



Change Order Scope & Deliverables

5 YR. FINANCIAL PLAN | PO NUMBER HCNTY-0000082009

DANIEL RAMOS

MAY 2024

Signatures

All other terms and conditions of the Agreement remain unchanged, excepted for noted changes in this document.

AGREED and ACCEPTED:

The Boston Consulting Group, Inc.

Harris County

By: _____

By: _____

Name: **Laura Juliano**

Name: **Daniel Ramos**

Title: **Managing Director and Senior Partner**

Title: **Executive Director - OMB**

Date: _____

Date: _____

This revision to the Statement of Work (“SoW”) **SOW Change – 5 Year Financial Plan** is between **Harris County – Department of Management and Budget (OMB)**, with offices at **1001 Preston St., Houston, TX**, hereinafter referred to as “OMB” or “Buyer”, and **The Boston Consulting Group, Inc.**, hereinafter referred to as “BCG” or “Contractor” to provide professional services under the terms and conditions of **Purchase Order Number HCNTY-0000082009**

This revision to SOW shall be effective upon signature by both parties and defines the requirements, specifications, implementation approach, deliverables, pricing, and other rights and obligations of the parties to achieve the objectives as more clearly described here in.

Context

Projections of Harris County available General Funds suggest that, in most scenarios, unless action is taken, spending will exceed available resources within the next 5 years. In order to build resiliency in Harris County’s financial outlook, OMB contracted BCG to identify potential cost and revenue levers that would alleviate projected headwinds. As part of this effort, BCG scoped opportunities within departmental and also across-departments via the lens of purchasing data that have exceeded \$150M in combined potential cost savings or revenue uplift.

BCG is committed to building a strong partnership with Harris County as it defines its opportunity areas and actionable path forward. As part of the current work scope for phase 1, BCG invested heavily in bringing in a robust team to deliver value identification and sizing within 14 weeks at a firm-fixed-price (FFP) which represents a considerably reduced cost from what private and public sector clients typically pay for the same services.

Project end date is currently set for May 10, 2024.

However, OMB and BCG have jointly identified a need for additional resources to cover existing and additional scope of work that includes the following components:

- a. Extending support through Commissioners Court Date in June, to achieve alignment on recommended levers to initiate and therefore be presented to Commissioners Court
- b. Identify potential leave reform options and quantifying potential cost savings from these changes via scenario considerations

Description of modified scope of work

a. Extending senior support through Commissioners Court phase 1 final report out

A series of meetings have been set-up with Precinct offices and CJO throughout the month of May 2024, plus intention to present final report to Commissioners Court in June, which is beyond the current period of performance. Given continued momentum and collection of feedback from stakeholders in advance of final to Commissioners Court, we anticipate additional resources necessary to maintain forward progress.

BCG would commit to the following deliverables:

1. Individual meetings with court offices and PowerPoint Final presented to Commissioners Court

b. Identifying and sizing Leave Reform options

Conducted benchmarking effort has identified how Harris County differs to its Texas County Peers in vacation payout benefits and comp time payout benefits. Scope of this work would formulate options for Leave Reform to mimic more closely peers' offering.

BCG would commit to the following deliverables:

2. An option set of Comp Payout and Vacation Payout to more closely mimic peers
3. Using available HR data, estimate potential savings from option

Requirements for successful execution

For BCG to fulfill on the deliverables stated above within the "Description of modified scope of work" section of this document we would require support from Harris County that would include:

a. Extending senior support through Commissioners Court final phase 1 report out

Continued input from current Steering Committee, and broadly members of OMB leadership team to pressure test latest findings and final report

b. Identifying and sizing Leave Reform options

Close collaboration with HRRM subject matter experts (SMEs). Partial time dedicated to help mine necessary data that would allow the sizing of opportunity.

Location of work

Work is to be conducted with a mix of virtual and On Site at Harris County offices optimizing for in-person interaction for important report outs and when onboarding initially with Harris County team

Period of Performance

- Period of Performance extended through June 4, 2024 (from original end date set to Friday May 10th)

Resourcing and Estimated Value and Commercial

BCG professional fees are based on team size and seniority and typically includes:

- Managing Director & Partners
- Project manager and consultants
- Industry and functional experts as needed
- Industry and functional researchers
- Admin and graphic support

Professional fees & expenses for this engagement are fixed firm rates as described below

- **(a) Extending BCG capacity through Commissioners Court final phase 1 report out + (b) Identifying and sizing Leave Reform options:** BCG team consisting of senior leadership, project manager, consultant and production support for \$17k/week for 3.4 weeks (\$57.8k total)

Compensation (Fixed Cost)

Contractor agrees to complete the project based on fixed costs. Invoiced at end of performance period of June 4, 2024. Buyer to provide written acceptance of Contractor's final work product after having an opportunity to review draft versions of the deliverables.

Changes to SoW

Any alteration, deletion, or addition to the work ordered in this SOW shall be effective only if made in a change order executed by Buyer and Contractor. A change order, however, shall not modify any provisions of the Agreement incorporated in the SOW except to the extent that an order is permitted to modify the Agreement.

If any of the following events occur while Contractor is engaged to provide services under this SOW (each a "Change Order Event"), and such event(s) materially impact Contractor's schedule and/or costs, Buyer shall provide Contractor a change order to reasonably compensate it for additional effort.

- The scope of the engagement changes
- One or more assumptions prove to be invalid
- Buyer fails to meet its obligations as set forth herein

Contractor will notify Buyer, in a reasonable period of time after becoming aware of a Change Order Event. Change orders to this SOW will only be effective when signed by authorized representatives of each party.

Points of Contact Responsible for this SoW

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