

# Purposeful Growth & Service

Annual Report 2017-18 &  
Strategic Framework 2018-19

## SOURCEWELL VISION

Sourcewell provides member-centered solutions that enable government, education, and nonprofit agencies to work more efficiently and leverages its resources to effectively reinvest in the communities we serve as an invaluable service cooperative partner.

## SOURCEWELL MISSION

To build valued relationships and deliver innovative solutions with integrity, exceeding the expectations of our members.

## SOURCEWELL VALUES

- Service
- Relationships
- Trust
- Passion
- Communication
- Individuality
- Continuous Improvement

# 2017-18 Annual Report & 2018-19 Strategic Framework

## Content

A letter from the executive director .....5

### **Annual Report 2017-18**

National .....8  
State ..... 10  
Regional..... 12  
Internal ..... 14  
Financials ..... 16  
Stewardship & sustainability ..... 17

### **Strategic Framework 2018-19**

National ..... 20  
State ..... 22  
Regional..... 24  
Internal ..... 26  
Stewardship & sustainability ..... 28

### **Programs & governance**

Programs & services ..... 32  
Board & authority ..... 34



# A letter from the executive director

Purposeful growth and service. What do those words mean to you?

For more than 40 years, Sourcewell served with purpose to help our members do more with less. And, in doing so, we continually strive to live up to our mission: to build valued relationships and deliver innovative solutions with integrity, exceeding the expectations of our members.

In the last year, we listened and acted with purpose to bring value and support to our members in a number of ways, including the development of innovative regional programs and services, new national contract areas, and a bolstered focus on members.

Sourcewell is experiencing significant growth – not only within our organization but growth in services across the region, state, and country. Each department within our organization continually evolves to ensure we meet those growing and diverse needs. Within the pages of this report, you will see just what that means for our members.

In June 2018 our organization unveiled a refreshed brand accompanied by a new name. This move was an intentional effort to build deeper relationships with members and make it easier for them to find us and our solutions. In tandem with the rebrand, we also implemented a new customer relationship management system, rolled out a revamped website with enhanced user capabilities, and added resources to our membership and procurement teams to provide robust support to those we serve.

This Annual Report allows time to reflect on the year past but also provides a glimpse into what's to come. Fiscal year 2018-19 is an exciting year for Sourcewell as we are executing several major initiatives on the regional, statewide, and national levels, as well as internally.

On a regional and statewide front, we have enhanced access to the ever-changing world of technology through our new relationship with Sourcewell Technology. Our shared services offerings for local government continue to be a popular way to help save our members time and money. Student success continues to be a priority for Sourcewell. With this in mind, we have expanded opportunities in our Career and College Readiness program and High Reliability Schools efforts.

Nationally, our Fleets for the Future initiative and eProcurement program address future needs as our members begin to rely more on alternative fuel vehicles, and leverage technology in lieu of paper and pencil.

Internally, we focus on supporting our own staff so they are poised and prepared to serve others in the best possible way. We are in the process of implementing an Integrated Management System, as well as increasing in-house training opportunities.

Please know none of this would be possible without the support of each and every Sourcewell member, vendor, and partner. You provide the purpose that propels our growth and service and inspires our work. It is an honor to partner with you to boost student and community success.

We remain committed to being a leader and collaborator with timely and innovative solutions for our members.

Thank you for allowing us to serve you WELL.



Dr. Chad Coquette, PhD  
Executive Director/CEO



## Our national goal:

Be the North American cooperative purchasing agency preferred by all government, education, and nonprofit organizations.



## Our statewide goal:

Be a state leader for service cooperatives.



## Our regional goal:

Be a preferred provider of solutions for education, government, and nonprofits in Region 5 - Cass, Crow Wing, Morrison, Todd, and Wadena counties.



## Our internal goal:

Be an employer of choice, reinvesting in our team to support success.

## Strategic framework

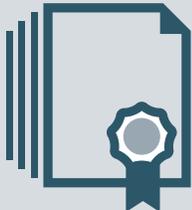
The base of this framework, developed in 2013-14, serves as a compass for Sourcewell, directing our organization's daily activities.

# Annual report 2017-18

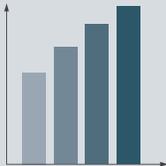
*A year in review ...*







**18** solicitation categories with  
**100** contract awards



**\$2,962,875,329**  
across 468,598 purchases  
made through Sourcewell contracts



# National

Over the past year, Sourcewell emphasized membership support with the expansion of its membership team. Sourcewell also continued to blaze new trails in the cooperative purchasing marketplace and fostered community and student success throughout North America with a number of initiatives.

- Enhanced relationships with members, partners, and awarded vendors with the implementation of a Customer Relationship Management (CRM) system.
- Awarded 100 new contracts, expanding our offerings to meet member needs, including Electric Vehicle Supply Equipment awards in July 2017, and the subsequent partnership with the Climate Mayors international collaborative.
- Took on the rigorous process of earning accreditation by the University of Texas System and earning the National Procurement Institute's Achievement of Excellence in Procurement award for the third-consecutive year.

**355** available  
**CONTRACTS**




**29 STATES**

with Sourcewell contract(s)  
adopted as their own in 2017-18

# Switches

- Each network device plugs in to a port on the switch.
- On smaller networks, the router, wireless router, firewall, or switch may be the same device.
- You don't need a switch if you have your own ports.



**8 ENTITIES**

enrolled in the cyber liability insurance program offered in cooperation with all Minnesota Service Cooperatives



**1,438**

Minnesota entities saved time and money purchasing through Sourcewell contracts



# State

Sourcewell partnered with fellow Minnesota Service Cooperatives (MSCs) to collectively provide the resources, services, and connections necessary to help entities throughout the state better serve their constituents.

- Formed a partnership with the Cooperative Purchasing Connection to provide more in-state vendor options and enhance contract offerings for entities throughout the state.
- Established a Cyber Liability insurance offering through Hausmann & Johnson to help members bolster their cybersecurity and offer support in the event of a cyberattack.
- Rolled out a statewide internship program to provide the future workforce with valuable experience.

2017-2018

**11 INTERNS** 

supported cities & counties in the program's inaugural year

1,700 employees from 19 health insurance pool entities received

**\$170,000**

in wellness incentive dollars





20 school districts served through

**2,182 ONSITE  
COACHING HOURS**

**3,142**  **EDUCATORS**  
took advantage of professional development opportunities



# Regional

Within Region 5, Sourcewell proudly supports members through a variety of innovative programs and opportunities. With teams in place to identify and meet the needs of our regional members, Sourcewell has helped create efficiencies in a variety of areas.

## Cities and Counties

- Expansion of shared services, including the addition of Family Child Care and Adult Foster Care regional licensing, an innovative model providing efficiencies for regional counties and providers.
- Hired a full-time staff person to develop and implement innovative programs and services to support nonprofit organizations.
- Created a transition specialist position to support counties in their care of those working through severe mental health issues.
- Hired a senior planner to expand planning and zoning services to central Minnesota member entities.

## Education

- Continued support of the development of High Reliability Schools in four school districts, or seven schools, two of which were certified in Level 1.
- Continuation of the Literacy Leaders Academy with involvement from seven districts throughout the region.
- An increase of 31.6 percent in regional educators trained in Educational Nonverbal Yardsticks (ENVoY), a series of classroom management techniques.

**436 EMPLOYEES**

from 28 local government entities received professional development training



**6,112 HOURS**

of shared services in planning and zoning and health and human services





**781 VOLUNTEER  
HOURS**

were donated by Sourcewell employees  
to give back to their local communities

**5,909  
HOURS**



of professional development  
logged by Sourcewell employees

# Internal

Our staff is our most valuable asset. Sourcewell is intentional about building a culture of leadership and establishing a common leadership language. We also offer employees resources to help individuals grow personally and professionally.

- Named a Minnesota Top Workplace by the Star Tribune for the third-consecutive year.
- Offered internal apprentice training and monthly CORE group experiences.
- Identified 10 foundational leadership language tools to support employees and grow our culture with intention around multiplying leaders.
- Focused on establishing organizational infrastructure and communication strategies to be more scalable and provide better capability and capacity to meet our needs as a growing organization.

31 employees

## \$124,003 IN CONTINUING EDUCATION

(either for themselves or a family member)



**155** employees & spouses completed biometric screening

# Financials

Fiscal year 2017-18

## REVENUES

**95%**  
COOPERATIVE  
PURCHASING  
ADMINISTRATIVE FEES

**2%** FEDERAL  
GRANTS & AIDS

**3%** LOCAL  
REVENUES/  
INSURANCE (NET)



## EXPENDITURES

**46%**  
PERSONNEL  
SERVICES

**4%** CAPITAL  
EXPENDITURES

**18%**  
PROFESSIONAL  
CONTRACTED SERVICES

**10%** INNOVATION  
FUNDING

**5%**  
SUPPLIES/  
DUES & MEMBERSHIPS

**17%**  
MARKETING  
TRADESHOWS/TRAINING/  
STRATEGIC PARTNERSHIPS  
& SPONSORSHIPS



# Stewardship & sustainability

2017-2018

Sourcewell strategically reinvests in the communities we serve. Funding opportunities are available to members designated as cities, counties, schools, and other government associations. Sourcewell also strategically invests in a variety of other ways, supporting professional organizations regionally, statewide, and nationwide that serve and support our members.

## Innovation Funding

The Innovation Funding program promotes collaborative and creative teamwork among government entities and schools on projects that might not otherwise get off the ground.

In 2017-18, Sourcewell awarded more than \$2.5 million in funding to local programs, including (but not limited to):

- Forestview Planetarium
- Bridges Career Academy
- Hilltop Regional Kitchen in Eagle Bend
- Mobile Command Trailer for the Morrison County Sheriff's Department

## Small Project Partnership

Sourcewell awards Small Project Partnership funding to support smaller regional projects that may not qualify for Innovation Funding. Any Region 5 member organization may apply for one Small Project award up to \$2,500 per fiscal year.

In 2017-18, Sourcewell awarded nearly \$50,000 throughout Region 5 in support of programs including:

- A new gazebo for Royalton's Memorial Park
- A more efficient evidence intake system for the Crosby Police Department
- Dual Control Robotics in the Freshwater Education District
- Chromebooks in the Upsala School District

## Sourcewell-AASA Helping Kids Mini-Grants Program

In 2017-18, Sourcewell and AASA, the School Superintendents Association, teamed up to provide \$56,000 to support recovery efforts across 28 schools in areas affected by hurricanes Harvey, Irma, and Maria.

# Strategic framework 2018-19

*The year ahead ...*





# National

Sourcewell is committed to listening to our members and providing timely and effective solutions. We have several initiatives underway to help our members boost student and community success.

- Offering members in education free access to the Safety for Students app and program through a partnership with CrisisGo.
- Pursuing solutions in electric vehicles and accessories through a collaboration with Climate Mayors, a peer-to-peer network of U.S. mayors working to impact positive climate change through community and political action.
- Implementing an eProcurement platform, enhancing our efficiency and ability to attract high-quality vendor responses.



2018-2019



# State

With a goal of helping fellow government entities do more with less, Sourcewell works to meet the challenges of its Minnesota members with innovative resources and collaboration in several areas, as well as lead the way with other Minnesota Service Cooperatives.

- Enhancement of technology services, products, and support to school districts through Minnesota-based Sourcewell Technology (formerly known as TIES). The Sourcewell Board of Directors and the TIES executive committee executed the plan to bring the tech collaborative under Sourcewell governance in September 2018.
- Building a plan and supporting a pilot to offer micro-credentialing for school districts around Minnesota in collaboration with fellow Minnesota Service Cooperatives. Micro-credentials offer on-demand, competency-based training for teachers to support their development and career advancement.
- Serving 28 medium to large public entities with health insurance for their workforce while also exploring a similar solution for small entities (25 or fewer employees).



2018-2019



# Regional

Looking ahead, we will build upon existing momentum throughout the region and enhance the services and resources available to members. Sourcewell set a regional goal to be a preferred provider of solutions for education, government, and nonprofits in Region 5.

## Cities and counties

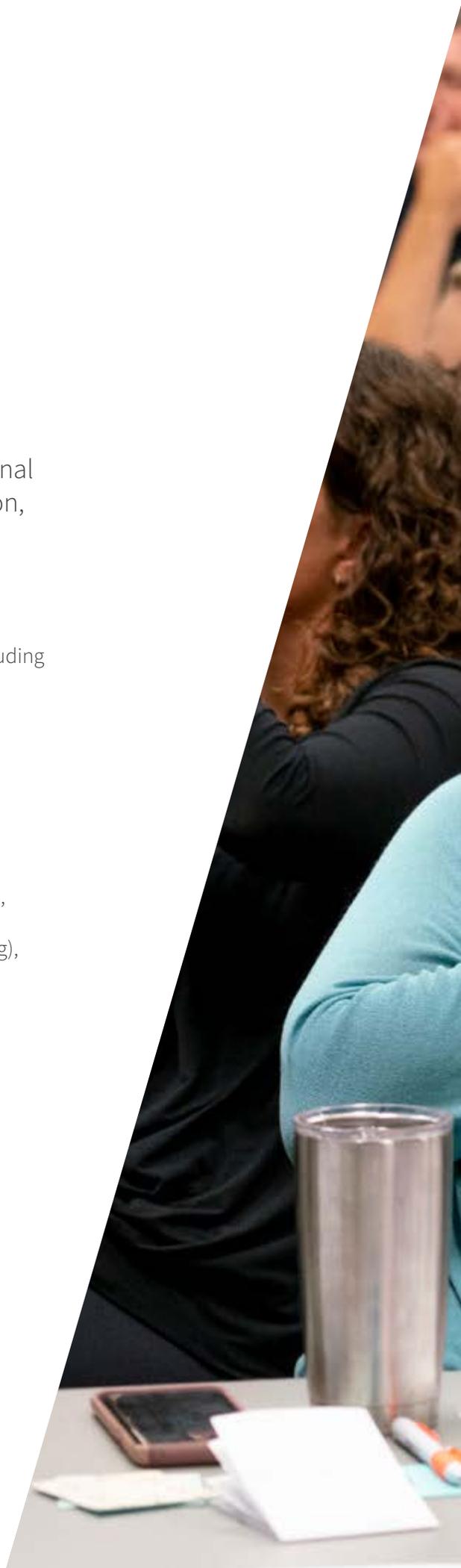
- Enhancement and expansion of shared county human services, including regional licensing and transitional services.
- Partnership with Region 5 Development Commission and area telecommunications cooperatives in support of their work to bring high-speed internet access to rural areas in Region 5.

## Education

- Adding and expanding innovative program offerings for area schools, including Metier (career exploration curriculum), Advancement via Individual Determination (career and college readiness programming), and Alternative Career Pathways (project-based, personalized professional development for educators).
- Providing financial support for the construction of two facilities in Region 5 to help area schools serve students with special behavioral and mental health needs, projected to be completed fall 2019.
- Increased focus on equity in our schools, offering programs to help educators foster collaboration and build a community that supports and sustains transformative equity efforts.

## Nonprofits

After hiring a full-time nonprofit member specialist in 2018, Sourcewell continues to implement and expand support for nonprofits in Region 5, including programming and funding opportunities.





2018-2019



# Internal

Much attention is given internally to support Sourcewell staff and this will continue into the future with the addition and continuation of many in-house directives.

## Workforce

- Supervisor training to provide in-house, customized training for leads and supervisors.
- Commitment to having every team member experience Transforming Team Communication (TTC), a five-part series in using our leadership language.
- Monitoring our progress on organization-wide priorities and workplace culture through all-staff surveys; and developing actionable items to respond to our opportunities for growth in order to remain an employer of choice in central Minnesota.

## Finance & operations

- Explore and begin development for updated internal finance management systems.
- Begin to build out an Integrated Management System (IMS) to further standardize processes and manage organizational strategy.



2018-2019

# Stewardship & sustainability

Sourcewell is driven by service and the ability to strategically reinvest in our member communities – in our region, state, and throughout the country. We’ve budgeted over \$30 million for fiscal year 2018-19 to support and sustain a variety of programs that boost student and community success.

## Regional programming and services - \$23M

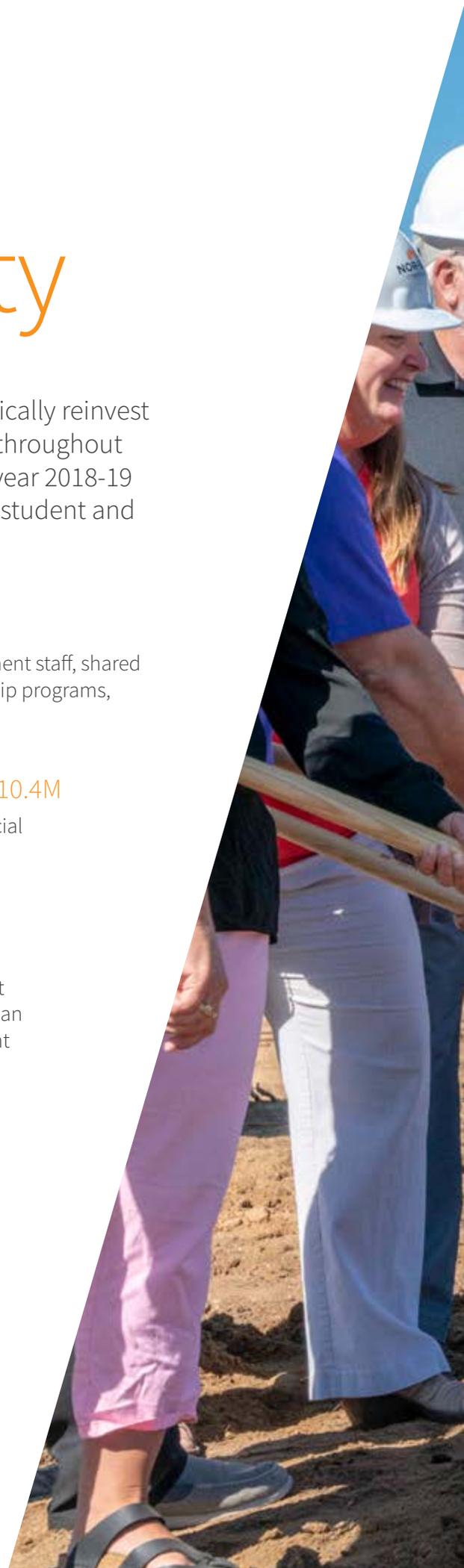
To support professional development for educators and local government staff, shared employment services, Innovation Funding and Small Project Partnership programs, and internships and mentorships.

## Central Minnesota facilities for students and families - \$10.4M

To support the new construction of two facilities for students with special behavioral and mental health needs and support the exploration of a children’s museum in central Minnesota.

## National programs and services - \$3M

To support organizations that support our members, including (but not limited to): the School Superintendents Association (AASA), the American Association of Community Colleges, the Institute of Public Procurement (NIGP), FleetPros, Public Fleet Summits, and more.





2018-2019

# Programs & governance

*Rooted in service ...*





# Programs & services

## Education Solutions

Sourcewell education specialists are committed to education. We provide cutting-edge training and consulting services for administrators, teachers, and staff. For students, we offer programs and resources focused on helping them succeed in school and in life.

## Cooperative Purchasing Solutions

Through a joint powers and statutory authority, Sourcewell's procurement specialists award cooperative purchasing contracts through a competitive solicitation process on behalf of our members. Sourcewell members may purchase from these awarded contracts to streamline their procurement processes and experience cost efficiencies.

## City, County, & Nonprofit Solutions

Sourcewell city and county specialists offer programs tailored to local government and nonprofit leaders in Minnesota's Region 5 – with some of our offerings available to surrounding counties. Everything we do focuses on one clear priority: collaborating to achieve targeted results and helping communities thrive.





## Regional Low Incidence Project & Collaborative Service Workers

Sourcewell sponsors the Regional Low Incidence Project for Economic Development regions 5 and 7, providing accessible and appropriate public education for students with disabilities. Sourcewell also employs a team of Collaborative Service workers who serve youth (birth to 18) and families with research-based interventions.

## Insurance and Employee Benefits

Sourcewell risk management administrators oversee a member-run health insurance pool that serves government and education entities within Minnesota. Throughout North America, we offer solutions in voluntary benefits with a distinct focus on overall employee wellness.

## Sourcewell Technology

Sourcewell Technology is a specialized division of Sourcewell that partners with organizations to maximize the impact of their technology. From assessment to implementation and beyond, our domain experts employ a unique change management process. This ensures our customers use leading technology in a supported, engaging environment—driving productivity and student achievement.

# Board and authority

Sourcewell is a Minnesota Service Cooperative governed by Minnesota Statute § 123A.21 (2016). Legislation passed in 1976 established nine educational cooperative service units (ECSU), including the North Central Service Cooperative, which is now doing business under the assumed name Sourcewell.

ECSUs were later renamed service cooperatives by the Legislature to encompass the broad reach of the cooperatives serving education, cities, counties, and other units of government. Service cooperatives were created for the purpose of “meeting specific needs of clients in participating governmental units which could be better provided by a service cooperative than by the members themselves.”

Sourcewell operates as a government agency consisting of representatives from voting member government units. Voting members are statutorily limited to: public school districts, cities, counties, and other government units within the geographically defined region of Minnesota consisting

of the counties of Cass, Crow Wing, Morrison, Todd and Wadena. § 123A.21 Subd. 3. Voting members meet annually to conduct organizational business, including amending organizational bylaws that govern Sourcewell operations.

The “care, management, and control” of Sourcewell is vested in a board of directors. The Sourcewell Board of Directors currently consists of eight members and is comprised of elected officials, including six school board members, one county commissioner, and one mayor. The board is vested with broad authority to maintain and operate the organization, including the authority to hire administrative staff, define programs and services and all other powers necessary to carry out the duties as delegated to it by voting members.

A service cooperative is defined as a public corporation and agency. Id. at Subd. 9(d). All property acquired by a service cooperative is public property and must be used for essential public and government purposes. Id. at Subd. 9(b). SC property is exempt from all taxes and assessments. Id.

## Guiding authority

Minnesota statute outlines programs and solutions that service cooperatives may provide to support government, education, and nonprofit entities. Sourcewell programs align within 11 of these areas:

### Administrative Services

- Social services management
- Financial reporting
- Consulting

### Community Services

- Innovation funding
- Grant writing
- Emergency preparedness
- Small project partnerships
- Internships & mentorships
- Nonprofit support

### Health & Safety

- Regional safety groups

### Planning

- Comprehensive planning

### Procurement

- Cooperative purchasing
- Rebate program

### Professional Development

- Leadership training
- Instruction

### Risk Management

- Health insurance
- Life insurance
- Employee wellness

### Shared Time Programming

- Zoning
- Social services management
- Executive recruitment
- Consulting
- Child care licensing

### Student Academics

- Low incidence
- Collaborative Service Workers
- Spelling Bee
- Knowledge Bowl

### Teaching & Learning

- Consulting
- Leadership training
- Assessment
- Curriculum
- Career and College Readiness

### Technology

- Training
- Support
- Field specialists
- Data management and security
- Software

# Board of directors

## Sub-Region I

**School districts:** Bertha-Hewitt, Browerville, Freshwater Education District, Long Prairie-Grey Eagle, Menahga, Sebeka, Staples Motley, Verndale, Wadena-Deer Creek



**Sharon Thiel**

sharon.thiel@sourcewell-mn.gov  
Term expiration: 12/31/2021



**Scott Veronen**

scott.veronen@sourcewell-mn.gov  
Term expiration: 12/31/2022

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## Sub-Region II

**School districts:** Cass Lake-Bena, Crosby-Ironton, Northland Community, Pequot Lakes, Pillager, Pillager Area Charter School, Pine River-Backus, Walker-Hackensack-Akeley



**Barbara Neprud**

barb.neprud@sourcewell-mn.gov  
Term expiration: 12/31/2019



**Sara Nagel**

sara.nagel@sourcewell-mn.gov  
Term expiration: 12/31/2022

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## Sub-Region III

**School districts:** Brainerd, Little Falls, Mid-State Education District-Little Falls, Pierz, Royalton, Swanville, Upsala



**Mark Gerbi**

mark.gerbi@sourcewell-mn.gov  
Term expiration: 12/31/2019



**Ryan Thomas**

ryan.thomas@sourcewell-mn.gov  
Term expiration: 12/31/2020

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## Sub-Region IV

**City County Other Governmental Agency (CCOGA) organizations:** Cities: Baxter, Brainerd, Breezy Point, Browerville, Clarissa, Crosslake, Emily, Little Falls, Long Prairie, Menahga, Nisswa, Pierz, Pine River, Royalton, Sebeka, Staples, Verndale, Wadena; Counties: Cass, Crow Wing, Morrison, Wadena; Government Agencies: Central Lakes College, MN State Comm. & Tech College, Region 5 Development Commission



**Mike Wilson**

mike.wilson@sourcewell-mn.gov  
Term expiration: 12/31/2021



**Greg Zylka**

greg.zylka@sourcewell-mn.gov  
Term expiration: 12/31/2020

Sourcewell receives guidance and input on services and solutions from the communities served through various groups, including:

- › Board of Trustees
- › City, County, and Other Government Agencies Committee
- › Member Advisory Committee
- › Risk Management Pool Advisory Committee
- › School Superintendents Advisory Group
- › Vendor Advisory Committee

# Sourcwell: we are driven to serve

## Who is Sourcwell?

Formerly National Joint Powers Alliance (NJPA), Sourcwell is a self-supporting government organization, partnering with education, government, and nonprofits to boost student and community success. As one of Minnesota's nine service cooperatives, we offer training and shared services to our central Minnesota members. Throughout North America, we offer a cooperative purchasing program with over 300 awarded vendors on contract. We are driven by service and the ability to strategically reinvest in member communities.

## Our core services

- Cooperative Purchasing
- City, County, Nonprofits, and other Government Associations
- Education and Career and College Readiness
- Regional Low Incidence Project and Collaborative Service Workers
- Insurance and Employee Benefits
- Technology

