

**STATE OF NEW MEXICO
HUMAN SERVICES DEPARTMENT**

**PROFESSIONAL SERVICES CONTRACT
AMENDMENT No. 5**

THIS AMENDMENT No. 5 (Amendment) to Professional Services Contract (PSC) 19-630-8000-0003 (Agreement) is made by and entered into by and between the State of New Mexico, **Human Services Department**, hereinafter referred to as the “Procuring Agency”, and **McKinsey & Company Inc. Washington D.C.**, hereinafter referred to as the “Contractor”, and collectively referred to as the “Parties.”

The purpose of this Amendment is to revise Exhibit A, Scope of Work: Deliverables 15, 17, 18, 19; and add Deliverable 20.

UNLESS OTHERWISE SET OUT BELOW, ALL OTHER PROVISIONS OF THE ABOVE REFERENCED AGREEMENT REMAIN IN FULL EFFECT AND IT IS MUTUALLY AGREED BETWEEN THE PARTIES THAT THE FOLLOWING PROVISIONS OF THAT AGREEMENT ARE AMENDED AS FOLLOWS

1. Exhibit A, Amended Scope of Work, Section VII, Deliverables 15, 17, 18, and 19 are further amended to read as follows:

Deliverable 15: Support the MMISR Project Diagnostic Work with focus on Governance

<u>Deliverable Name</u>		<u>Due Date</u>	<u>Cost</u>
Streamlined Governance Process for MMISR		No Later Than 365 Days After Amendment 5 Execution	Not to exceed \$105,692.65 including NM GRT
Task Item	Sub Tasks	Description	
Streamlined Governance Process for MMISR	Support Agency Alignment Consensus Building on MMISR Priorities	<ol style="list-style-type: none"> 1. Support HSD in revising SteerCo governance model (including redefining/rescoping the BTC SteerCo) to facilitate efficient decision making for MMISR Project by providing a robust fact base for any decisions brought forward, and sharing best practices from other states or facilitating conversations with other states to discuss their governance models. 2. Support McKinsey’s regular participation in Project Diagnostic workgroup meetings, including providing content support for the corrective action plan for MMISR. 3. Support documenting expectations for divisions/other departments engagement in MMISR initiatives, including further enhancing the module view to identify what expertise is needed by division/department. 	

Deliverable 17: Vendor Management: Facilitate Definition of Vendor Management Approach for MMISR leveraging and tailoring to e.g., QA module status

<u>Deliverable Name</u>		<u>Due Date</u>	<u>Cost</u>
Facilitate Definition of Vendor Management Approach for MMISR leveraging and tailoring to e.g., QA module status		No Later Than 365 Days After Amendment 5 Execution	Not to exceed \$736,016.80 including NM GRT
Task Item	Sub Tasks	Description	
Facilitate Definition of Vendor Management Approach for MMISR leveraging and tailoring to e.g., QA module status	Facilitate Definition of Vendor Management Approach for MMISR leveraging and tailoring to e.g., QA module status	<ol style="list-style-type: none"> 1. Articulate best practices for all remaining business processes associated to vendor management, across all 5 phases (Establish, Define, Procure, Negotiate, Partner & Perform, Improve) 2. Leveraging QA module context, focus on the “Partner & Perform” phase and inventory current HSD tools available for vendor management (e.g., deliverable trackers) and assess possible enhancements or replacements of those tools 3. Document a map of relationships between MMISR project vendors: including the expected interactions between module vendor at a scope level 4. For QA specifically, <ol style="list-style-type: none"> a. define “what good looks like” for vendor performance tracking based on best practices observed in both public and private sector b. create transparency on how QA team activities, tools, and original contract contribute to vendor performance tracking, highlighting gaps vs. “what good looks like” c. define enhancements to improve QA status and discuss with HSD stakeholders path forward 5. Select a third MMISR module (among e.g., UP, FS, DS) to tailor best practices against, and <ol style="list-style-type: none"> a. create transparency on current status/ pain points b. Identify vendor management processes most critical to the module’s status, and define possible improvements c. Participate in select HSD meetings for the third module selected across 5 weeks, in order to test and hypotheses on improvements, and guide associated discussions 	

Deliverable 18: Vendor Management: Articulate Design select

vendor management process, leveraging specific context and needs for EVV Phase 2 in Legacy Conduent Contract

<u>Deliverable Name</u>	<u>Due Date</u>	<u>Cost</u>
Design select vendor management process, leveraging specific context and needs for EVV Phase 2 in Legacy Conduent Contract	No Later Than 365 Days After Amendment 5 Execution	Not to exceed \$552,012.60 including NM GRT

Task Item	Sub Tasks	Description
Design select vendor management process, leveraging specific context and needs for EVV Phase 2 in Legacy Conduent Contract	Design select vendor management process, leveraging specific context and needs for EVV Phase 2 in Legacy Conduent Contract	<ol style="list-style-type: none"> 1. Define overall goals for vendor management at HSD, ensuring best practices observed in similar transformations, key stakeholders' expectations, and current pain points are incorporated in the deliverable 2. Using EVV Phase 2 as a pilot, highlight how the overall goals for vendor management can be translated to specific practices for a module 3. Define & document business processes and roles for MMIS Module vendor management functions across HSD divisions; this will include 5 phases (Establish, Define, Procure, Negotiate, Partner & Perform, Improve) and key business processes associated to each 4. For EVV Phase 2 specifically, <ol style="list-style-type: none"> a. conduct interviews with HSD stakeholders involved in order to create transparency on key pain points of the ongoing implementation b. conduct interviews with states that have successfully implemented EVV to distill key learnings into a view of "what good looks like" c. define - based on pain points and "what good looks like" - key actions to enhance and accelerate delivery of meaningful functionalities for HSD customers, as well as an operating model for how EVV Phase 2 vendors should interact with the overall MMISR Project d. participate in select HSD meetings across 5 weeks, in order to test hypotheses on improvements, and guide associated discussions

Deliverable 19: Vendor Management: Support HSD Capability Building

<u>Deliverable Name</u>		<u>Due Date</u>	<u>Cost</u>
Support HSD Capability Building		No Later Than 365 Days After Amendment 5 Execution	Not to exceed \$736,016.80 including NM GRT
Task Item	Sub Tasks	Description	
Support HSD Capability Building	Develop a Vendor Management Academy	<ol style="list-style-type: none"> 1. Develop & pilot a training course (academy) for the selected MMISR module vendor management processes; training will be offered to 12-15 staff and include three distinct courses: <ol style="list-style-type: none"> a. Methods for Procurement Best Practices, including completing cost analyses (e.g., clean-sheeting) to inform procurements b. Methods for Negotiation Excellence including, how to define contracts & service level agreements (within the constraints of the state’s contract templates) c. Methods for Vendor Management including, how to craft a partnership culture with vendors, how to establish key performance indicators, and how to measure & manage performance of vendors <p>Courses will include up to two role-playing sessions to practice the dedicated content.</p> 2. Discuss and document feedback based on HSD’s initial interactions with the vendor executing on training materials 	
	Refine approach based on learnings from the organization	<ol style="list-style-type: none"> 1. Refine training academy curriculum leveraging the feedback from the practical application of the training/ new vendor management processes 2. Update maps of roles, responsibilities, and processes as needed to address feedback received 3. Revise and share updated vendor management with key HSD stakeholders 	

2. Exhibit A, Amended Scope of Work, Section VII, Deliverables, Deliverable 20 for Vendor Management is added to read as follows:

Deliverable 20: Vendor Management: Support Scaling Vendor Management Approach to Other MMISR Modules

<u>Deliverable Name</u>		<u>Due Date</u>	<u>Cost</u>
Support Scaling Vendor Management Approach to Other MMISR Modules		No Later Than 365 Days After Amendment 5 Execution	Not to exceed \$736,016.80 including NM GRT
Task Item	Sub Tasks	Description	
Support Scaling Vendor Management Approach to Other MMISR Modules	Codify a playbook of vendor management processes, to be executed and scaled to other modules	<ol style="list-style-type: none"> 1. Develop a playbook of vendor management processes, leveraging the tried & tested approach at one module to build a repeatable process for HSD to be tailored for other modules (e.g., establish a regular review cycle of contract managers and contracts as part of a continuous quality improvement cycle). 2. Design a repeatable onboarding process for module vendors, informed by both feedback from the tested module vendor interactions and best practices in large-scale, modular IT projects 3. Provide up to 3 "Train the Trainer" sessions of core in support to HSD in preparing to scale playbook 	

All other Articles and Deliverables of PSC 19-630-8000-0003, as amended, remain unchanged.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date of the signature by the required approval authorities below:

By: David R. Scrase, M.D. Date: 5/10/2021
DocuSigned by: 90BE7D7D1B53422...
David Scrase, HSD Cabinet Secretary

By: Paul Ritzma Date: 5/7/2021
DocuSigned by: 5709D277B0FC4AA...
Paul Ritzma, HSD General Counsel

By: Danny Sandoval Date: 5/3/2021
DocuSigned by: B66DFEE7DE10413...
Danny Sandoval, HSD Chief Financial Office

By: Tony D'Emidio Date: 5/3/2021
DocuSigned by: 5F5EF3AAA8F840C...
Contractor

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the NM Taxation and Revenue Department to pay gross receipts and compensating taxes:

CRS ID Number: 03-405436-00-7

By: AnnMarie Lucero Date: 5/12/2021
DocuSigned by: ATE23200AE974AA...
Tax and Revenue Department

This Agreement has been approved by the SPD Contracts Review Bureau:

By: Cynthia B Date: May 21, 2021