

State of New Jersey

**COVID-19 Response—
Continued Strategic and
Operational Support (Phase 3)**

November 10, 2020

Submitted to:
New Jersey Office of Emergency Management
Glen Szenzenstein
2 Schwarzkopf Drive
Ewing Township, NJ 08628

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November 10, 2020

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New Jersey Office of Emergency Management
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Subject: State of New Jersey's COVID-19 Response – Continued Strategy and Operational Support

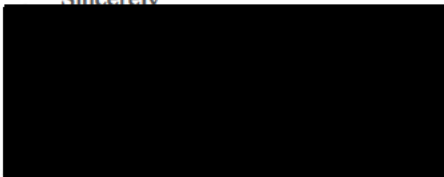
Lt Colonel Szenzenstein:

In response to New Jersey Office of Emergency Management's (NJOEM) request for a proposal from McKinsey & Company, Inc. Washington D.C. (McKinsey) for continued Strategic and Operational Support to COVID-19 Response, we are pleased to provide the attached proposal, and in accordance with the State of New Jersey, Department of the Treasury, Division of Purchase and Property's Participating Addendum (Blanket P.O. #20-PROSV-00963) and National Cooperative Purchasing Alliance (NCPA) Master Agreement for Strategic Management Consulting Services with Region 14 Education Center, (Region 14 ESC) (Contract #11-30).

It would be our honor to continue to serve NJOEM on this important effort. We recognize the continued importance of this project for NJOEM and for the State of New Jersey, as NJOEM works in coordination with other State agencies to continue to expand healthcare delivery and public health capacity, in order to mitigate the impact of COVID-19 on lives and livelihoods of New Jersey residents and prepare the healthcare delivery and public health system for potential sustained or increased COVID-19 infections, while also working to prepare for the possible dispensing of one or more vaccines.

I am authorized to make representations on behalf of and legally bind McKinsey. If you have any questions about our proposal response, please do not hesitate to contact me at [REDACTED] [\[REDACTED\]@mckinsey.com](mailto:[REDACTED]@mckinsey.com). For contractual questions, please contact Briana Park, Contracts Manager, at [REDACTED] or [REDACTED] [\[REDACTED\]@mckinsey.com](mailto:[REDACTED]@mckinsey.com) and mckinsey_contracts@mckinsey.com.

Sincerely



Sarah Tucker-Ray, Partner

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Table of Contents

1.0	CONTEXT AND OBJECTIVES.....	1
2.0	PROPOSED APPROACH.....	1
2.1	Support for COVID-19 vaccination implementation	2
2.1.1	Establish COVID vaccine nerve center (data, reporting, central orchestration)	2
2.1.2	Support provider registration and onboarding, points of dispensing sites (PODS) set-up, and overall logistics	2
2.1.3	Support for defined specific populations and establish consumer navigation approach and operations	3
2.2	Support for statewide surveillance and population-specific testing.....	3
2.2.1	Statewide surveillance plan	3
2.2.2	Population-specific testing plans.....	Error! Bookmark not defined.
2.3	Pandemic response IT	4
2.3.1	Pandemic response IT risk assessment and roadmap	4
2.4	Other pandemic reporting, analytics, and program management frameworks	5
2.4.1	Continued daily reporting of disease progression, healthcare capacity, and public health	5
2.4.2	Long-term care resiliency analytics capability building	6
2.4.3	Development of pandemic program management framework	6
3.0	TEAM STRUCTURE.....	6
4.0	PROFESSIONAL FEES	8
5.0	PAYMENT SCHEDULE	9
6.0	ASSUMPTIONS.....	9

1.0 CONTEXT AND OBJECTIVES

The State of New Jersey – like many parts of the U.S. and world at large, is taking extraordinary measures to mitigate the impact of the COVID-19 coronavirus on the social, health, and economic well-being of the community. To date, there have been more than 256,000 confirmed cases of COVID-19 in New Jersey, and more than 16,400 confirmed or probable deaths attributed to the disease. In response, the New Jersey Office of Emergency Management (NJOEM), in coordination with the Department of Health (DOH) and other agencies, has undertaken public health efforts focused on mitigating the impact of COVID-19 on New Jerseyans, including increasing the scale of viral testing for COVID-19, deploying contact tracers, and increasing the capacity of the local healthcare delivery system to meet the needs of those patients with mild, moderate, or severe symptoms of the disease, including tens of thousands that have required hospitalization, many requiring intensive care.

In March, Governor Murphy signed a number of Executive Orders to mitigate transmission of the virus, including an order for individuals to stay at home except for the operation or use of essential services. This among other measures to increase social distancing, appear to have reduced the rate of growth in virus transmission. Since peaking in middle of April, New Jersey reported >90% reduction in new cases per day; and >90% reduction in patients in the hospital. Based on improvements in these health metrics, the State has relaxed certain constraints on social and economic activity, while continuing to encourage social distancing, hygiene, as well as safeguarding measures applied to all economic activities.

Over the last several months, McKinsey has supported the NJOEM and other agencies in the State's COVID-19 pandemic response in a number of ways, including but not limited to: increasing the State's capacity of acute care beds, ICU beds, ventilators, personal protective equipment and other supplies, and therapeutics; increasing the capacity and throughput of COVID-19 viral testing; increasing the capacity and effectiveness of contact tracing; implementing an exposure notification app to support public awareness of exposure to COVID-19; supporting the State in implementing near-term actions to strengthen the resilience of New Jersey long-term care; and providing analyses and research to support State decisions regarding relaxation of constraints on social and economic activity coupled with social distancing, masking, and other safeguards. In each of these areas, McKinsey provided a combination of subject matter expertise, analytic capabilities, project management and other support, and played a role complementary to that of State agency decision makers and staff. In most cases, McKinsey has also supported capability building and knowledge transfer to State agency staff, so that activities previously supported by McKinsey are now being continued by State agency staff. Under the prior Statement of work, McKinsey continues to provide training and support for continuous improvement to contact tracing through the end of 2020.

Since September 1st, the State has observed an increase in virus transmission and prevalence. This increasing virus prevalence is also being observed (with a time lag) in terms of requirements for increased healthcare capacity. The State continues to work to monitor and mitigate viral transmission in the community while also working to ensure that the local healthcare delivery system and long-term care system have the personal protective equipment and other resources necessary to treat patients and mitigate further viral transmission. The State is also working to continuously evaluate new technologies and practices with respect to disease surveillance and testing, and to look for ways to augment its existing surveillance and testing strategy drawing upon new capabilities and capacities. The State is also preparing for the potential availability of one or more COVID-19 vaccines in the coming weeks or months. Based on the continued challenges presented by the virus, as well as opportunities presented by new and emerging surveillance, testing, and vaccination capabilities, the State of New Jersey is seeking McKinsey's support with one or more of the following:

- Support for COVID-19 vaccination implementation
- Support for statewide surveillance and population-specific testing
- Pandemic response IT risk assessment and roadmap
- Other pandemic reporting, analytics, and program management frameworks

2.0 PROPOSED APPROACH

To address the State's requirements, the McKinsey team will draw upon its knowledge of the context and unique challenges of New Jersey, example practices, its public sector, public health, and healthcare experience, and appropriate resources within McKinsey, including technical, business process, and healthcare knowledgeable resources. McKinsey will provide fact-based, independent analysis. We understand that the State of New Jersey will develop and will own its work and recommendations both internally and externally. Below, we outline four (4) proposed workstreams, (the tasks and deliverables are outlined in the following subsections), to address the scope of

services requested by the State of New Jersey over a 22-week engagement:

1. Support for COVID-19 vaccination implementation
2. Support for statewide surveillance
3. Pandemic response IT risk assessment and roadmap
4. Other pandemic reporting, analytics, and program management frameworks

Following, we outline key activities and deliverables whereby McKinsey will provide research, analysis, project management, and related support to the State. Our proposed role and responsibilities are meant to be complementary to that of State agency leaders and staff, while also allowing for the State to build capabilities to allow for transfer of responsibilities from McKinsey to the State over the course of the project.

2.1 Support for COVID-19 vaccination implementation

The State of New Jersey is planning to implement a large-scale COVID-19 vaccination program, should one or more COVID-19 vaccines be deemed safe and effective. According to assumptions articulated in the Centers for Disease Control and Prevention (CDC) COVID-19 Vaccination Program Interim Playbook for Jurisdiction Operations, limited COVID-19 vaccine doses may be available by November 2020, but supply may increase substantially in 2021. Given the scale and complexity of a large-scale COVID-19 vaccination program, this effort requires a rigorous inter-departmental and whole of state approach to meet the objectives of the State.

2.1.1 Establish COVID vaccine nerve center (data, reporting, orchestration)

Objective

Support the State of New Jersey in implementing a large-scale COVID-19 vaccination program by standing up a COVID-19 vaccine nerve center. This COVID-19 vaccine nerve center will collect, analyze, and report critical data elements, support program oversight and operations, and ensure critical issues are raised and addressed across the vaccination program, all under the oversight and decision-making of State of New Jersey leaders.

Key Activities

- Support in establishing vaccination program operating model and support overall orchestration
- Help the State identify, raise, and address critical topics across the vaccination program
- Help establish overall reporting goals and identify suite of potential reporting metrics required
- Identify key data elements to be collected and methods of collection
- Build and expand analyses and reporting required to support vaccination program implementation
- Support the State in ensuring required data can be reported and tracked and is reported to partners, as required

Deliverables

- Established vaccination program operating model
- Structured set of vaccine roll-out data, analytics, and reporting

2.1.2 Support provider registration and onboarding, points of dispensing sites (PODS) set-up, and overall logistics

Objective

Support the State of New Jersey in their registration and onboarding of providers, setting-up Points of Dispensing Sites (PODS), and overall logistics, in order to meet the State's COVID-19 vaccination objectives. This work will likely support the State in scaling its potential COVID-19 vaccination capacity and throughput over time as additional vaccine supply becomes available.

Key Activities

- Review existing PODS plans, refine estimates for PPE and supply requirements, support development of checklist requirements and operating model for vaccination site
- Continue tabletop, functional, or full-scale exercises to test operational plans

- Support site launches based on State leadership guidance on state-wide sequencing
- Support the State's provider registration, onboarding, and training; support the State in setting-up PODS-support for training and troubleshooting
- Support the State for ongoing site reporting and ongoing site performance improvement

Deliverables

- Analyses and learnings to support the development of the State's approach for setting-up its state-wide PODS network
- Analyses and learnings to support the State's approach for ongoing performance improvement for its state-wide PODS network

2.1.3 Support for defined populations, and consumer navigation

Objective

Support the State of New Jersey in its notification of and supporting the navigation of specific populations, based on guidance from the State, in order to meet its COVID-19 vaccination objectives. According to assumptions articulated in the Centers for Disease Control and Prevention (CDC) COVID-19 Vaccination Program Interim Playbook for Jurisdiction Operations, limited COVID-19 vaccine doses may be available by November 2020, but supply may increase substantially in 2021. Especially during the period of limited supply, the State will need to ensure that prioritized populations are notified and supported in navigating how to receive their COVID-19 vaccination. This work will support the state in setting-up the operational approach to effectively notify and support these individuals and populations.

Key Activities

- Perform analytics and gather learnings from other related programs to develop plans for consumer navigation for specific populations
- Help establish vaccine implementation committee(s) of community members with expertise in care and access for critical populations to enhance development of plans and reach of activities
- Support the State in their engagement of employers, community leaders, and vaccination providers as part of specific population plans for consumer navigation
- Support the State in determining points of contact for each population group to be vaccinated in the initial phases and establish methods of communication and coordination
- Support the State in establishing a navigational call center (and / or other engagement models, including the use of technology) to notify individuals and populations and help them navigate how to receive their vaccination

Deliverables

- Analyses and learnings to support development of approach for defined specific populations
- Plan and operating model for navigational call center
- Analyses and learnings to support development of an engagement plan for employers, community leaders, and vaccination providers of critical populations

2.2 Support for statewide surveillance

The State of New Jersey continues to mobilize a broad pandemic response effort against COVID-19. Ongoing efforts in the daily assessment of epidemic in New Jersey and managing operational response to changes (e.g., hot spots), disease surveillance, deployment of general and population-specific testing strategies, and containment initiatives—including contact tracing, are mission-critical elements in this response. The evidence and best practices in each of these areas are evolving, as is the nature of the epidemic and the individual behavior of New Jerseyans. The State is committed to ensuring the decisions and policies in response to the pandemic and the operations of the response itself are data-driven and grounded in the best evidence. This requires focused efforts to support the development of a statewide surveillance plan to complement other State efforts.

2.2.1 Statewide surveillance plan

Objective

A data-rich environment across the state and at the local level is critical to support decision-making and operational response to COVID-19. The State believes that both passive and sentinel surveillance approaches are important in

the COVID-19 response. The CDC describes several types of surveillance for COVID-19 (e.g., serological) that the State has not implemented to date. To manage this stage of the pandemic, the state believes it needs an integrated surveillance strategy that expands current surveillance efforts and coordinates across multiple approaches and data sources. Furthermore, the State wants to deepen its ability to identify, characterize, and respond to emerging hotspots identified by surveillance efforts.

Key Activities

- *General surveillance*
 - Collect fact base on latest surveillance innovations (e.g., serological) and applications from other jurisdictions
 - Continue to support development of an integrated statewide surveillance strategy that covers multiple systems (e.g., virologic, serologic, and mortality surveillance, contact tracing, cluster investigation) and approaches (e.g., including sentinel surveillance)
 - Continue to identify additional data elements and collection mechanisms as required to support analytic foundation for surveillance
- *Hotspot / safeguarding analytics*
 - Determine what additional data elements and collection mechanisms are required to support analytic foundation for hotspot / safeguarding
 - Support the State in building an automated visualization dashboard incorporating available structured data elements at a high-level of granularity (by geography, setting, demographic, other)
 - Develop approach to expanding/evolving data collected where appropriate based on gaps identified in currently available data

Deliverables

- *General surveillance*
 - Fact base on latest surveillance innovations and approaches from other jurisdictions
 - Defined set of data elements and sources to support surveillance
 - Integrated statewide surveillance strategy across multiple systems
- *Hotspot / safeguarding analytics*
 - Defined set of available data elements and sources to support reporting
 - Automated visualization dashboard incorporating available structured data elements at a high degree of granularity (by geography, setting, demographic)
 - Proposed data elements to add and potential sources/approach

2.3 Pandemic response IT

New Jersey data systems were not designed for the information flows needed to support the complex nature of vaccine inquiries for today. The cost of acquiring, formatting, cleaning and presenting data is growing exponentially with the fragile web of data connections and a fresh architecture using modern techniques is needed to manage complexity at a lower overhead.

2.3.1 Pandemic response IT risk assessment and roadmap

Objective

The workstream objective is to develop a near-term and long-term robust data architecture solution that will support the information needs of NJ Public Health users in vaccine tracking.

Key Activities

- *Public Health System Diagnostic, Triage and Roadmap (80% focus)*
 - Focusing on vaccines, map out full data lifecycle, including what information needs to be collected, what are the collection mechanisms / how is the data ingested, how is data transferred, what interoperability with 3rd party systems is needed, what system capacity is required, and how is the data used / reported
 - Quantitatively and qualitatively assess the capabilities and performance against near and mid-term needs of the following systems of NJ Department of Health across the full data lifecycle to identify risks:
 - Syndromic surveillance (CDRSS)
 - Electronic lab reporting (ELR)
 - Immunization information system (NJIIS)

- Others
 - Conduct workshops with IT, data, and analytics leads to develop architecture design in support of defining the desired end state for platform, data flows and analytics functions
 - Co-create a target state advanced analytics and reporting architecture with associated roadmap from current state to address anticipated state needs
- *Use case identification and prioritization (20% focus)*
 - Capture the vision for the NJ Public Health IT/ data enterprise of the future that would go beyond pandemic support to enable tracking and analysis for racial/ ethnic disparities, population health, opioids etc.
 - Chart a series of technical and operational initiatives that work towards the aspirational vision while continuously delivering on program benefits throughout the journey

Deliverables

- *Technical Readiness Assessment and enhancements for Public Health System*
 - Documented full data lifecycle with operational and technical pain-points along with remediation options and risk mitigations across primary systems of NJ Department of Health
 - Documented critical componentry for near-term replacement to meet the goal of vaccine readiness, including vendor market scans of scalable commercial offerings that could be leveraged in an accelerated fashion
 - Architecture roadmap to incrementally enable technical capabilities to support use case implementation roadmap and will include considerations for talent, resourcing, vendor partners, timing, and procurement path
- *Use case implementation roadmap*
 - A list of prioritized use cases that will be enabled in near, mid and long terms taking into consideration business requirements, system enhancements, data availability, etc. This roadmap will be grouped as:
 - Accessible: Can be implemented in the current system
 - Achievable: Can be implemented with some investment
 - Aspirational: Require significant modernization

2.4 Other pandemic reporting, analytics, and program management

The State of New Jersey has built its pandemic response capabilities broadly throughout the pandemic. This capability building to date better positions the State to respond to various pandemic needs. However, given the unprecedented nature of COVID-19, there remain critical areas where the State needs additional pandemic reporting, analytics, and program management framework support and capability building.

2.4.1 Continued daily reporting of disease progression, healthcare capacity, and public health

Objective

Support the State's pandemic response infrastructure by supporting key recurring pandemic response coordination meetings, including the 10:00 AM Executive Check-in meeting, focused on monitoring disease progression, healthcare capacity and public health through an automated set of key reports and data elements, maintenance of up to date action items, collection of learnings across topics, and progress management infrastructure. Notably, McKinsey has also transitioned significant responsibilities to State agency staff with respect to daily reporting and project management, while automating other data analytics and reporting to support the State more efficiently. As part of this stream of work, McKinsey would continue to provide automated reporting as well as ad hoc reporting and issue resolution, while also supporting OEM, DOH, and others in continuing to build internal capabilities.

Key Activities

- Support key recurring pandemic response coordination meetings, including the 10:00 AM Executive Check-in meeting, focused on monitoring disease progression, healthcare capacity and public health through
 - An automated set of key reports and data elements
 - Maintenance of up to date action items
 - Collection of learnings across topics
 - And progress management infrastructure

Deliverables

- Support for key recurring pandemic response coordination meetings, including the 10:00 AM Executive Check-in
- Automated set of key reports and data elements

2.4.2 Long-term care resiliency analytics capability building

Objective

Support the State in building long-term care resiliency analytics capabilities, including onboarding analytics team members, supporting analytics team capability building, and transitioning knowledge. In addition, we will provide analytics and learnings from other States and expert sources to support the State in assessing key questions related to Veterans Homes.

Key Activities

- Onboard long-term care analytics team members and support analytics team capability building
- Transition institutional knowledge associated with all long-term care reporting, analytics, and data sets
- Provide analytics and learnings from other States and expert sources to support the State in assessing key questions related to Veterans Homes, potentially including connection model with the State and overall model

Deliverables

- Transition of long-term care reporting, analytics, and data sets
- Analytics and learnings from other States and expert sources on Veterans Homes

2.4.3 Development of pandemic program management framework

Objective

Support the State by helping to establish a framework and operating model for pandemic program management, focusing on ELC.

Key Activities

- Develop framework and operating model for effective management of ELC
- Set up a monitoring and tracking tool for the ELC funding and deliverables that would then be managed by internal DOH individuals

Deliverables

- Framework and operating model for effective management of ELC

3.0 TEAM STRUCTURE

McKinsey's team-based client service approach maximizes partnership with our clients and minimizes cost risks. It is comprised of leadership, one or more full-time task teams, subject matter experts, research, knowledge, tools and advanced analytics that we will make available to the State of New Jersey.

Each engagement is led by one or more experienced Partners whose role is to provide ongoing client counseling and leadership to the McKinsey team. The lead operational partner may spend 40-100% of his/her time on the project, and frequently is supported by one or more partners who provide focused strategic and operational guidance.

Dr. Ellen Feehan will serve as Engagement Director as well as in-depth subject matter expert for the COVID-19 vaccination implementation team. Ellen will manage the rest of the team and ensure quality execution of the work plan. Ellen will also serve as the co-Engagement Director of the other pandemic reporting, analytics, and program management frameworks team in partnership with Dr. Jordan VanLare. Dr. Feehan brings significant clinical experience, as well as experience leading complex teams in strategic and operational support including in crisis response. Ellen brings recent experience supporting NJOEM and DOH in scaling healthcare capacity including acute care and ICU beds, ventilators, and personal protective equipment (PPE) as well as supporting Long Term Care.

Dr. Jordan VanLare will serve as Engagement Director and in-depth subject matter expert for the statewide surveillance plan team. Dr. VanLare will also serve as the co-Engagement Director of the other pandemic reporting, analytics, and program management frameworks team in partnership with Dr. Feehan. Dr. VanLare co-leads McKinsey's research team examining strategies to allow for relaxation of constraints on social and economic activity following COVID-19 outbreak, including the use of testing, tracing, quarantine and surveillance to mitigate

virus transmission. Dr. VanLare also brings recent experience supporting NJOEM and DOH in scaling of testing and tracing capacity, as well as analyses supporting State deliberations on constraints on social and economic activity.

Zachary Greenberg, Bill Yau will support Drs. Feehan and VanLare, in leading their respective teams. Zachary and Bill are Associate Partners in McKinsey's Healthcare Practice, who previously served the State on its COVID response. Each has experience with leading complex teams in strategy and operations improvement.

Stuart Sim will serve as Engagement Director and in-depth subject matter expert for the pandemic response IT team. Stuart is a Partner in McKinsey's New Jersey Office and leads the data architecture practice, building large scale analytics platforms for public sector and global companies.

Jeff Lewis and Jessica Kahn will provide expertise and guidance to the pandemic response IT team. Jeff is accountable for the overall impact of the IT engagement and brings technology industry expertise. He is a Senior Partner in McKinsey's New Jersey Office and leads technology practice in healthcare. Jessica Kahn is a partner in the Washington D.C. office. She leads the firm's State Health and Human Services IT domain (Medicaid, Public Health, SNAP). Prior to joining McKinsey, she has over 20 years of experience in local, state & federal government managing public health and Medicaid programs, including leading Data & Systems for Medicaid at CMS.

David Nuzum and Steve Van Kuiken will provide oversight and direction to these teams. David and Steve are Senior Partners with McKinsey who have previously served the State across a range of Health, Healthcare, Economic Development, and other projects including the State's COVID response. Steve leads McKinsey's overall service to the State of New Jersey. David leads our health and human services client service to the State. David and Steve will maintain a line of sight to activities undertaken by the project teams outlined here. David and Steve also have a close understanding of the broader research, analysis, and client support capabilities that McKinsey is deploying for COVID-19 mitigation globally, and will bring that to bear in ensuring that our teams working in New Jersey are drawing on the firm's latest thinking and capabilities, and mobilizing additional subject matter experts as may be helpful to meet the State's goals for this project.

Dr. Feehan, Dr. VanLare, and Stuart Sim will be further supported by six (6) teams of full-time consultants (varying over the duration of the 20 weeks), as outlined in Exhibits 4.1-4.4. Each of the teams described in these Exhibits will be comprised of one Engagement Manager as well as additional full-time consultants and analysts, who will provide round-the-clock support to research, analysis, and framing of options for decision-making by the State. Specific individuals staffed full-time to the project will be determined at the time of contract execution, based on availability. Our teams will also draw upon extensive subject matter experts, including now more than 150 McKinsey clinicians, analysts, and data scientists that are staffing McKinsey's COVID-19 Centers of Excellence, developing research and analysis to enable our client service teams. All McKinsey teams include support from McKinsey's communications, graphics, IT, and administrative specialists. The number of experts, knowledge professionals, data analytics specialists, and support personnel we use on any given engagement depends upon the complexity of issues involved in the work and the needs of the project. This support is built into our team bundle rates.

4.0 PROFESSIONAL FEES

Based on the proposed services, McKinsey offers the below Firm Fixed Price (FFP) price quote for this engagement, based on a project timeframe spanning late November 2020 to early April 2021. To calculate the price for this effort, we estimated the number of weeks and teams required to complete the tasks and deliverables described in this document (Exhibit 4.1-4.4).

Exhibit 4.1: Proposed price for Workstream #1: Support for COVID-19 vaccination implementation

McKinsey Proposed Team Structure	Weekly Rate	Weeks	Total Price
Partner/Associate Partner leadership; plus 5 full-time consultants; additional subject matter experts; as well as research and support from McKinsey COVID centers of excellence	\$188,291	1-7	\$1,318,037
Partner/Associate Partner leadership; plus 3 full-time consultants; additional subject matter experts; as well as research and support from McKinsey COVID centers of excellence	\$150,210	8-20	\$1,952,730
Partner/Associate Partner leadership; plus 5 full-time consultants; additional subject matter experts; as well as research and support from McKinsey COVID centers of excellence	\$188,291	1-20	\$3,765,820
Partner/Associate Partner leadership; plus 4 full-time consultants; additional subject matter experts; as well as research and support from McKinsey COVID centers of excellence	\$174,539	1-10	\$1,745,390
SUBTOTAL Firm Fixed Price for Workstream #1			\$8,781,977

Exhibit 4.2: Proposed price for Workstream #2: Surveillance planning and analysis

McKinsey Proposed Team Structure	Weekly Rate	Weeks	Total Price
Partner/Associate Partner leadership; plus 3 full-time consultant; additional subject matter experts; as well as research and support from McKinsey COVID centers of excellence	\$150,210	1-10	\$1,502,100
SUBTOTAL Firm Fixed Price for Workstream #2			\$1,502,100

Exhibit 4.3: Proposed price for Workstream #3: Pandemic response IT risk assessment and roadmap

McKinsey Proposed Team Structure	Weekly Rate	Weeks	Total Price
Partner/Associate Partner leadership; plus 3 full-time consultant; additional subject matter experts; as well as research and support from McKinsey COVID centers of excellence	\$150,210	1-10	\$1,502,100
SUBTOTAL Firm Fixed Price for Workstream #3			\$1,502,100

Exhibit 4.4: Proposed price for Workstream #4: Other pandemic analytics and governance support

McKinsey Proposed Team Structure	Weekly Rate	Weeks	Total Price
Partner/Associate Partner leadership; plus 3 full-time consultant; additional subject matter experts; as well as research and support from McKinsey COVID centers of excellence	\$150,210	1-10	\$1,502,100
SUBTOTAL Firm Fixed Price for Workstream #4			\$1,502,100

TOTAL Firm Fixed Price for all Workstreams			\$13,288,277
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Each of the teams as described in Exhibits 4.1-4.4 includes a full-time Engagement Manager; the balance of full-time consultants may be a mix of Specialists, Associates, and/or Business Analysts. Engagement Managers, Specialists, and Associates are typically post-graduate roles including several years of relevant experience in research, analysis, problem solving, strategy development, and/or operational implementation in consulting, clinical, scientific, public sector, and/or corporate environments.

5.0 PAYMENT SCHEDULE

McKinsey will submit invoices in accordance with the following schedule (**Exhibit 5.1**). Prior to submitting each invoice, McKinsey will meet with the State of New Jersey to review progress made against deliverables.

Exhibit 5.1: Payment schedule.

Billing Period	Billing Amount
November 30	\$2,003,502
December 23	\$5,008,755
January 30	\$3,229,511
February 28	\$1,354,004
March 30	\$1,354,004
April 30	\$338,501
TOTAL	\$13,288,277

6.0 ASSUMPTIONS

McKinsey's approach to providing the services proposed hereunder (the "Services") and the proposed price in Section 4.0 are based on the following assumptions.

- The Services are covered countermeasures to the COVID-19 epidemic under the U.S. Department of Health and Human Services' February 4, 2020 Declaration pursuant to the Public Readiness and Emergency Preparedness Act.
- The needs of State of New Jersey may evolve from week to week. McKinsey is committed to work with NJOEM leadership to continuously refine the scope and objectives of our team's work to meet the most pressing needs as defined by State leadership. Accordingly, the actual projects, activities, and deliverables completed by McKinsey's team may differ from those outlined above. Any such variance to the project scope as outlined above shall be discussed with McKinsey and any modifications to the proposed price or schedule hereunder shall be mutually agreed upon in writing between the State and McKinsey.
- Our team may operate either remotely or a combination of remote and on-site, provided we mutually determine to operate on-site.
- McKinsey does not provide categorical recommendations on matters of public policy; but rather, provides fact-based analysis and framing of options and trade-offs; all authority for policy decisions shall continue to reside with State agency leaders. Our analysis shall not serve as a substitute for policy, regulatory or operational decision-making by the State of New Jersey.
- The Services shall not be deemed medical, investment, legal, tax, accounting or other regulated advice, such as professional advice normally provided by licensed or certified practitioners, and do not constitute policy advice. McKinsey does not supplant the NJOEM or the State's management or other decision-making bodies and does not guarantee results. McKinsey's Services are an extension of and supplement to the government functions performed by NJOEM and the State. NJOEM and the State remain solely responsible for their decisions (including policy decisions), actions, use of the deliverables provided hereunder (the "Deliverables") and compliance with applicable laws, rules and regulations. In lieu of the provision of Article 4.1 of the State of New Jersey, Department of the Treasury, Division of Purchase and Property's Participating Addendum (Blanket P.O. #20- PROSV-00963), in no event shall McKinsey's liability to NJOEM or the State for the Services exceed the fees paid by NJOEM/State for the Services. Neither party will be liable for any lost profits or other indirect, consequential, incidental, punitive or special damages.
- NJOEM and the State of New Jersey acknowledge and agree that the situation around COVID-19 is highly dynamic, evolving rapidly, subject to significant uncertainty, a lack of reliable information and other events completely beyond the Parties' control. McKinsey's Services are being provided on an expedited basis and may not have the benefit of certain detailed analyses in performing the Services. The State will review and approve or concur in McKinsey's work, including its methodologies and approaches, in carrying out the Services. In order to be able to complete the Services, McKinsey will rely on the State's timely cooperation, including the State making available relevant data, information and personnel; performing any

tasks or responsibilities assigned to the State; and notifying McKinsey of any issues or concerns that the State may have relating to the Services.

- **Warranty:** the information included in the Deliverables is intended to inform management judgement only and will not contain, nor are they for the purpose of constituting or informing, policy judgments or advice. McKinsey emphasizes that statements of expectation, forecasts and projections relate to future events and are based on assumptions that may not remain valid for the whole of the relevant period of the resultant purchase order for the Deliverables. McKinsey expresses no opinion as to how closely the actual results achieved will correspond to any statements of expectation, forecasts or projections. McKinsey makes no representation or warranty of any kind, express or implied, regarding the accuracy, adequacy, validity, reliability, availability or completeness of any information in the Deliverables. NJOEM and the State agree not to make any representations or warranties regarding the accuracy, adequacy, validity, reliability, availability or completeness of any information in the Deliverables.
- McKinsey's work for NJOEM and the State is intended for the State's and contact tracing vendors' internal use only. In order to promote true neutrality on issues, provide an environment for uncensored guidance for our clients, ensure compliance with our contract confidentiality requirements, and better empower our clients, McKinsey does not advocate, present findings, or consent to public references in any public meeting, writing, or other public forum. Based on our commitment to transparency, McKinsey may disclose that we have been retained by the State along with a general description of the Services. In consideration for its Services, NJOEM and the State agree not to use McKinsey's name or refer to McKinsey's work outside its organization without McKinsey's prior written permission. NJOEM and the State also understand that McKinsey will not advocate, present findings, or speak on their behalf in any public forum without specific written authorization and agreement.
- **Intellectual Property:** If McKinsey's pre-existing tools are to be provided to NJOEM, the State, or the contact tracing vendor during the course of this Purchase Order, McKinsey and NJOEM will negotiate a commercial license ("Solutions Agreement") permitting NJOEM, the State, and/or the contact tracing vendor (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 the resultant Purchase Order). The Solutions Agreement will replace other data rights provisions and clauses. McKinsey assumes that the NJOEM will enter into reasonable negotiations for a Solutions Agreement to take place after Purchase Order award to cover the Services that allow McKinsey to deliver impact to NJOEM and the State while protecting its proprietary data.
- **STATE'S INDEMNITY FOR THIRD PARTY LIABILITIES**
 - NJOEM and/or the State of New Jersey agree to hold harmless and not pursue claims or suits against McKinsey for any losses, damages, costs or expenses arising out of the provision of these Services. Should third party suits be filed against McKinsey, NJOEM, or the State arising out of the provision of these Services, the Parties agree to cooperate with each other during such litigation, including the timely provision of documents and witnesses to each other as well as the filing of supportive documents and briefs in such litigation.
 - McKinsey shall be reimbursed by NJOEM and/or the State of New Jersey for liabilities (and expenses incidental to such liabilities, such as defense costs and expert fees), to third parties, including business entities, not compensated by insurance without regard to and as an exception to any limitation of cost or limitation of funds clause in the State of New Jersey, Department of the Treasury, Division of Purchase and Property's Participating Addendum (Blanket P.O. #20-PROSV-00963) and National Cooperative Purchasing Alliance Master Agreement for Strategic Management Consulting Services with Region 14 Education Center (Contract #11-30). These reimbursable liabilities must arise out of the performance of the Services, whether or not caused by the negligence or the gross negligence of McKinsey or of McKinsey's agents or employees and must be represented by final judgments or settlements approved in writing by the State. These reimbursable liabilities are for: i--the loss of or damage to property, (other than property owned, occupied or used by McKinsey, rented or in the care, custody or control of McKinsey); ii--third party business interruption or economic loss claims; and iii--third party death and injury.
 - If any suit or action is filed by third parties against McKinsey arising out of the latter's performance of this engagement, McKinsey will notify NJOEM and/or the State of such suit or

action. NJOEM and/or the State of New Jersey and McKinsey will collaborate in defending or settling the claim if the claim exceeds McKinsey's insurance coverage. NJOEM, the State and McKinsey agree to cooperate with each other in defense of such claims, including the timely provision of witnesses, documents and supportive briefs and filings in such litigation.