occurrence.
- Automobile Liability Insurance** in at least an amount of: \$1,000,000.00 per occurrence.
- Professional/Malpractice/Errors and Omission Insurance** in at least an amount of: _____ per occurrence. Notwithstanding the forgoing, Vendor's are not required to list the State as an additional insured for this type of policy.
- Commercial Crime and Third Party Fidelity Insurance** in an amount of: _____ per occurrence.
- Cyber Liability Insurance** in an amount of: _____ per occurrence.
- Builders Risk Insurance** in an amount equal to 100% of the amount of the Contract.
- Pollution Insurance** in an amount of: _____ per occurrence.
- Aircraft Liability** in an amount of: _____ per occurrence.
-
-
-
-

Revised 10/17/2024

Request for Proposal

9. WORKERS' COMPENSATION INSURANCE: Vendor shall comply with laws relating to workers compensation, shall maintain workers' compensation insurance when required, and shall furnish proof of workers' compensation insurance upon request.

10. VENUE: All legal actions for damages brought by Vendor against the State shall be brought in the West Virginia Claims Commission. Other causes of action must be brought in the West Virginia court authorized by statute to exercise jurisdiction over it.

11. LIQUIDATED DAMAGES: This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue any other available remedy. Vendor shall pay liquidated damages in the amount specified below or as described in the specifications:

_____ for _____.

Liquidated Damages Contained in the Specifications.

Liquidated Damages Are Not Included in this Contract.

12. ACCEPTANCE: Vendor's signature on its bid, or on the certification and signature page, constitutes an offer to the State that cannot be unilaterally withdrawn, signifies that the product or service proposed by vendor meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise indicated, and signifies acceptance of the terms and conditions contained in the Solicitation unless otherwise indicated.

13. PRICING: The pricing set forth herein is firm for the life of the Contract, unless specified elsewhere within this Solicitation/Contract by the State. A Vendor's inclusion of price adjustment provisions in its bid, without an express authorization from the State in the Solicitation to do so, may result in bid disqualification. Notwithstanding the foregoing, Vendor must extend any publicly advertised sale price to the State and invoice at the lower of the contract price or the publicly advertised sale price.

14. PAYMENT IN ARREARS: Payments for goods/services will be made in arrears only upon receipt of a proper invoice, detailing the goods/services provided or receipt of the goods/services, whichever is later. Notwithstanding the foregoing, payments for software maintenance, licenses, or subscriptions may be paid annually in advance.

15. PAYMENT METHODS: Vendor must accept payment by electronic funds transfer and P-Card. (The State of West Virginia's Purchasing Card program, administered under contract by a banking institution, processes payment for goods and services through state designated credit cards.)

16. TAXES: The Vendor shall pay any applicable sales, use, personal property or any other taxes arising out of this Contract and the transactions contemplated thereby. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.

17. ADDITIONAL FEES: Vendor is not permitted to charge additional fees or assess additional charges that were not either expressly provided for in the solicitation published by the State of West Virginia, included in the Contract, or included in the unit price or lump sum bid amount that Vendor is required by the solicitation to provide. Including such fees or charges as notes to the solicitation may result in rejection of vendor's bid. Requesting such fees or charges be paid after the contract has been awarded may result in cancellation of the contract.

18. FUNDING: This Contract shall continue for the term stated herein, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise made available, this Contract becomes void and of no effect beginning on July 1 of the fiscal year for which funding has not been appropriated or otherwise made available. If that occurs, the State may notify the Vendor that an alternative source of funding has been obtained and thereby avoid the automatic termination. Non-appropriation or non-funding shall not be considered an event of default.

19. CANCELLATION: The Purchasing Division Director reserves the right to cancel this Contract immediately upon written notice to the vendor if the materials or workmanship supplied do not conform to the specifications contained in the Contract. The Purchasing Division Director may also cancel any purchase or Contract upon 30 days written notice to the Vendor in accordance with West Virginia Code of State Rules § 148-1-5.2.b.

20. TIME: Time is of the essence regarding all matters of time and performance in this Contract.

21. APPLICABLE LAW: This Contract is governed by and interpreted under West Virginia law without giving effect to its choice of law principles. Any information provided in specification manuals, or any other source, verbal or written, which contradicts or violates the West Virginia Constitution, West Virginia Code, or West Virginia Code of State Rules is void and of no effect.

22. COMPLIANCE WITH LAWS: Vendor shall comply with all applicable federal, state, and local laws, regulations and ordinances. By submitting a bid, Vendor acknowledges that it has reviewed, understands, and will comply with all applicable laws, regulations, and ordinances.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to comply with all applicable laws, regulations, and ordinances. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

23. ARBITRATION: Any references made to arbitration contained in this Contract, Vendor's bid, or in any American Institute of Architects documents pertaining to this Contract are hereby deleted, void, and of no effect.

24. MODIFICATIONS: This writing is the parties' final expression of intent. Notwithstanding anything contained in this Contract to the contrary no modification of this Contract shall be binding without mutual written consent of the Agency, and the Vendor, with approval of the Purchasing Division and the Attorney General's office (Attorney General approval is as to form only). Any change to existing contracts that adds work or changes contract cost, and were not included in the original contract, must be approved by the Purchasing Division and the Attorney General's Office (as to form) prior to the implementation of the change or commencement of work affected by the change.

25. WAIVER: The failure of either party to insist upon a strict performance of any of the terms or provision of this Contract, or to exercise any option, right, or remedy herein contained, shall not be construed as a waiver or a relinquishment for the future of such term, provision, option, right, or remedy, but the same shall continue in full force and effect. Any waiver must be expressly stated in writing and signed by the waiving party.

26. SUBSEQUENT FORMS: The terms and conditions contained in this Contract shall supersede any and all subsequent terms and conditions which may appear on any form documents submitted by Vendor to the Agency or Purchasing Division such as price lists, order forms, invoices, sales agreements, or maintenance agreements, and includes internet websites or other electronic documents. Acceptance or use of Vendor's forms does not constitute acceptance of the terms and conditions contained thereon.

27. ASSIGNMENT: Neither this Contract nor any monies due, or to become due hereunder, may be assigned by the Vendor without the express written consent of the Agency, the Purchasing Division, the Attorney General's office (as to form only), and any other government agency or office that may be required to approve such assignments.

28. WARRANTY: The Vendor expressly warrants that the goods and/or services covered by this Contract will: (a) conform to the specifications, drawings, samples, or other description furnished or specified by the Agency; (b) be merchantable and fit for the purpose intended; and (c) be free from defect in material and workmanship.

29. STATE EMPLOYEES: State employees are not permitted to utilize this Contract for personal use and the Vendor is prohibited from permitting or facilitating the same.

30. PRIVACY, SECURITY, AND CONFIDENTIALITY: The Vendor agrees that it will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the Agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the Agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in www.state.vv.us/admin/purchase/privacy.

31. YOUR SUBMISSION IS A PUBLIC DOCUMENT: Vendor's entire response to the Solicitation and the resulting Contract are public documents. As public documents, they will be disclosed to the public following the bid/proposal opening or award of the contract, as required by the competitive bidding laws of West Virginia Code §§ 5A-3-1 et seq., 5-22-1 et seq., and 5G-1-1 et seq. and the Freedom of Information Act West Virginia Code §§ 29B-1-1 et seq.

DO NOT SUBMIT MATERIAL YOU CONSIDER TO BE CONFIDENTIAL, A TRADE SECRET, OR OTHERWISE NOT SUBJECT TO PUBLIC DISCLOSURE.

Submission of any bid, proposal, or other document to the Purchasing Division constitutes your explicit consent to the subsequent public disclosure of the bid, proposal, or document. The Purchasing Division will disclose any document labeled "confidential," "proprietary," "trade secret," "private," or labeled with any other claim against public disclosure of the documents, to include any "trade secrets" as defined by West Virginia Code § 47-22-1 et seq. All submissions are subject to public disclosure without notice.

32. LICENSING: In accordance with West Virginia Code of State Rules § 148-1-6.1.e, Vendor must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agency or political subdivision. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Upon request, the Vendor must provide all necessary releases to obtain information to enable the Purchasing Division Director or the Agency to verify that the Vendor is licensed and in good standing with the above entities.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to be licensed, in good standing, and up-to-date on all state and local obligations as described in this section. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

33. ANTITRUST: In submitting a bid to, signing a contract with, or accepting a Award Document from any agency of the State of West Virginia, the Vendor agrees to convey, sell, assign, or transfer to the State of West Virginia all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to Vendor.

34. VENDOR NON-CONFLICT: Neither Vendor nor its representatives are permitted to have any interest, nor shall they acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Agency.

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35. VENDOR RELATIONSHIP: The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by this Contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents. Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this Solicitation and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the State for any purpose whatsoever. Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, licensing fees, etc. and the filing of all necessary documents, forms, and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

36. INDEMNIFICATION: The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the Contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the Contract in a manner not authorized by the Contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws including, but not limited to, labor and wage and hour laws.

37. NO DEBT CERTIFICATION: In accordance with West Virginia Code §§ 5A-3-10a and 5-22-1(i), the State is prohibited from awarding a contract to any bidder that owes a debt to the State or a political subdivision of the State. By submitting a bid, or entering into a contract with the State, Vendor is affirming that (1) for construction contracts, the Vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, neither the Vendor nor any related party owe a debt as defined above, and neither the Vendor nor any related party are in employer default as defined in the statute cited above unless the debt or employer default is permitted under the statute.

38. CONFLICT OF INTEREST: Vendor, its officers or members or employees, shall not presently have or acquire an interest, direct or indirect, which would conflict with or compromise the performance of its obligations hereunder. Vendor shall periodically inquire of its officers, members and employees to ensure that a conflict of interest does not arise. Any conflict of interest discovered shall be promptly presented in detail to the Agency.

39. REPORTS: Vendor shall provide the Agency and/or the Purchasing Division with the following reports identified by a checked box below:

Such reports as the Agency and/or the Purchasing Division may request. Requested reports may include, but are not limited to, quantities purchased, agencies utilizing the contract, total contract expenditures by agency, etc.

Quarterly reports detailing the total quantity of purchases in units and dollars, along with a listing of purchases by agency. Quarterly reports should be delivered to the Purchasing Division via email at purchasing.division@wv.gov.

40. BACKGROUND CHECK: In accordance with W. Va. Code § 15-2D-3, the State reserves the right to prohibit a service provider's employees from accessing sensitive or critical information or to be present at the Capitol complex based upon results addressed from a criminal background check. Service providers should contact the West Virginia Division of Protective Services by phone at (304) 558-9911 for more information.

41. PREFERENCE FOR USE OF DOMESTIC STEEL PRODUCTS: Except when authorized by the Director of the Purchasing Division pursuant to W. Va. Code § 5A-3-56, no contractor may use or supply steel products for a State Contract Project other than those steel products made in the United States. A contractor who uses steel products in violation of this section may be subject to civil penalties pursuant to W. Va. Code § 5A-3-56. As used in this section:

- a. "State Contract Project" means any erection or construction of, or any addition to, alteration of or other improvement to any building or structure, including, but not limited to, roads or highways, or the installation of any heating or cooling or ventilating plants or other equipment, or the supply of and materials for such projects, pursuant to a contract with the State of West Virginia for which bids were solicited on or after June 6, 2001.
- b. "Steel Products" means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed, or processed by a combination of two or more or such operations, from steel made by the open heath, basic oxygen, electric furnace, Bessemer or other steel making process.
- c. The Purchasing Division Director may, in writing, authorize the use of foreign steel products if:
 1. The cost for each contract item used does not exceed one tenth of one percent (.1%) of the total contract cost or two thousand five hundred dollars (\$2,500.00), whichever is greater. For the purposes of this section, the cost is the value of the steel product as delivered to the project; or
 2. The Director of the Purchasing Division determines that specified steel materials are not produced in the United States in sufficient quantity or otherwise are not reasonably available to meet contract requirements.

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42. PREFERENCE FOR USE OF DOMESTIC ALUMINUM, GLASS, AND STEEL: In Accordance with W. Va. Code § 5-19-1 et seq., and W. Va. CSR § 148-10-1 et seq., for every contract or subcontract, subject to the limitations contained herein, for the construction, reconstruction, alteration, repair, improvement or maintenance of public works or for the purchase of any item of machinery or equipment to be used at sites of public works, only domestic aluminum, glass or steel products shall be supplied unless the spending officer determines, in writing, after the receipt of offers or bids, (1) that the cost of domestic aluminum, glass or steel products is unreasonable or inconsistent with the public interest of the State of West Virginia, (2) that domestic aluminum, glass or steel products are not produced in sufficient quantities to meet the contract requirements, or (3) the available domestic aluminum, glass, or steel do not meet the contract specifications. This provision only applies to public works contracts awarded in an amount more than fifty thousand dollars (\$50,000) or public works contracts that require more than ten thousand pounds of steel products.

The cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than twenty percent (20%) of the bid or offered price for foreign made aluminum, glass, or steel products. If the domestic aluminum, glass or steel products to be supplied or produced in a "substantial labor surplus area", as defined by the United States Department of Labor, the cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than thirty percent (30%) of the bid or offered price for foreign made aluminum, glass, or steel products. This preference shall be applied to an item of machinery or equipment, as indicated above, when the item is a single unit of equipment or machinery manufactured primarily of aluminum, glass or steel, is part of a public works contract and has the sole purpose or of being a permanent part of a single public works project. This provision does not apply to equipment or machinery purchased by a spending unit for use by that spending unit and not as part of a single public works project.

All bids and offers including domestic aluminum, glass or steel products that exceed bid or offer prices including foreign aluminum, glass or steel products after application of the preferences provided in this provision may be reduced to a price equal to or lower than the lowest bid or offer price for foreign aluminum, glass or steel products plus the applicable preference. If the reduced bid or offer prices are made in writing and supersede the prior bid or offer prices, all bids or offers, including the reduced bid or offer prices, will be reevaluated in accordance with this rule.

43. INTERESTED PARTY SUPPLEMENTAL DISCLOSURE: W. Va. Code § 6D-1-2 requires that for contracts with an actual or estimated value of at least \$1 million, the Vendor must submit to the Agency a disclosure of interested parties prior to beginning work under this Contract. Additionally, the Vendor must submit a supplemental disclosure of interested parties reflecting any new or differing interested parties to the contract, which were not included in the original pre-work interested party disclosure, within 30 days following the completion or termination of the contract. A copy of that form is included with this solicitation or can be obtained from the WV Ethics Commission. This requirement does not apply to publicly traded companies listed on a national or international stock exchange. A more detailed definition of interested parties can be obtained from the form referenced above.

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44. PROHIBITION AGAINST USED OR REFURBISHED: Unless expressly permitted in the solicitation published by the State, Vendor must provide new, unused commodities, and is prohibited from supplying used or refurbished commodities, in fulfilling its responsibilities under this Contract.

45. VOID CONTRACT CLAUSES: This Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law.

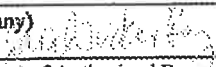
46. ISRAEL BOYCOTT: Bidder understands and agrees that, pursuant to W. Va. Code § 5A-3-63, it is prohibited from engaging in a boycott of Israel during the term of this contract.

DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

(Printed Name and Title) Joe Strubhar; Contract Specialist
(Address) 1200 19th Street NW, Suite 1000, Washington D.C. 20036
(Phone Number) / (Fax Number) 646 633 6924
(email address) joe_strubhar@mckinsey.com

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, I certify that: I have reviewed this Solicitation/Contract in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation/Contract for that product or service, unless otherwise stated herein; that the Vendor accepts the terms and conditions contained in the Solicitation, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that this bid or offer was made without prior understanding, agreement, or connection with any entity submitting a bid or offer for the same material, supplies, equipment or services; that this bid or offer is in all respects fair and without collusion or fraud; that this Contract is accepted or entered into without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; that I am authorized by the Vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on Vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

By signing below, I further certify that I understand this Contract is subject to the provisions of West Virginia Code § 5A-3-62, which automatically voids certain contract clauses that violate State law; and that pursuant to W. Va. Code 5A-3-63, the entity entering into this contract is prohibited from engaging in a boycott against Israel.

McKinsey & Company, Inc. Washington D.C.
(Company)

(Signature of Authorized Representative)
Sarah Tucker-Ray; Partner
(Printed Name and Title of Authorized Representative) (Date)
901497 6360
(Phone Number) (Fax Number)
Sarah_Tucker-Ray@mckinsey.com
(Email Address)

REQUEST FOR PROPOSAL
OFFICE OF THE GOVERNOR—PERFORMANCE EVALUATION AUDIT
CRFP GOV2500000

Proposal 1: Step 1 – \$1,000,000 / \$1,000,000 = Cost Score Percentage of 1 (100%)
Step 2 – 1 X 30 = Total Cost Score of 30

Proposal 2: Step 1 – \$1,000,000 / \$1,100,000 = Cost Score Percentage of 0.909091 (90.9091%)
Step 2 – 0.909091 X 30 = Total Cost Score of 27.27273

6.8. Availability of Information: Proposal submissions become public and are available for review immediately after opening pursuant to West Virginia Code §5A-3-11(h). All other information associated with the RFP, including but not limited to, technical scores and reasons for disqualification, will not be available until after the contract has been awarded pursuant to West Virginia Code of State Rules §148-1-6.3.d.

By signing below, I certify that I have reviewed this Request for Proposal in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that, to the best of my knowledge, the bidder has properly registered with any State agency that may require registration.

McKinsey & Company, Inc. Washington D.C.

(Company)

Sarah Tucker-Ray Sarah Tucker-Ray; Partner

(Representative Name, Title)

901 497 6360

(Contact Phone/Fax Number)

July 22, 2025

(Date)

Revised 07/01/2021