

## SOURCEWELL CONTRACTS

# 101

Are you publicly funded (government, education or nonprofit) and looking for a way to simplify large-ticket purchases? Sourcewell cooperative contracts could be the solution.

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## INTRODUCTION

Is your business classified as one of the following:

<b>Government Entities</b> <i>State and Local</i>	<b>Education</b> <i>Public and Private</i>	<b>Nonprofits</b> <i>Tax Exempt Organizations</i>
<input type="checkbox"/> City	<input type="checkbox"/> K-12	<input type="checkbox"/> Hospital or Nursing Home
<input type="checkbox"/> County	<input type="checkbox"/> Special Education District	<input type="checkbox"/> Rural Power Cooperative
<input type="checkbox"/> Water District	<input type="checkbox"/> Charter School	<input type="checkbox"/> Housing Authority
<input type="checkbox"/> Native American Tribe	<input type="checkbox"/> Ed/University	<input type="checkbox"/> Member Association or Coop

And, are you in need of and looking to purchase a replacement or upgraded technology solution?

### IF YES, YOU ARE IN THE RIGHT PLACE!

This eBook is going to introduce an opportunity for you to satisfy your bid requirements, while getting the products and services you prefer.

More often than we care to admit, going out for bid takes up too much time and resources and rarely ends up providing you with the quality and manufacturer you want. Though, it is a necessary step in the purchasing process. This is where Sourcewell presents a solution.

**Sourcewell**, is a public corporation that serves as a municipal contracting agency. It exists to create opportunities that benefit government, education and nonprofit agencies nationwide – mainly through time and money savings.

### NOW, WE KNOW YOU ARE THINKING ONE OF TWO THINGS:

1. What's the catch?
2. This is too good to be true.

Before you disregard this opportunity as invalid, let us explain. Allow ten or fifteen minutes to browse this eBook; we are certain it will be worth your time.

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## **SOURCEWELL - WHAT? WHO? WHY? HOW?**

### **WHAT IS SOURCEWELL?**

The definition of what **Sourcewell** is gets fairly technical due to the laws and authorities it abides by.

Sourcewell is established as a public agency serving our member agencies across the country as a municipal contracting agency. Sourcewell operates under the enabling authority of Minnesota Statute 123A.21. This statute was created in 1978 and revised in 1995 to allow participating government and education agencies to reduce the cost of purchased equipment and products by leveraging their combined national purchasing power through cooperative efforts.

Sourcewell is also guided and enabled by M.S. 471.59, the "Joint Exercise of Powers" Laws, which defines the ability of two or more government agencies to enter into an agreement to contract in common through the action of each of the governing bodies. In general, Joint Powers Laws state: "What two units of government and/or education can individually do for themselves, one can do for another." This includes the ability of agencies to enter into cooperative agreements.

Long story short, Sourcewell competitively bids and awards contracts with quality vendors to provide your organization with the best products and prices – without requiring you to duplicate the bidding process (see **how**).

### **WHO DOES SOURCEWELL SERVE?**

Sourcewell serves members from government, K12, higher education, and all nonprofit agencies throughout the United States and Canada.



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You're probably thinking – there's the catch! I have to become a member of Sourcewell in order to be a recipient of the benefits they promise. While this is true, "membership" doesn't require a significant commitment. There are no minimum contract purchasing requirements or commitments for members. It gets better – it is no-cost, no-obligation and no-liability. The only requirement you must contribute is eligibility; and if you were able to answer yes to the opening question of this eBook, then all that is left to do is **complete the application form** (which takes less than 5 minutes).

## WHY DOES SOURCEWELL EXIST?

Sourcewell exists to be an alliance between buyers and sellers. They create national cooperative contract purchasing opportunities and solutions to present time and money savings for the buyers, and exclusive selling opportunities to vendors.



## HOW IS SOURCEWELL ABLE TO PROVIDE THESE OPPORTUNITIES?

### *Provide Opportunities*

**Sourcewell** selects vendors the same way its members do through traditional RFP processes. They facilitate an 11-step "competitive bidding process" nationally on behalf of their members' needs and expectations.

1. *Researching member needs*
2. *Researching the solutions available in the market place*
3. *Requesting permission from the Sourcewell Board to issue a solicitation*
4. *Drafting and advertising an RFP*
5. *Receiving proposers' responses*
6. *Evaluating proposers' responses*
7. *Making recommendations to the Sourcewell Board*
8. *Awarding vendor(s)*
9. *Posting approved contract documents*
10. *Developing and implementing a joint marketing plan with awarded vendors*
11. *Reviewing and maintaining our contract throughout its term*

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As a government agency, Sourcewell is its own “lead agency,” competitively bidding, facilitating and awarding national contracts. This process can then satisfy your bid requirement; there is no need to duplicate this process once Sourcewell awards a contract vendor. The following documents are also available for your review, for each vendor:

- *Contract award documentation*
- *Documentation of the competitive bidding process*
- *Documentation of the RFP*
- *Documentation of the contract maintenance*

### **Funding**

Members do not pay any fees; Sourcewell functions to save members time and money – not cost you more.

Significant efficiencies exist for vendors because they are able to respond to one Sourcewell solicitation and Request for Proposal that will potentially earn thousands of sales opportunities. For this reason, vendors pay an administrative fee to Sourcewell calculated as a percentage of sales processed through the competitively bid procurement contracts awarded and held by the vendor. This fee covers the operational costs of Sourcewell.



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## **BENEFITS**

Receive the products, equipment and services you desire, and deserve – all under one contract.

### **GET THE MANUFACTURER, DEALER AND QUALITY YOU WANT**

Through Sourcewell you can select nationally acclaimed companies that already have an established cooperative contract. **Sourcewell** has done the vendor comparison and evaluation for you through their bidding process.

After a competitive bid, vendors are awarded the contract based on product quality, customer service, pricing and overall market leadership.

When you are ready to purchase, all you have to do is connect with the vendor, or in most cases, an authorized dealer, to start the purchase process. A simple note that you are utilizing the Sourcewell contract in your paperwork is all it takes; this note proves that you bid the purchase of your vendor solution by using Sourcewell's bid.

One of the most common objections (and misconceptions) we hear about Sourcewell is that eligible agencies don't want to work with a company they don't know or have an established relationship with. But, contrary to popular belief, Sourcewell doesn't actually get involved in any transactions or discussions about your purchase; they simply do the bid work and then provide the contract pricing. You only ever end up working with your trusted and preferred provider to purchase your solution.



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## SATISFY YOUR BID REQUIREMENT

The necessary “paper trail” between you and Sourcewell is established with a Sourcewell cooperative contract to satisfy your bid and justify your purchasing decision. There is no need to duplicate the bidding and contract process, though you are welcome to do so if you choose.

## SUBSTANTIAL TIME AND COST SAVINGS

As an added bonus to satisfying your bid requirement, the impact on your staff and budget is reduced significantly. Your purchasing timeline will be much shorter because the time-consuming work, which can take anywhere from 3-9 months, is completed by Sourcewell. You are able to instantly place your order for your solution if you use a Sourcewell contract. And, because you are able to leverage national volume pricing, it becomes easier to make your tight or constrained budget go further.

## REDUCE PROTESTS BY COMPETING VENDORS

Because Sourcewell reviews and evaluates vendors through their bidding process, you won't need to manage the protests competing vendors generally have if they don't win your bid.

## AVOID LOW BID, LOW QUALITY RESPONSES

Sorting through and evaluating bids can be very time-consuming. Reviewing bids from vendors that don't meet your needs often feel like a waste of time. When using a Sourcewell contract, this piece of the bid puzzle falls on the shoulders of Sourcewell – once again saving you time and resources.



**TALK TO US ABOUT  
USING A SOURCEWELL CONTRACT**





## ● Traditional Process

This portion can take anywhere from 3-9 months to complete (more commonly on the 6-9 month end).

Identify producer prospect

Build relationship

Spec out equipment

Advertise bid

Bid opening

Award lowest bid

Protest period

PO issued

Have equipment delivered

Review and maintain contract throughout its term

6 weeks to 3 months

## ● Streamlined Sourcewell Process

This process can take as little as six weeks to complete.

Become a member of Sourcewell, if you aren't already. (At any point in time – not necessarily right before you need to purchase)

Begin conversation with local dealer representative

Work with dealer to determine your specific needs

Cut PO. include the following statement and additional terms and conditions you'd like to include. "This PO is issued pursuant to Sourcewell Contract #XXXXXX-AAA"

Have equipment delivered

### What Sourcewell Does

- Pre-selects vendor
- Researches member needs
- Researches solutions available in the market place
- Requests permission from Sourcewell board to issue a solicitation
- Drafts and advertises an RFP
- Receives proposers' responses
- Evaluates proposers' responses
- Makes recommendations to Sourcewell board
- Awards vendor(s) (\*\*Mitel)
- Posts approved contract documentation
- Reviews and maintain contract throughout its term

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## MEMBERS

Government, education and nonprofit agencies from across the nation to take advantage of Sourcewell contracts. In 2013 Sourcewell members purchased more than \$1 billion in goods and services, through Sourcewell awarded contracts.

Cooperative contracts are working for buyers and sellers; 23 state agencies, some of the largest school districts in the nation, ten of the largest university systems and more have taken advantage of this opportunity.

### EDUCATION:

- **Baltimore Schools** (Maryland)

1 Pre-K/Kindergarten School, 54 Elementary Schools, 75 Elementary/Middle Schools, 7 Middle Schools, 15 Middle/High Schools, 28 High Schools, 1 Elementary/Middle/High School – serving 84,730 students



- **Shelbyville Central School District** (Indiana)

*High School, Middle School & Elementary School*

As a school corporation state, when we go out to bid for items, or to purchase items, we have various ways we can do that. One is we can do a lengthy bid process, and to do that we have to write the specs which takes a lot of our time. In addition to that, it takes resources and time of other members of our staff, to go around with the vendors to see what we have to try and help us develop those specs. Then we have to receive them and review them and evaluate them. We can also use the state QPA, which is the Qualified Purchase Agreement. They do some of that [work] but we still have to do the evaluation process. And then we were brought the Sourcewell contract [...], where they've done all that work for us, saving us that time. And by doing that, it allowed us to look at the rubric they had developed, where they had already evaluated all the companies, and go with their recommendation of the one they had approved, which saved us

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that time and a lot of money in the long run. – Mike Shreves, Business Manager

- **Milpitas Unified School District** (California)

*9 Elementary Schools, 2 Middle Schools, 2 High Schools – serving 9,516 students*

- **Charleroi School District** (Pennsylvania)

*High School, Middle School & Elementary School*

This has been a very challenging year for Charleroi area. We received notification from the governor's office; we were going to have \$1 million cut from our budget. A team came in and compared what we spent, with what we were going to spend. They came back and gave us a fact driven spreadsheet of how much we were going to spend; we were able to take that information and share it with our board – that we were going to save money (50%). We now have this consortium that we can buy from to meet the very needs of not only our students, but our teachers in the district. It makes smart sense for the school, and it saves us money, but we never sacrifice quality. – Dr. Brad A Ferko, Superintendent of Charleroi School District

- **Pueblo School District** (Colorado)

*21 Buildings, Across 1800 Square Miles*

District 70 is one of the lowest funded districts in the state, so we're always trying to do the best we have with our budget. This process was very simple with Sourcewell. The discount was already there. [...] A lot of the legwork had already been done by Sourcewell. Ultimately in our district we are concerned about cost savings. And working through this deal we were actually able to reduce our monthly costs by 50%. [...] I expect the district to realize a savings of about \$400,000. – Tim Yates, Director of Technology at Pueblo School District 70



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## MUNICIPALITIES:

- [City of Redding](#) (California)

As a purchasing professional I have found that not all Cooperative Agreements are created equally. The reason that I trust using a Sourcewell contract is due to the detailed requirements in the solicitations, the assurance of an in-depth review of the proposals by Sourcewell's panel and the ease in access to documentation for review. I am confident about their processes and that it yields a solid contract for agencies to work with. – Elizabeth Peer, CPM (City of Redding, Purchasing Officer)



- [City of St. Cloud](#) (Minnesota)

*City of Saint Cloud IT Department manages the entire computer infrastructure for 14 remote facilities; city hall, police, fire, public utility and park shelter facilities.* This is a bonding year for the city of St. Cloud. The challenge I have with a bonding year is that we have a discretionary amount of funds that has to be spent in a short time period, which prevents challenges when going off an RFP or bidding process because you have to complete this process in a very short window [of time]. We've had RFPs in the past where we've doubled the time to select a product because all the respondents either responded incorrectly or we found that it was not to our liking, so we redid the RFP and started from scratch. When buying off a state contract, or Sourcewell contract, all of the heavy lifting is already done for you. So if your product is on that list, you can find it, purchase it and have the satisfaction of knowing that you were a good steward of the money you are managing. That's always a challenge for us. So the Sourcewell contract afforded us the ability to do that because we had a proven product and a proven vendor that we were able to use. – Micah Myers, IT Director for the City of St. Cloud, Minnesota

## NONPROFITS:

- [Eugene Water & Electric Board](#) (Oregon)
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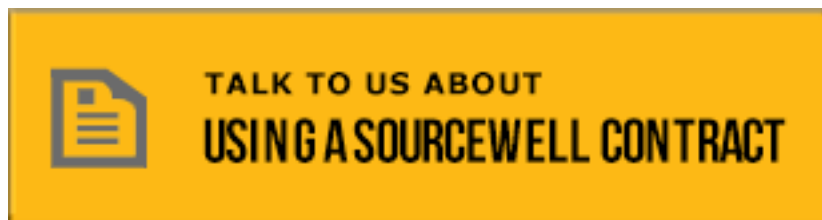
## CONCLUSION

Sourcewell exists for your benefit. More than 50,000 member agencies are already taking advantage of the opportunities Sourcewell provides – and you could join them!

Sourcewell's mission is to serve their membership by providing the structure and process to reduce the cost and increase the efficiency of procurement by leveraging the benefits of contract purchasing. **Sourcewell provides a multitude of cooperatively contracted products, equipment and service opportunities** – anything from office supplies and furniture, to athletic surfaces and seating, to facility maintenance and everything in-between.

If you are interested in learning more about this opportunity, **request to talk with a specialist.**

To learn more about our services, start by requesting a consultation with one of our specialists.



Did you find this e-book useful? Share it with your friends!





Technology is a different animal. It can be expensive. Hard to wrap your head around. Overwhelming to keep up with. And yet it's usually critical to the success of your business. It's not the kind of purchase you make once and forget about. Because like your business, it's **always changing**. That's why choosing the right technology provider is so important.

At Marco, we know how immense and fluid technology can feel. So we do everything we can to match you up with the right technology and keep it running smoothly day in and day out. We'll keep an eye out for products and processes that could save you precious time and money. And, we'll help you avoid the ones that won't.

We're big enough to offer you premium quality and selection. And we're small enough to give you **personalized service** grounded in Midwestern values. As your technology partner, we offer you the perfect mix of both worlds.



Connect with us to learn more about Marco, our services and how we do business.