

# Purposeful Growth & Service

Annual Report 2018-19 & Strategic Framework 2019-20

The Crow Wing River runs  
through the heart of Nimrod  
in Wadena County, Minnesota.

## 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

# 2018-19 Annual Report & 2019-20 Strategic Framework

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Chad Coquette, Sourcewell executive director/CEO greets attendees at the 2018 TIES Conference. Under a new name, the 2019 Impact Education Conference will be held Dec. 14-17.

# Letter from the Executive Director

Just over a year ago, we rebranded to become Sourcewell. And, while much has happened in the last 365-plus days, we have been steadfast to continue our work in serving as a trusted and valued partner to our members throughout the area and across North America.

As you thumb through the following pages, you'll notice areas we have experienced growth, and those we are committed to continue building upon. However, this progress could not be possible without the loyalty of those we serve.

In 2018-19, Sourcewell had more than \$3.5 billion dollars in cooperative purchasing sales. Because of this growth, Sourcewell can significantly reinvest in the five-county area it was created to serve over 40 years ago and make a difference like never before.

Last year, the Sourcewell Board of Directors dedicated \$10 million dollars to help construct two setting IV special education facilities. We were also able to make significant internal investments in our employees, operations, and developing the marketplace to position Sourcewell for continued growth.

There is nothing more rewarding than being in a position where you can gift others with the gifts you've been given. And I am as humbled today as I was last year, and the five years before, to serve alongside the dedicated and servant-minded staff at Sourcewell.

I look forward to the future and even greater opportunities to serve those who serve others.



Dr. Chad Coauette, 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 our five-county service area including - 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.

Jeremy Schwartz, Sourcewell director of operations & procurement/CPO, reviews the agenda with participants at the 2019 H2O Vendor Forum at Madden's Resort.





# Annual report 2018-19

A year in review



The H2O Vendor Forum is a chance for Sourcewell and its awarded vendors to collaborate on how to best serve members.



22 solicitation categories with 218 contract awards including 135 via the ezIQC program



\$3.5 billion across 479,745 purchases made through Sourcewell contracts



# National

Sourcewell focused on initiatives to help members boost student and community success.

- Offered members in education free access to the Safety for Students app and program through a partnership with CrisisGo.
- Pursued 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.
- Implemented an eProcurement platform, enhancing Sourcewell's efficiency and ability to attract high-quality vendor responses.

2018-2019



743 available contracts



30 states with Sourcewell contract(s) adopted as their own in 2018-19



Char Wemple of Sourcewell Technology, right, assists a participant at an eFinance users workshop.



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



1,520 employees in the health insurance pool received wellness incentive dollars



# State

Sourcewell partnered with many organizations to meet members' challenges and provided innovative resources and collaboration in several areas.

- Enhanced technology services, products, and support to school districts through Minnesota-based Sourcewell Technology (formerly known as TIES). Sourcewell board of directors and the TIES executive committee executed a plan to bring the tech collaborative under Sourcewell governance in September 2018.
- Built a plan and supported 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 supporting their development and career advancement.
- Served 28 medium- to large-public entities with health insurance for their workforce and explored a similar solution for small entities (25 employees or fewer).



1,247 Minnesota entities saved time and money purchasing through Sourcewell contracts



\$195,272 total wellness incentive dollars provided in fiscal year from the insurance pool



Nonprofit intern Emma Ferrie introduces children to classical instruments at a Lakes Area Music Festival event.



25 school districts served through 2,807 onsite coaching hours



3,629 educators took advantage of professional development opportunities



# Regional

With a goal to be a preferred provider of solutions for education, government, and nonprofits in our five-county service area, Sourcewell built upon existing momentum and enhanced services and resources available to members.

## Education

- Added and expanded 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).
- Provided financial support for the construction of two facilities – one in Wadena county and the other in Morrison county – that will help area schools serve students with special behavioral and mental health needs.
- With an increased focus on equity in our schools, Sourcewell continued to gain traction in helping educators foster collaboration and build communities that support all differences in those served.

## Cities and Counties

- Enhanced and expanded shared county human services, including regional licensing and transitional services.
- Partnered with Region 5 Development Commission and area telecommunications cooperatives to bring increased high-speed internet access to rural areas in central Minnesota.

## Nonprofits

- After hiring a full-time nonprofit member specialist in 2018, Sourcewell implemented and expanded support for nonprofits in our five-county service area, including programming and funding opportunities.



Employees from 57 local government entities received professional development training



10,261 hours of shared services in planning & zoning and health & human services

Sourcewell staff learn more about an eProcurement portal launched this year.



12,379 hours of professional development logged by Sourcewell employees



989 volunteer hours donated by Sourcewell employees to give back to their local communities

# Internal

Sourcewell continued internal efforts to support staff with the addition and continuation of many in-house objectives. Sourcewell was also named among the Star Tribune Top 150 Workplaces in Minnesota, following results of a staff survey.

## Workforce

- Offered additional, in-house, customized training for supervisors and leads.
- Continued with a commitment to have every team member experience Transforming Team Communication (TTC), a five-part series in using Sourcewell's leadership language.
- Monitored progress on organization-wide priorities and workplace culture through all-staff surveys. Sourcewell also developed action items to remain an employer of choice in central Minnesota.

## Finance & Operations

- Introduced and implemented an internal software system to manage organizational expenses.
- Began the build of an Integrated Management System (IMS) to manage organizational strategy and further standardize processes.



45 employees benefited from \$179,703 in continuing education (either for themselves or family members)



201 employees & spouses completed biometric screening

# Financials

Fiscal year 2018-19

## Revenues

88%  
Cooperative  
Purchasing  
Administrative Fees



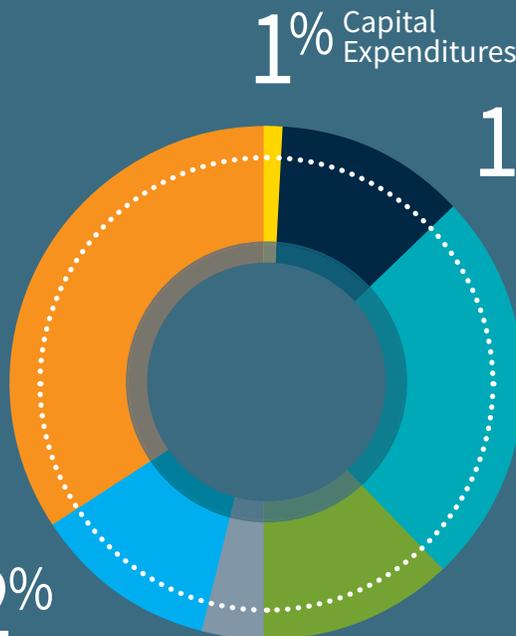
1% Federal  
Grants & Aids

5% Local  
Revenues/Insurance (NET)

6% Interest  
Income

## Expenditures

34%  
Personnel  
Services



1% Capital  
Expenditures

12% Professional  
Contracted  
Services

25%  
Innovation  
Funding  
Regional Capital Contributions

12%  
Investment  
in Joint  
Venture

4%  
Supplies  
& Materials

12%  
Marketing  
Tradeshows/Training/  
Strategic Partnerships  
& Sponsorships

# Stewardship & sustainability

2018-2019

In 2018-19, Sourcewell reinvested more than \$36 million in the communities we serve. Funding opportunities were made available to members designated as cities, counties, nonprofits, schools, and other government associations. Sourcewell also strategically invested in a variety of other ways, supporting professional organizations regionally, statewide, and nationwide that serve and support our members.

## Regional programming and services - \$23M

Sourcewell helped 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

In support of constructing two facilities for students with special behavioral and mental health needs, Sourcewell dedicated \$10.4M. Funding to begin exploration of a children's museum in central Minnesota was also provided.

## National programs and services - \$3M

Funding was provided 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.

A group of children and an adult are outdoors on a grassy area. In the foreground, a young boy in a red t-shirt with a bicycle graphic and the word 'Adventure' is looking down at a white paper strip he is holding. To his right, a girl in a light purple t-shirt is also looking down at a similar paper strip. In the background, a woman with blonde hair is looking upwards. The scene is partially obscured by a large orange overlay in the upper left corner.

# Strategic framework 2019-20

The year ahead



In the coming year, Sourcewell will continue to enhance services and resources for all ages.



# National

Sourcewell will serve its members using best practices and member feedback to determine future steps in providing resources and initiatives.

- Join forces with national experts in public safety procurement and purchasing to reinforce our commitment to members in that industry.
- Stay on top of trends and developments in technology to provide solutions that offer the best in wireless development — including an infrastructure built-out for 5G and other advancements.
- Assist members in meeting goals and objectives for products and services that incorporate sustainable attributes from a diverse mix of suppliers.
- Increase awareness of Historically Underutilized Businesses (HUB), as well as solutions dedicated to environmental stewardship.

Following devastating flooding, the University of Iowa was forced to replace turf at Kinnick Stadium. Sourcewell vendor FieldTurf was able to get the job done just in time for kickoff.

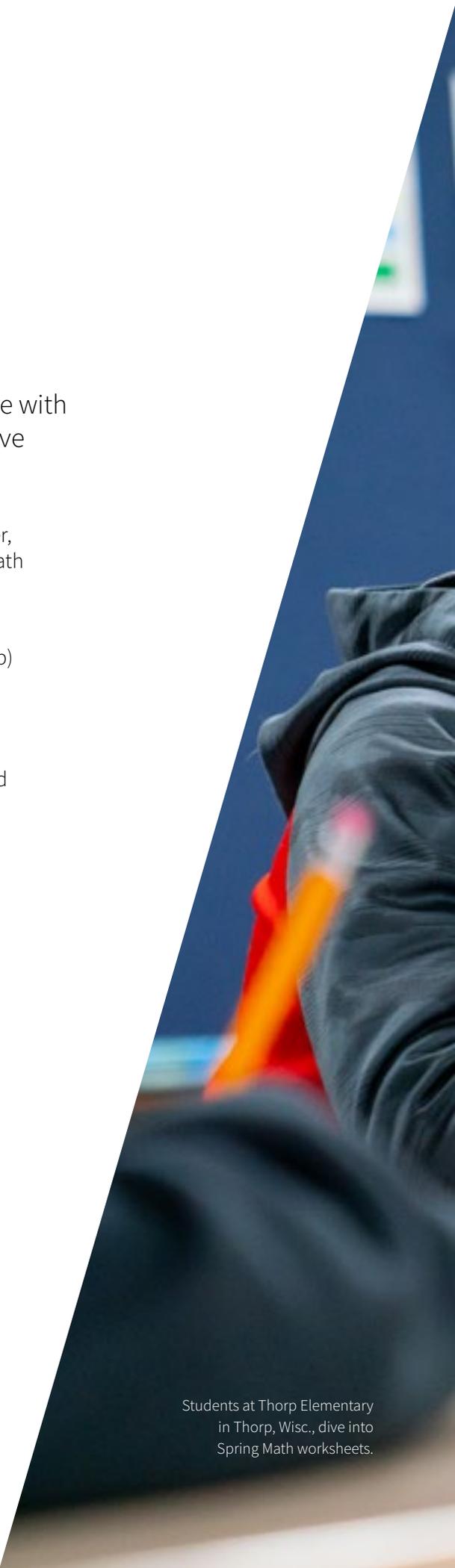


2019-2020



Sourcewell will help fellow government entities do more with less and meet the challenges of members with innovative resources and collaboration.

- Refine Sourcewell Technology offerings as a value-added reseller, as well as software as a service, including Spring Math – a K-8 math intervention program.
- Educate school staff – through the National School Safety Consultants’ RIPL (Relational, Impactful, Preventative Leadership) program – to detect early warning signs that may predict violent student behavior and suicidal tendencies.
- Provide a new wellness platform for all health insurance pool members. WellRight is designed to encourage healthy habits and positive lifestyle changes.

A blurred background image showing students in a classroom setting, likely engaged in a learning activity. The image is partially obscured by a white diagonal shape on the left side of the page.

Students at Thorp Elementary  
in Thorp, Wisc., dive into  
Spring Math worksheets.



2019-2020



# Regional

Sourcewell will build upon existing momentum throughout the region and enhance services and resources available to all members.

## Cities and counties

- In partnership with the Region 5 Development Commission, Sourcewell supports the Welcoming Communities project – helping communities engage residents of all ages, backgrounds, and statuses.
- Optimization of shared services, including planning and zoning, internships, professional development, and more.

## Education

- Integration of Tech Mobile as a Sourcewell service, providing a classroom on wheels with access to hands-on, technology-centered learning.
- Implementation of a revised funding model for schools, based on enrollment and strategic planning.

## Nonprofits

- Expansion of services and dedicating resources to address unmet mental health needs throughout the region.



Sourcewell advocates for and supports adult foster care providers throughout the area, including this caregiver in Osakis, Minn.



2019-2020



# Internal

Sourcewell will support a culture of leadership as we offer employees the resources required to grow both personally and professionally.

## Workforce

- Streamline organization-specific training with an online learning space.
- Continue to build the Sourcewell situational leadership program, creating a culture in which we fight for the highest good of all.
- Monitor our progress on organizationwide priorities and workplace culture through all-staff surveys. Then, develop action plans based on the results.

## Finance & operations

- Implement updated internal finance management systems.
- Measure how we're doing today with our processes and systems, then adjust according to industry benchmarks and best practices.



For the last four years, we have been recognized as a Top Workplace by the Star Tribune. Sourcewell remains committed to building a positive internal culture.



2019-2020

# Stewardship & sustainability

Sourcewell is committed to partnering with education, government, and nonprofits to boost both student and community success. Over \$24 million has been budgeted for fiscal year 2019-20 to be strategically reinvested in our member communities – in our region, state, and throughout the country.

## Regional programming and services - \$20.3M

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

## Statewide stewardship and sustainability - \$900,000

To support professional organizations, including (but not limited to): Minnesota School Board Association, Minnesota Association of School Administrators, Association of Minnesota Counties, League of Minnesota Cities, and more.

Sourcewell will also support professional development for educators and local government staff, offering internships, and supporting the Human Resources hotline in collaboration with the Association of Minnesota Counties and David Drown and Associates.

## National programs and services - \$3.7M

To support the 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.



Crosby Police K-9 Ragnar visits with students at Cuyuna Range Elementary School. Ragnar was purchased through community fundraising, including Small Project Partnership funding from Sourcewell.



2019-2020

# Programs & governance

Rooted in service





Sourcwell assists members in creating comprehensive plans – including work with the city of Isle, Minn. in 2018-19.

# 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 to help them succeed in school and 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 our five-county service area – 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**

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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**

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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**

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Term expiration: 12/31/2021



**Greg Zylka**

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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

# Sourcewell: we are driven to serve

## Who is Sourcewell?

Formerly National Joint Powers Alliance (NJPA), Sourcewell 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 325 awarded vendors on contract. We are driven by service and the ability to strategically reinvest in member communities.

## Our core services

- Cooperative Purchasing
- Community Solutions
- Education and Career and College Readiness
- Regional Low Incidence Project and Collaborative Service Workers
- Insurance and Employee Benefits
- Technology

