Who is Sourcewell?

Sourcewell is a leading, independent government agency.
- Governed by a board of directors
- Staff are public employees
- Have Legislative Authority to facilitate the Competitive Bidding Process Competitively Solicit & Award Contracts to Create Efficiency

Sourcewell’s Legal Authority

Sourcewell satisfies their members’ competitive contracting requirements
- Sourcewell facilitates a competitive solicitation and award process on behalf of their members' needs and expectations
- Sourcewell is its own lead agency and has the authority to establish contracts
- Sourcewell shares their competitively bid contracts with their members following Joint Powers Laws
- Acceptance and comfort always comes down to local policy and interpretation
Agencies face two decisions:
- What are they going to buy?
- How are they going to buy it?

Agencies have two choices:
- Do they need to bid it?
- Do they just need it to follow a competitive process?
- Joint powers allows them to use the Competitive Bid Process by Sourcewell

The solution: your Sourcewell cooperative contract

Does this really work?

Sourcewell Contract Use & Acceptance

- National cooperative contracts are effective for both buyers & suppliers

Sourcewell Contract Volume Annually
Sourcewell By State

Sourcewell Overview

Sourcewell Member Usage – Minnesota

- 524 Municipality Agencies
- 293 County Agencies
- 530 K-12 schools
- 114 Higher Ed (Private and Public)
- 946 Other (Churches, Federal, Medical Facilities, State Agencies, Not for Profit, Special Districts)

Total usage by entities by MN Agencies $150,907,620.89

300+ World-Class Companies
300+ World-Class Companies

Who Are Our Sourcewell Members?

State and Local Government Entities
- Cities
- Counties
- States and State Agencies
- Special & Water Districts
- Native American Tribes
- Port & Transportation Authorities

Public and Private Education
- K-12
- Special Education Districts
- Charter Schools
- Higher Education/Universities

Nonprofits (tax exempt organizations)
- Hospitals & Nursing Homes
- Housing Authorities
- Rural Power Cooperatives
- Member Associations & Corps

Value of Sourcewell Membership

- Membership is at no cost, no obligation and no liability
- Choose from 300+ contracts
- Streamlines the purchasing process
- Sourcewell membership establishes the necessary paper trail

No need to duplicate the process
How It Works

**Value of Sourcewell ezIQC**

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>MEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>No need to respond to numerous, time-consuming individual customer bids.</td>
<td>No need to duplicate the competitive bidding process. Reduces the impact of agency staff, budget cuts &amp; protests.</td>
</tr>
<tr>
<td>Directly offer your full line of products &amp; services.</td>
<td>Choose the products &amp; services they need and want.</td>
</tr>
<tr>
<td>Leverage the relationships you have earned.</td>
<td>Select the vendor they want to buy from &amp; the vendor they want to work with.</td>
</tr>
<tr>
<td>Promote value and quality over price.</td>
<td>Avoid unpleasant experience of low-bid, low-quality awards.</td>
</tr>
</tbody>
</table>

- **Save Time & Money**
- **Full-line of Contracted Solutions**
- **Trust and Relationships**
- **Low-bid, Low-quality Responses**

**MBE/WBE inclusion**

- **Mounting project backlogs**
- **Time**
- **Procurement burden relative to job size and scope**
- **Cost control/change orders**

- **Technology**
- **Staff shortages**
- **Lack of transparency/auditability**
Project Types

- Straightforward new construction
- Repairs
- Renovations
- Replacement in-kind
- Maintenance
- Emergency work
- Time sensitive projects
- Alterations

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ezIQC®

Definition
- Indefinite delivery/indefinite quantity process (IDIQ)
- Available to you through the Sourcewell
- Enable contractors to complete a substantial number of individual projects with a single bid
- Tasks based on competitively-awarded, preset prices

Value
- Saves time and money
- Provides transparency and auditability
- Allows you to work directly with pre-qualified contractors

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ezIQC

- Alternative method for procuring construction
- Works for a variety of projects
- Supplemental tool, not a replacement
- Offers fixed, firm pricing
- A fundamentally different relationship
MN Contractor Service Area

Contract Documents

1. Construction Task Catalog®
   - Construction tasks with unit prices
   - Unit prices based:
     - Local prevailing wage rates
     - Local material and equipment costs

2. Technical Specifications
   - Standard technical specifications

3. Bid Documents
   - Form of contract, bid forms, general conditions, etc.

Construction Task Catalog®

- Full description of task
- Price includes labor, material and equipment
- Modifiers for variations or quantity discounts
- Demolition price, if applicable
How Is ezIQC Bid and Awarded?

Awards based on Best Value Criteria

Must bid 5 adjustment factors:
1. Normal working hours, prevailing wage
2. Other than normal working hours, prevailing wage
3. Normal working hours, non-prevailing wage
4. Other than normal working hours, non-prevailing wage
5. Non-pre-priced tasks (not in the CTC)

Adjustment factors apply to all tasks in the CTC. Each adjustment factor is weighted.

Lowest weighted adjustment factor from a responsive, responsible bidder wins.

A Proven Process

- JOC Provides an Auditable and Transparent Procurement System
- Client Knows Exactly What They are Buying!

After Scope is Developed, the Contractor Prepares an Itemized Price Proposal

Step 1
Joint Scope Meeting

Step 2
Detailed Scope of Work

Step 3
Price Proposal

Step 4
Price Proposal Review

Step 5
Purchase Order Issued
Measurables

Contract Documents Include Measurable Performance Standards
- Quality Price Proposals
- Timely Price Proposals
- Timely Construction
- Quality Construction
- Achievement of MBE/WBE Goals
- Achievement of Self Performance Goals

A Proven Process

- Used to complete billions of dollars in construction projects annually
- More cost efficient than other project delivery systems
- In use by over 185 major public agencies:
  - Federal Departments
  - Transportation & Water Management Authorities
  - States, Cities, Counties
  - K-12 & Higher Education
  - Housing Authorities
  - USPS
  - Hospitals and Medical Centers

Major Findings: Cost Savings

Owners estimate a 24% administrative cost savings
Contractors estimate a 21% overall cost savings
Top Reasons for Cost Savings

**Owners Survey (44)**
1. Procurement Administrative Time (75%)
2. Project Manager Support Time (52%)
3. Design and Drawing Costs (30%)
4. Decreased Documentation Demands (30%)
5. Minimized Admin Transactions (14%)

**Contractors Survey (13)**
1. Acquiring and Bidding New Projects (73%)
2. Decreased Change Orders (45%)
3. Decreased Time Requirements (27%)
4. Design (27%)
5. Overhead (27%)

The Benefits

- Simplifies the procurement process
- Faster response time
- Improves the quality of work
- Increases local subcontractor participation
- Virtually eliminates defaults, terminations and claims
- Fully transparent process

Questions?

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