

FOR CONSIDERATION

December 19, 2018

TO: The Board of Trustees

FROM: Thomas Falcone

SUBJECT: Authorization to Engage Firm to Provide Strategic Planning Consulting Services

Requested Action

The Board of Trustees of the Long Island Power Authority (“LIPA” or the “Authority”) is requested to approve a resolution authorizing the Chief Executive Officer, or his designee, to engage Ernst & Young, LLP to provide Strategic Planning Consulting Services to the Authority.

Background

The Authority is seeking strategic planning consulting services to facilitate a cohesive strategic planning process that incorporates multiple inputs including budgets, performance metrics, and enterprise risk management.

The scope of these services will include, among other things, facilitation of discussions with senior leadership to review industry trends, current and future customer expectations and capabilities to meet them, and challenges and opportunities, with the goal of arriving at strategic objectives, and identification of key results necessary to achieve the strategic objectives and any risks thereto, either internal to the business or from external sources.

Discussion

On October 11, 2018, the Authority issued a Request for Proposals (“RFP”) seeking qualified firms to provide consulting services for a term of five years. The RFP was posted in the NYS Contract Reporter, posted to LIPA’s website and distributed to 39 vendors, including 25 Minority or Women Owned Business Entities (“MWBEs”) or Service Disabled Veteran Owned Businesses (“SDVOBs”), that may have the resources and expertise to provide services in all areas that are requested.

By November 1, 2018, twelve firms responded to the RFP. A selection committee of LIPA Staff evaluated the technical aspects of the proposals, while LIPA Procurement Staff evaluated MWBE, SDVOB and cost aspects of each proposal.

The technical review team conducted interviews of the two top scoring firms, Ernst & Young LLP and the Boston Consulting Group. Based on the technical and cost reviews, MWBE and SDVOB capabilities and interviews, Ernst & Young, LLP had the highest overall score and was determined to provide the best overall value for the Authority’s customers. Additionally, Ernst & Young, LLP’s hourly rate was determined to be reasonable.

Recommendation

Based upon the foregoing, I recommend approval of the above-requested action by adoption of the resolution in the form of the attached draft resolution.

Attachment

Exhibit "A" Resolution

EXHIBIT A

RESOLUTION AUTHORIZING THE ENGAGEMENT OF A FIRM TO PROVIDE STRATEGIC PLANNING CONSULTING SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage Ernst & Young, LLP to provide strategic planning services to the Long Island Power Authority and its subsidiary the Long Island Lighting Company d/b/a LIPA, on an as-needed basis, with the contract for a period of five years.

Dated: December 19, 2018