



IMPROVING LIVES. BUILDING COMMUNITY. to be the best utility in the country

JEA FINANCE, GOVERNANCE, AND AUDIT COMMITTEE WORKSHOP

Invitation to Negotiate for Business Excellence Consulting Services

Hybrid Virtual/In-Person

JEA Headquarters | 1st Floor | Room 120-A | 225 N. Pearl Street, Jacksonville, FL 32202

March 12, 2024 | 11:00 am – 12:00 pm

All Board Members are Welcome

WELCOME

General Joseph DiSalvo, Chair

COMMENTS / PRESENTATIONS

Comments from the Public

Public

FOR COMMITTEE CONSIDERATION

MAKE DOING BUSINESS WITH JEA EASY

Request for Proposal Discussion

- Purpose of the Request for Proposal and Feedback on Draft
- Solicitation and Award Process
- Board of Directors and Consultant Interaction
- Timeline (Request For Proposal Release, Contract Award, Analysis Start Date, In-Progress Reporting Procedures, and Final Analysis Briefing)
- Next Steps/Follow-up

General Joseph DiSalvo, Chair

Open Discussion – Concerns/Issues

General Joseph DiSalvo, Chair

Adjournment

Business Excellence Consulting Services

Background

The purpose of this Invitation to Negotiate (the "ITN") is to evaluate and select a qualified and experienced consulting firm to assist with the development and implementation of a comprehensive plan aimed at optimizing operational and capital efficiencies and reducing expenses while providing the best value to JEA. While also maintaining or enhancing the quality of services provided by the utility. (the "Work" or "Services"). "Best Value" means the highest overall value to JEA with regards to pricing, quality, design, and workmanship.

It is important to note that JEA is a municipal utility with additional local and state regulations regarding employment categories and customer rate class requirements when conducting the review.

Scope of Work

The scope of work is to review JEA business segments and processes to identify projects to increase efficiencies, reducing unnecessary expenditures, and reducing overall operational and capital costs. The selected consulting firm will collaborate with JEA to conduct a thorough analysis of current operational processes, financial structures, and resource allocations. The goal is to identify areas for cost reduction without compromising the utility's mission, service delivery, or regulatory compliance. This work may include but is not limited to a review of the following areas:

- Operations
 - Electric
 - Water/Wastewater
 - Customer Field & Meter Services
 - Asset Management & Utility Locates
 - Planning, Engineering & Construction
- Finance
 - Procurement, Inventory & Warehouse Management
 - Facilities & Fleet Services
 - Technology Services
 - Financial Services
- Strategy
 - Board Services
 - Enterprise Strategy & Planning
 - Economic Development & Real Estate
 - Grid Modernization & Business Development
- Human Resources
 - Human Resource Services & Operations
 - Diversity Equity & Inclusion
 - People & Culture

- Learning & Development
- Talent Acquisition
- Organizational Effectiveness

- Safety & Health Services
- Security & Emergency Preparedness
- Customer Relationships
 - Business Client Relationships
 - Residential Customer Experience
 - Customer Revenue
 - Corporate Research (Market Research)
- External Affairs
 - Legal
 - Compliance
 - Audit
 - Information Governance (Public Records)
 - Government Relations
 - Communications

Exhibit A shows the JEA organization structure, reporting relationships, and staffing levels.
To Be Added

For each area listed, the consultant shall:

1. Review current financial statements, budgets, and operational performance reports.
2. Review current long range financial plan, long range resource plan, and make recommendations on methods for cost savings in O&M and Capital targets.
3. Benchmark JEA organization against other similar organizations.
4. Conduct interviews with key stakeholders to understand organizational goals, challenges, and constraints.
5. Evaluate existing cost control measures and performance metrics. Recommend cost control methods and performance metrics.
6. Assess the efficiency of the work performed, including quantifying rework, duplication, bottlenecks, and zero/low value-added work.
7. Propose appropriate staffing levels based on benchmarking data and recognition of work to be accomplished.
8. Develop cost reduction recommendations to address operational inefficiencies.
9. Provide guidance on identification of cost avoidance and tracking to ensure “hard dollar” savings.
10. Develop comprehensive financial models showing the cost impact of each recommendation, including the full cost to implement each recommendation.
11. Prioritize the recommendations by preparing a detailed implementation plan, including consulting fees to assist with the implementation.
12. Prepare and present project status and outcomes to the JEA Leadership and Board of Directors.

Schedule

Consulting firms shall develop and propose a schedule addressing the scope listed above where all work will be completed within **XXX** months of project start [or whatever timeframe the Board establishes].

Proposal Submission Requirements

Interested consulting firms must submit a detailed proposal that includes the following:

1. Company profile and relevant experience in providing cost-reduction consulting services for government-owned utilities.
2. Write-up describing the Consultant's understanding of
 - a. JEA's current situation,
 - b. the challenges JEA faces, and
 - c. the Consultant's approach to addressing the sensitive nature of this work.
3. Detailed project plan, including timelines, milestones, and deliverables.
4. Team qualifications, including resumes of key personnel assigned to the project.
5. Proposed budget, including a detailed breakdown of fees by professional, including estimated hours and rates, plus travel expenses.

Proposal Evaluation Criteria

Proposals will be evaluated based on the following criteria:

1. Demonstrated experience in cost reduction consulting for similar organizations.
2. Clarity and comprehensiveness of the proposed methodology and approach.
3. Qualifications and expertise of the proposed project team.
4. Cost-effectiveness of the proposed budget.
5. Ability to meet the **xxx**-month schedule [or whatever timeframe the Board establishes].
6. Compliance with submission requirements and deadlines.



Building Community

Consulting Firms Invited to Bid

Firm

65th North Group, LLC

Accenture

Alix Partners

Alvarez & Marsal

Bain & Company

Black & Veatch

Deloitte

E Source Companies

Ernst & Young

Gartner

GDS

Guidehouse

KPMG

Leidos

North Highland

PWC

Raftelis

ScottMadden

The Boston Consulting Group

West Monroe

Web-Site

<https://www.65thnorth.com/>

<https://www.accenture.com/us-en>

[Results-driven global consulting firm | AlixPartners](#)

[Homepage | Alvarez & Marsal | Management Consulting | Professional Services \(alvarezandmarsal.com\)](#)

<https://www.bain.com/>

<https://www.bv.com/>

<https://www2.deloitte.com/us/en.html>

<https://www.esource.com/>

https://www.ey.com/en_us

<https://www.gartner.com/en>

<https://gdsgroup.com/>

[Energy Consulting & Services | Guidehouse](#)

<https://kpmg.com/xx/en/home.html>

<https://www.leidos.com/>

[North Highland | A Leading Change and Transformation Consultancy](#)

<https://www.pwc.com/us/en.html>

<https://www.raftelis.com/>

<https://www.scottmadden.com/>

<https://www.bcg.com/>

<https://www.westmonroe.com/>