



# Sourcewell Bylaws

Contents

ARTICLE I ..... 2

    CORPORATE ESTABLISHMENT AND CORPORATE NAME ..... 2

ARTICLE II ..... 2

    GEOGRAPHICAL BOUNDARIES AND SUB-REGIONS ..... 2

ARTICLE III ..... 3

    LEGAL ADDRESS AND SERVICE OF PROCESS ..... 3

ARTICLE IV ..... 3

    FISCAL YEAR AND AUDITS ..... 3

ARTICLE V ..... 4

    PUBLIC PURPOSE ..... 4

ARTICLE VI ..... 4

    MEMBERSHIP AND PARTICIPATION ..... 4

ARTICLE VII ..... 6

    FINANCIAL SUPPORT FROM FULL-VOTING MEMBERS ..... 6

ARTICLE VIII ..... 7

    RIGHTS AND OBLIGATIONS OF MEMBERS ..... 7

ARTICLE IX ..... 7

    GOVERNANCE ..... 7

ARTICLE X ..... 8

    ANNUAL REPORT AND PLAN ..... 8

ARTICLE XI ..... 8

    POWERS AND DUTIES OF THE BOARD OF DIRECTORS ..... 8

ARTICLE XII ..... 10

    ELECTIONS OF THE BOARD OF DIRECTORS ..... 10

ARTICLE XIII ..... 12

    MEETINGS OF THE BOARD OF DIRECTORS ..... 12

ARTICLE XIV ..... 13

    AUTHORITY AND DUTIES OF THE CHIEF EXECUTIVE OFFICER (CEO) ..... 13

ARTICLE XV ..... 15

    CHIEF PROCUREMENT OFFICIAL ..... 15

ARTICLE XVI ..... 15

    AMENDMENTS TO BYLAWS ..... 15

# REGION FIVE SERVICE COOPERATIVE BYLAWS

Public Corporation and Agency Name: SOURCEWELL

## ARTICLE I

### CORPORATE ESTABLISHMENT AND CORPORATE NAME

**Section 1.**      Establishment and Name. Region Five Service Cooperative is established by law as a local government unit, public corporation and public agency pursuant to the Minnesota Constitution and enabling statutes provided for by the Minnesota Legislature in Minn. Stat. § 123A.21. The name of this local government unit, public corporation and public agency, and statutory service cooperative is Sourcewell. All exercise of statutory authority, conduct of business, establishment of policies, administration of services and programs, and execution of legal documents shall be done in the corporate name, as herein established, in accordance with law and as provided for in these bylaws from the date of final adoption.

**Section 2.**      Prior Name. Prior to adoption of these bylaws, Region Five Service Cooperative was formerly known as National Joint Powers Alliance (NJPA) and has also been historically known as Educational Cooperative Service Unit 5 and North Central Service Cooperative. All contractual and other legal obligations incurred under a prior legal name may continue in that name but shall bind Sourcewell. Any renewal of a contractual or other legal obligation shall be made in the name Sourcewell.

**Section 3.**      Existing Members. All Members defined by Article VI, whether Full Voting Members or Participating Entities, who joined Region Five Service Cooperative (Sourcewell, f/k/a NJPA, ECSU 5, NCSC) prior to the adoption of these bylaws shall retain membership status unless or until modified or terminated in accordance with the terms and conditions contained in these bylaws.

## ARTICLE II

### GEOGRAPHICAL BOUNDARIES AND SUB-REGIONS

**Section 1.**      Boundaries. Pursuant to Minn. Stat. § 123A.21, Subd. 1, the geographical boundaries of Region Five Service Cooperative (Sourcewell) encompass the entirety of the Counties of Cass, Crow Wing, Morrison, Todd,

and Wadena in Minnesota. Sourcewell may, in accordance with law, establish operational locations outside the geographic boundaries of Region Five in furtherance of programs, products, services or solutions authorized by law and these bylaws.

**Section 2.**        Sub-Regions. For purposes of elections conducted pursuant to Article XII of these bylaws, the Sourcewell Board of Directors may establish sub-regions within the geographical boundaries of Region Five by majority decision. Sub-regions shall be established in a manner intended to reasonably ensure proportional representation on the Sourcewell Board of Directors. In establishing sub-regions, the Board of Directors may distinguish between elections for school board representatives and non-school board representatives. Once established, sub-regions shall be reviewed annually by the Board of Directors no later than thirty (30) days prior to the opening of nominations for election. The Board of Directors may, in its sole discretion, confirm, modify or eliminate sub-regions from time-to-time in accordance with law and these bylaws.

### **ARTICLE III**

#### **LEGAL ADDRESS AND SERVICE OF PROCESS**

**Section 1.**        Address. The legal address of Sourcewell is:

Sourcewell  
202 12<sup>th</sup> St. NE.  
Staples, Minnesota 56479

The primary legal offices of Sourcewell shall be located at this address.

**Section 2.**        Service of Process. Service of process shall be made in accordance with the procedural rules governing the action initiated by the pleadings or papers served. The Chief Executive Officer, or designee, may accept service of process in any manner allowed by the procedural rules governing the action initiated by the pleadings or papers served.

### **ARTICLE IV**

#### **FISCAL YEAR AND AUDITS**

**Section 1.**        Fiscal Year. The fiscal year for Sourcewell shall commence on July 1 and end on June 30 of each year.



**Section 2.**        Audits. Sourcewell shall conduct annual audits pursuant to Minnesota law and in accordance with recognized best accounting practices.

## **ARTICLE V**

### **PUBLIC PURPOSE**

**Section 1.**        Purpose. Consistent with Minn. Stat. § 123A.21, Subd. 2, the primary purpose of Sourcewell is to provide statutorily authorized programs, products, services, and solutions to assist in meeting the specific needs of members which they may not be able to provide for themselves alone. Sourcewell shall provide programs, products, services, and solutions which are determined to meet priority needs of its members and shall assist in meeting special needs which arise from fundamental constraints upon individual members. No earnings or interest of Sourcewell may inure to the primary benefit of any individual person or private entity.

## **ARTICLE VI**

### **MEMBERSHIP AND PARTICIPATION**

**Section 1.**        Two Forms of Membership; Participation. Pursuant to Minn. Stat. § 123A.21, Subd. 2, membership in Sourcewell shall take two (2) forms: (i) Full-Voting Member; and (ii) Participating Entity.

**Section 2.**        Full-Voting Member. A Full-Voting Member of Sourcewell is a public school district, city, county, or other governmental unit, as defined in Minnesota Statute section 471.59, located within the counties of Cass, Crow Wing, Morrison, Todd or Wadena (Region 5) and represented by its governing body.

**Section 3.**        Participating Entity. A Participating Entity is a school district, city, county, or other governmental unit, as well as nonpublic school administrative unit, nonprofit agency or organization, and other partnership agencies or organizations, regardless of geographic location, who agree to participate in Sourcewell's programs, products, services and solutions in accordance with Section 5 of this Article. Participating Entities do not have governance rights, do not incur the obligations of Full-Voting Members, do not incur any of Sourcewell's organizational liability, and are not entitled to distribution of assets upon dissolution.

**Section 4.**        Initiating Membership and Participation. Membership or participation in Sourcewell is initiated as follows:

- a. *Full-Voting Membership.* Any entity qualifying as a Full-Voting Member may join Sourcewell by executing a Full-Voting Member Agreement, and providing a duly adopted resolution of its governing body to the attention of the Chief Executive Officer by hand-delivery, e-mail, or U.S. mail.
- b. *Participating Entity.* Any qualifying Participating Entity may join Sourcewell by submitting an executed Participation Agreement, or an interlocal/joint powers agreement if requested by the Participating Entity.

**Section 5.**        Membership and Participation Policies. Consistent with these bylaws, the Sourcewell Board of Directors may, by majority vote, establish policies and procedures governing terms and conditions of membership for Full-Voting Members and Participating Entities. With respect to each program, product, service or solution, the Sourcewell Board of Directors may, by majority vote, establish policies and procedures regulating access to such programs, products, services and solutions, including the cost thereof. Full-Voting Members shall be eligible to access and participate in, and may not be excluded from, any program, product, service or solution offered by Sourcewell, unless otherwise prohibited by law. With respect to Participating Entities, the Sourcewell Board of Directors may differentiate policies on the basis of need, geography, particular membership constituencies, or any combination thereof. Participation in programs, products, services and solutions is discretionary as to all Full-Voting Members and Participating Entities.

**Section 6.**        Withdrawal from Membership. Members may withdraw from membership as follows:

- a. *Full-Voting Member Withdrawal.* A Full-Voting Member may withdraw its membership from Sourcewell by a duly adopted resolution of its governing board provided to Sourcewell by e-mail, hand-delivery, and/or U.S. mail. The withdrawal must be received by February 1 to be effective on June 30 of that same year. Any such withdrawal is subject to these bylaws, and any terms and conditions of membership established by contract or policy existing at the time of withdrawal.
- b. *Participating Entity Withdrawal.* Participating Entities may withdraw from Sourcewell in accordance with the policies established by the Sourcewell Board of Directors. Any such withdrawal is subject to these bylaws, and any terms and conditions established by contract or policy existing at the time of withdrawal. No withdrawing Participating Entity is entitled to a distribution of any assets or other payment because of withdrawal.

- c. *Obligations of Full-Voting Members Upon Withdrawal.* Upon withdrawal, a Full-Voting Member is obligated for the share of expenses (if any) already certified to the withdrawing member for the fiscal year in which withdrawal occurs, as well as a pro-rated refund of any amounts paid toward general operations and overhead for the same fiscal year. If the certified expenses exceed the pro-rated refund, the withdrawing member is obligated to pay the difference. In no event shall a withdrawing Full-Voting Member be entitled to a refund greater than the amount paid in for the fiscal year in which withdrawal occurs. In no event shall a withdrawing Full-Voting Member be entitled to a refund of any amounts paid during prior fiscal years. No withdrawing Full-Voting Member shall be entitled to a distribution of any assets.
- d. *Dissolution.* Upon dissolution, only Full-Voting Members existing at the time of dissolution are responsible for any proportionate share of expenses and entitled asset distributions, as provided by Minn. Stat. § 123A.21, Subd. 9, and Minn. Stat. § 123A.24, Subd. 1 and 2, as may annually be allowed or assessed by Sourcewell's Board of Directors.

## ARTICLE VII

### FINANCIAL SUPPORT FROM FULL-VOTING MEMBERS

**Section 1.** Financial Support. Financial support for operational and capital expenses and programs, products, services and solutions shall first be provided from revenue generating operations, as well as any supplementing private, state, or federal financial support as may be available. The Sourcewell Board of Directors may, in each fiscal year, for the purpose of meeting all or a portion of estimated operational and capital expenses, assess and certify to each Full-Voting Member their proportionate share of such projected expenses. To the extent practicable, this share shall be based upon the extent of participation by each Full-Voting Member and shall take the form of an annual service fee. Each Full-Voting Member shall remit its assessment to the Board of Directors as determined by the Board of Directors. Any certified and assessed fee shall not cause a Full-Voting Member to exceed its maximum levy limitations set forth by law for the applicable fiscal year. Nothing in this section shall require the Board of Directors to certify and assess fees in any given fiscal year.

**Section 2.**        Service Contracts. Nothing in this section shall limit the ability of the Board of Directors to enter or authorize contracts for purposes of delivering services or shared services and negotiating reasonable contractual costs for the same separately with Full-Voting Members.

## **ARTICLE VIII**

### **RIGHTS AND OBLIGATIONS OF MEMBERS**

**Section 1.**        Rights and Obligations of Full-Voting Members. Full-Voting Members are entitled to nominate eligible persons to serve on the Sourcewell Board of Directors. Full-Voting Members are eligible to participate in elections for Board of Directors. Full-Voting Members are responsible for any proportionate share of expenses and are entitled to asset distributions upon dissolution. Except as may otherwise be provided by law, at their discretion, Full-Voting Members are entitled to participate in programs, products, services and solutions provided by Sourcewell without limitation, but subject to the terms and conditions of participation established by policy or policies of the Board of Directors.

**Section 2.**        Rights and Obligations of Participating Entities. Participating Entities shall not nominate anyone to serve on the Sourcewell Board of Directors. Participating Entities may not vote in elections or on any matters of Sourcewell governance. Participating Entities are not responsible for any proportionate share of expenses and are not entitled to asset distributions upon dissolution. Participation in programs, products, services and solutions by Participating Entities may be limited by the terms and conditions of applicable contracts and Sourcewell policies.

## **ARTICLE IX**

### **GOVERNANCE**

**Section 1.**        Governing Board. The care, management, and control of Sourcewell shall be vested in a Board of Directors, composed of eight (8) members elected by the Full-Voting Members, in accordance with law and these bylaws. Six (6) directors of the Board of Directors shall be current school board members from school districts which are also Full-Voting Members of Sourcewell located within Region Five. Two (2) directors of the Board of Directors shall be individuals from the current governing bodies of cities, counties, and other governmental units as defined in Minn. Stat. § 471.59, which are also Full-Voting Members of Sourcewell located within Region Five.

**Section 2.**        Ex Officio Members to the Board. The Sourcewell Board of Directors may, at its discretion, appoint up to three (3) individuals to its Board of Directors as nonvoting ex officio members for purposes of advisory participation from a cross section of Full-Voting Members. If one (1) such individual is appointed, then the individual shall be a current Superintendent from a Full-Voting Member school district. If two (2) such members are appointed, then one (1) shall be a current Superintendent from a Full-Voting Member school district and one (1) shall be a current Administrator of a city, county, or other governmental unit as defined in Minn. Stat. § 123A.21, which is also a current Full-Voting Member. If three (3) such members are appointed, then two (2) shall be current Superintendents from Full-Voting Member school districts and one (1) shall be a current Administrator of a city, county, or other governmental unit as defined in Minn. Stat. § 471.59, which is also a Full-Voting Member. The term of any appointed ex officio, nonvoting member shall be two (2) years.

## **ARTICLE X**

### **ANNUAL REPORT AND PLAN**

**Section 1.**        Annual Report and Plan. Consistent with Minn. Stat. § 123A.21, Subd. 5(i) and 7, the Board of Directors shall review and approve an annual report. The report and plan should contain an evaluation of the effectiveness of programs, products, services, and solutions provided to Full-Voting Members during the preceding fiscal year. The report and plan may identify the programs, products, services, and solutions which are recommended for implementation during the following year and may contain components of long-term planning.

## **ARTICLE XI**

### **POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

**Section 1.**        Powers of the Board. The Sourcewell Board of Directors has all powers provided for by law, including but not limited to, the authority to:

- a. Exercise all powers enumerated in Minn. Stat. § 123A.21, specifically, Minn. Stat. § 123A.21, Subd. 7;
- b. Delegate to the Sourcewell Chief Executive Officer (CEO), or his or her designee, all powers, authority, responsibilities and duties as it deems necessary and proper;
- c. Provide adequate office, service center, and administrative facilities by lease, purchase, gift, or otherwise;

- d. Establish an annual budget for each fiscal year;
- e. Approve the use of administrative fees for any purpose allowed by law;
- f. Certify and assess fees in accordance with law and these bylaws;
- g. Hire a CEO, set compensation, and provide employment benefits to the same;
- h. Employ personnel as necessary to support general operations and the programs, products, services, and solutions offered by Sourcewell and to set compensation and provide employment benefits to the same;
- i. Make application for, accept, and expend private, state, and federal funds that are available for programs of the members;
- j. Accept gifts and donations for the benefit of the public corporation and agency, subject to limitations imposed by law;
- k. To acquire real and personal property for the benefit of this public corporation and agency and its members;
- l. To prosecute, defend or settle all actions and claims in courts of law and other legal forums;
- m. To appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents, laypersons, and representatives from cities, counties and other government agencies;
- n. To enter into contracts with school boards of local education agencies, including school districts outside of the geographic boundaries of Region Five;
- o. To enter into joint powers contracts and relationships with other qualifying entities in Minnesota and throughout the United States;
- p. To enter into contracts with other public and private agencies and institutions to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services;
- q. To establish cooperative, working relationships, and partnerships with post-secondary educational institutions, other public agencies, business, and industry and may appoint special and advisory committee representatives of these partners;

- r. To procure insurance against liability of the public corporation and agency, as well as its directors, officers, employees, and agents;
- s. To join governmental, joint powers, pooled risk organizations, as provided for by Minn. Stat. § 471.59;
- t. To employ qualified professionals, including but not limited to, attorneys, accountants, and other consultants;
- u. To select advisory councils or committees to give advice and counsel to the Board of Directors comprised of representatives from public and non-public schools, cities, counties, and other governmental units, as well as representatives from strategic business partners;
- v. To the extent possible, make technical assistance for long-term planning available to Full-Voting Member government agencies upon request and shall establish a common base for local and regional decision-making; and
- w. To the extent permitted by these bylaws, to amend the bylaws of Sourcewell.

**Section 2.**        Duties of the Board. The Board of Directors shall exercise all powers in a manner necessary to carry out all duties imposed upon it by law.

**Section 3.**        No Limitation on Authority. Article XI shall not be construed as a limitation on any authority of the Board of Directors provided by law.

**Section 4.**        Contracting Authority; Delegation. The Board of Directors is the contracting authority for Sourcewell. This authority may be delegated in accordance with Minnesota law.

## **ARTICLE XII**

### **ELECTIONS OF THE BOARD OF DIRECTORS**

**Section 1.**        Terms of Office; Vacancies. Members of the Sourcewell Board of Directors are elected to four (4) year terms. A schedule of terms of office for each director seat shall be maintained at the legal offices for Sourcewell and be available for public inspection. Members shall begin their term in February following the election and qualification to office and shall serve until a successor is elected and qualified. A vacancy on the Board of Directors which results in an unexpired term may be filled by appointment of the Board of Directors. The

duration of any such appointment shall be until the next annual election during which the seat is scheduled for election. An election, following appointment, shall be for the unexpired term of office and no vacancy filled by appointment shall cause any established term of office to be extended.

**Section 2.**        Nominations for Candidacy. Each candidate for election to the Sourcewell Board of Directors shall be nominated by a petition or resolution adopted by a majority of the governing body of a Full-Voting Member. All persons nominated must be currently elected officials as of January of the election year and remain eligible for the duration of their term. The petition shall identify the Full-Voting Member entity from which a candidate has been nominated, the name of the candidate, and a brief description of the candidate's background, experience, and qualifications. Nominations must be submitted to the Chief Executive Officer in the manner prescribed by the annual election calendar approved by the Board of Directors.

**Section 3.**        Timing and Administration of Elections. The Board of Directors shall approve an annual election calendar at its February organizational meeting, setting forth nomination and election dates for that year. At its October meeting, the Board of Directors shall formally call for nominations and appoint two election judges to oversee the process. The nomination and election period shall follow the approved calendar, ensuring sufficient time for notice, submission of nominations, distribution of ballots, and tabulation of votes. Ballots for the election to the Board of Directors shall be delivered to Full-Voting Members no later than ten (10) days before the close of the election. Elections shall conclude no later than the first week of February, and results shall be certified at the February organizational meeting. No more than two (2) seats shall be up for election in any given year.

**Section 4.**        Election of School Board Directors. The six (6) school board directors shall be elected as follows from each of the three (3) school district sub-regions established within the geographic boundaries of Region Five pursuant to Article II. Every current school board member from Full-Voting Member school districts is eligible to vote in elections occurring within their appropriate and respective sub-region.

**Section 5.**        Election of Non-School Board Directors. Each Full-Voting Member that is a city, county, or other governmental unit as defined in Minn. Stat. § 471.59, may nominate elected officials from its governing body to serve on the Sourcewell Board of Directors. Each nomination shall be by majority vote of the governing body of the Full-Voting Member. The governing body of every non-school board Full-Voting Member is entitled to cast one (1) organizational vote in elections occurring within their appropriate and respective electoral district.



**Section 6.**        Qualification to Board. All voting directors shall remain publicly elected officials from within the geographic boundaries of Region Five. Should any voting director lose his or her elected position for any reason, then a vacancy shall immediately occur and shall be filled in accordance with law and these bylaws.

## **ARTICLE XIII**

### **MEETINGS OF THE BOARD OF DIRECTORS**

**Section 1.**        Organizational Meeting. Each year following elections and upon qualification of new directors to office, at the call of the Sourcewell Chief Executive Officer, the Sourcewell Board of Directors shall meet and hold an organizational meeting. At the organizational meeting, the following business shall be conducted:

- a. Canvass election results and approve election certificates;
- b. Elect a chairperson; a vice-chairperson; a clerk/treasurer (officers of the Board of Directors). To the extent practicable, no two (2) directors shall be from the same Voting Member governing body;
- c. Make committee appointments;
- d. Appoint ex officio, nonvoting directors as provided for in Article IX, Section 2;
- e. Set board compensation, mileage reimbursement, and per diem rates;
- f. Set a schedule of regular meetings;
- g. Set any timelines required by law, these bylaws, or as the Board of Directors shall deem practical and expedient;
- h. Designate official depositories;
- i. Designate the official newspaper, provided that the organizational website shall be used whenever legally permissible and sufficient;
- j. Designate a chief procurement official;
- k. Designate legal counsel;
- l. Designate an auditor;
- m. Authorize electronic, digital, or facsimile signatures;
- n. Authorize and delegate legal representative duties;
- o. Establish, confirm, review, or modify sub-regions; and

- p. The Board of Directors shall also conduct any other necessary organizational business.

The minutes of the organizational meeting may be duly approved at any subsequent regular meeting of the Board of Directors.

**Section 2.** Meetings. The Board of Directors shall meet at the call of the chairperson or any three (3) members of the Board of Directors. An electronic agenda shall be sent to each member at least five (5) days prior to the meeting of the Board of Directors. Matters of emergency nature or practical urgency not on the agenda may be considered at the time of the meeting.

- a. A quorum at any meeting with members of the Board of Directors shall consist of a majority of the elected Board of Directors;
- b. The order of business at the board meetings shall be as determined by the Board of Directors;
- c. The meetings of the Board of Directors at which official action is taken shall be public meetings and no person shall be excluded therefrom; and
- d. To the extent practicable, the rules of parliamentary procedure in the latest edition of Robert's Revised Rules of Order shall govern the Board of Directors and advisory committees and councils in their deliberations in all matters, except as otherwise provided in these bylaws. Rules may be amended at any meeting by a majority vote. The order of business may be suspended at any meeting by majority decision.

**Section 3.** Record of Proceedings. Meeting minutes of the Board of Directors shall be posted online to the Sourcewell website. The minutes of the preceding meeting shall be reviewed, corrected if necessary, and a copy of all motions and the names of the director(s) making and seconding motions shall be recorded.

## **ARTICLE XIV**

### **AUTHORITY AND DUTIES OF THE CHIEF EXECUTIVE OFFICER (CEO)**

**Section 1.** Authority and Duties. The Sourcewell Board of Directors shall hire a Chief Executive Officer, and such number of other personnel as may be deemed necessary. The Board of Directors shall also fix the salary and conditions of employment of such officers, which may include reasonable and necessary expenses, vacation, and

disability leave. The Sourcewell Chief Executive Officer shall, under the direction of the Board of Directors, exercise the following responsibilities and duties:

- a. Perform and exercise all duties and responsibilities delegated to the CEO by the bylaws or by separate action of the Board of Directors;
- b. Act as secretary and executive officer of the Board of Directors;
- c. Attend all regular and special meetings of the Board of Directors when so required by the Board and advise the Board of all questions under consideration;
- d. Serve as ex-officio member of all advisory committees or councils appointed by the Board of Directors;
- e. Provide for the keeping of minutes of the Board of Directors meetings, recording all proceedings and official actions in a manner required by law and keeping such records as may be necessary;
- f. Act as the custodian of records, reports, documents, correspondence, educational equipment and supplies, and other property and maintain inventories and indices thereof;
- g. Act as the legal representative for state and federal programs;
- h. Prepare and present the business to be acted upon at meetings of the Board of Directors;
- i. Maintain supervisory custody of the funds of the Board of Directors;
- j. Enter into all membership agreements and extend annual renewals for contracts pending Board of Directors consideration;
- k. Write drafts against funds only for expenditures properly approved by the Board of Directors;
- l. As bonded by the Board of Directors, make financial records of the Board available at all times and submit them annually for audit;
- m. Prepare and submit an itemized budget for approval by the Board of Directors; and
- n. Promote through meetings, conferences, and electronic communication with government agency officials, teachers, parents, and the public generally, and by hard copy and electronic distribution of pamphlets, bulletins, newsletters and other materials, an active interest in all desirable types of public service and to suggest needed changes and improvements identified by member government agencies.

## ARTICLE XV

### CHIEF PROCUREMENT OFFICIAL

**Section 1.**        Designation. The Sourcewell Board of Directors may, through policy or resolution, designate a chief procurement official to administer a cooperative purchasing and contracting program as authorized by Minn. Stat. § 123A.21, Subd. 7(a)(23).

**Section 2.**        Powers and Duties. Upon designation, the official is hereby designated to:

- a. Competitively solicit contracts in categories called for by the Board of Directors;
- b. Award all competitively solicited contracts, without limitation;
- c. In consultation with the Sourcewell CEO and General Counsel, propose and implement changes to the cooperative purchasing and contracting program intended to increase efficiency, regulatory compliance, and member value; and
- d. Propose budgetary modifications necessary to meet member needs.

## ARTICLE XVI

### AMENDMENTS TO BYLAWS

**Section 1.**        Process for Amending Bylaws.

- a. These bylaws may be amended by the affirmative vote conducted via a recorded roll call of two-thirds of the Sourcewell Board of Directors, provided that the substance of the proposed amendments shall have been submitted in writing to each Director at least ten (10) days prior to such vote.

Officially adopted by the Board of Directors January 12, 1978.

First Amendment approved May 29, 1990.

Second Amendment approved March 25, 1991.

Third Amendment approved April 27, 1992.

Fourth Amendment approved September 25, 1995.

Fifth Amendment approved September 28, 1998.

Sixth Amendment approved April 13, 2005.

Seventh Amendment approved April 14, 2010.

Eighth Amendment approved April 6, 2011.

Ninth Amendment approved April 10, 2013.


Tenth Amendment approved April 13, 2016.


Eleventh Amendment approved April 11, 2018.

Twelfth Amendment approved on April 11, 2019.

Thirteenth Amendment approved on April 23, 2025.

Fourteenth Amendment approved on December 16, 2025.

Signed by:  
  
12/17/2025 | 2:54 PM CST  
6BD483769B484F1...  
Chair, Board of Directors

DocuSigned by:  
  
12/17/2025 | 5:42 PM CST  
9BEF5D8F88D140B...  
Clerk, Board of Directors



# Sourcewell Cooperative Purchasing Program

Approved by the Sourcewell Board of Directors

Updated December 16, 2025

## Authority

Minn. Stat. § 123A.21

Minn. Stat. § 471.59

Sourcewell Bylaws

## Related policies

Rebate Policy for Region 5 Members

Records Retention

Data Practices

## Program description

The Sourcewell Board of Directors authorizes a Cooperative Purchasing Program acting pursuant to the Sourcewell Bylaws, and consistent with specific authority of Minn. Stat. § 123A.21, Subd. 7(23).

The Program establishes Sourcewell's authority to offer cooperative purchasing master agreements for use by eligible Participating Entities. This Program includes all current Sourcewell cooperative purchasing contracts, and the term "master agreement" includes these contracts. Each Participating Entity, as defined herein, may access master agreements in accordance with the laws and requirements of its respective jurisdiction and the specific funding source.

Sourcewell's Board of Directors retains the right to amend any element of this Program or to create supplemental programs related to cooperative purchasing as duly permitted within its authority.

## Program purpose

Sourcewell's Cooperative Purchasing Program is designed to provide Participating Entities with access to competitively awarded cooperative purchasing solutions. To facilitate the Program, Sourcewell awards cooperative purchasing master agreements following a competitive procurement process intended to meet compliance standards in accordance with Minnesota law and the requirements contained herein.

Benefits of the Program include:

- Competitively solicited and awarded agreements
- Administrative time and money efficiencies
- Cost savings based on volume purchasing

## Program eligibility

Sourcewell's Cooperative Purchasing Program is available to Participating Entities. A Participating Entity is any government unit, including a state, city, county, town, school district, political subdivision of any state, federally recognized Indian tribe, any agency of the United States, any instrumentality of a governmental unit, any other entity as defined in Minn. Stat. § 471.59, subd. 1(b), and any entity as defined in Art. VI of the Sourcewell Bylaws.

Awarded suppliers may expressly agree to extend master agreement terms to additional categories of entities, including nonprofits or public agencies in foreign jurisdictions. Extension of Sourcewell master agreement eligibility will be determined by each respective supplier within its respective solicitation response prior to award, or upon execution of an amendment after award. Additionally, Sourcewell may also enter partnership agreements to further expand availability of master agreements.

### Program registration

Each Participating Entity will complete a Participation Agreement detailing the terms and conditions of Program participation and master agreement use. Entities will register with Sourcewell to create an account and to receive a Client Number. Registration will include acceptance of the terms of use as evidenced in a form approved by the Sourcewell Board of Directors. Alternatively, an entity may request to enter a joint powers, interlocal, or similar agreement with Sourcewell to establish access to the Program.

Sourcewell will maintain and continue to recognize any eligible entity that has joined, utilized, or accessed Sourcewell programs prior to the first formal adoption of this program document on July 1, 2022. Each such entity will retain its status and access to Sourcewell programs. After July 1, 2022, entities will be encouraged to re-register with Sourcewell.

### Program duties

#### **A. Chief Procurement Officer (CPO) Authorization**

Pursuant to the Sourcewell Bylaws, the Board of Directors designates a Chief Procurement Officer to administer components of Sourcewell's Cooperative Purchasing Program. The Chief Procurement Officer is authorized to award all competitively solicited cooperative purchasing master agreements. The Board delegates to the Chief Procurement Officer the authority to execute all cooperative purchasing master agreements, and amendments thereto, on behalf of Sourcewell. The Board will subsequently ratify cooperative purchasing master agreement awards.

#### **B. Chief Revenue Officer (CRO)**

The Chief Revenue Officer develops Sourcewell's cooperative purchasing program. This includes direction of Sourcewell's Category Development, Supplier Development, and Government Accounts divisions and in coordination with Sourcewell's central services functions. Functions include participating agency and supplier awareness training activities, promotional and educational activities relating to the Program, market analysis, category development, day to day support of master agreements, customer service, and related functions focused on training, educating, and facilitation of Program use between Sourcewell, awarded suppliers, and Participating Entities.

### Program requirements

#### **I. PURPOSE**

Sourcewell's Cooperative Purchasing Program is conducted in a manner that ensures cooperative purchasing master agreements are awarded pursuant to a competitive public procurement process consistent with the legal principles of open access, competition, fairness, and transparency.

## II. SCOPE

These requirements apply to Sourcewell's Cooperative Purchasing Program master agreements awarded by Sourcewell on behalf of, and intended for use by, eligible Participating Entities.

## III. PROCUREMENT OBJECTIVES

### A. Compliance

Sourcewell cooperative purchasing procurements must comply with all applicable State of Minnesota and United States federal laws.

### B. Fair and Open Competition

As a Minnesota local government unit and service cooperative, Sourcewell requires fair and open competition in its master agreement process. Solicitations will be written so that they are able to be met by more than one supplier, notice of the opportunity is posted so that it receives broad publication, and all responsible suppliers are permitted to compete in the solicitation process. Sourcewell will provide equal opportunity to access information to promote competition.

### C. Awards

Awards will be made to the proposers whose proposal conforms to all conditions and requirements of a solicitation, and consistent with the award criteria defined in the solicitation. Proposal evaluation will be based on scoring criteria defined in the solicitation and the Sourcewell Evaluator Scoring Guide.

Social and economic preferences will be implemented to the extent practicable and when required by Minnesota law. Participating Entities accessing master agreements are subject to their own specific legal requirements.

### D. Conflicts of Interest

#### 1. Individual Conflicts of Interest.

No employee of or individual associated with Sourcewell may participate in the development, selection, award, or administration of a contract or master agreement if they have a real or potential conflict of interest. Conflicts of interest arise when the employee, any member of their immediate family, or an organization which employs or is about to employ, or an organization with which any of the parties indicated herein are affiliated, has a financial or other interest in or receives a tangible personal benefit from a potential supplier. Employees of Sourcewell may not solicit or accept gifts, gratuities, or favors creating a tangible personal benefit from any current or potential supplier.

#### 2. Organizational Conflicts of Interest.

Sourcewell will take affirmative action to identify, avoid, or mitigate organizational conflicts of interest in all procurement transactions. An organizational conflict of interest is created when a current or prospective supplier is unable to render impartial service to Sourcewell due to the supplier's:

- a. Creation of evaluation criteria during performance of a prior contract which potentially influences future competitive opportunities to its favor;
- b. Access to nonpublic and material information that may provide for a competitive advantage in a later procurement competition;
- c. Impaired objectivity in providing advice to Sourcewell.



### 3. Procedures for Mitigating Conflicts of Interest

Employees must disclose any actual or potential conflict of interest immediately upon discovery to the Chief Procurement Officer or the Chief Legal Officer (CLO). Failure to provide notice may subject an employee to discipline. Employees participating in the response evaluation process must sign the Evaluation Committee Member Agreement.

Upon notification or discovery of any actual or potential conflict of interest, the CLO will review the circumstances and determine whether a legal conflict of interest exists. A legal conflict of interest includes any violation of applicable statutes, rules, regulations, and the requirements of this Program. Upon a determination a legal conflict exists, the CLO will advise the Executive Director, Chief Procurement Officer, or Board of Directors as may be appropriate on remedial and mitigation actions.

If no legal conflict of interest is determined to exist, but the appearance of a potential conflict of interest exists, the CPO, in consultation with appropriate Senior Leaders, must then review the circumstances and exercise common sense, good judgment, and sound discretion in determining an appropriate means for resolving. Employees may be subject to discipline for conduct creating a conflict of interest or the reasonable perception of a conflict of interest or failure to follow these requirements.

### 4. Silent Period

To avoid the appearance of any actual or potential conflict of interest, all discussions with currently awarded or prospective suppliers specifically relating to any upcoming solicitation which the supplier is likely to respond will stop 14 days prior to the issuance of any solicitation (Silent Period). During this Silent Period, all questions relating to the solicitation must be directed to Sourcewell's Procurement Department until the solicitation is officially completed.

This section does not prohibit discussions with industry partners and suppliers which are not relating specifically to any open solicitation, including ongoing administration of an existing and current contract. During this Silent Period and any open solicitation period, Sourcewell employees will make affirmative efforts to limit or avoid contact with prospective suppliers which may create the appearance of any actual or potential conflict of interest. All travel activity relating or potentially relating to a prospective supplier during this time must be approved by the Chief Procurement Officer.

## IV. AUTHORITY

### A. Statutory Authority

1. Sourcewell is expressly authorized to provide a cooperative purchasing program pursuant to Minnesota Statutes § 123A.21, Subdivision 7 (23) and the Sourcewell Bylaws.

2. Sourcewell is governed by Minnesota Statutes § 123A.21 and § 471.345 when awarding contracts.

### B. Chief Procurement Officer Authority

As delegated by the Sourcewell Bylaws (Article XV, Section 2), the Chief Procurement Officer is authorized to award all competitively solicited cooperative purchasing master agreements, without limitation. The Sourcewell Board will subsequently ratify all cooperative purchasing awards made by the CPO.

## **V. GENERAL REQUIREMENTS**

### **A. Solicitations**

Solicitations will be issued as Request for Proposals (RFP), Invitation for Bids (IFB), or other methods approved by the Chief Procurement Officer. The CPO may exercise lawful discretion in determining the selection method, scope, evaluation criteria, award standards, and any other elements which are compliant with applicable legal standards and intended to achieve the desired solicitation-specific results to serve the needs of Sourcewell and its Participating Entities.

To ensure compliance, all solicitation forms, templates, master agreements, Participation Agreements, and all other legal documents related to the Cooperative Purchasing Program will be subject to review, at least annually, by the CPO (or designee) in consultation with the CLO (or designee) and the CRO (or designee).

### **B. Public Notice**

Public notice of all cooperative purchasing master agreement solicitations will be posted for a minimum of 30 days on the Sourcewell website ([www.sourcewell-mn.gov](http://www.sourcewell-mn.gov)). Additional notification of solicitations may occur through alternative media locations as determined to be reasonable or necessary by the Chief Procurement Officer.

### **C. Receipt of Responses**

Sourcewell will not evaluate any proposal, bid, or any other form of response to a solicitation, that was not received by the due date and time specified in the solicitation document.

### **D. Evaluation**

All proposals that are received timely will be evaluated for responsiveness and compliance with the evaluation criteria that have been clearly defined in the solicitation.

## **VI. COOPERATIVE PURCHASING PROCUREMENT REQUIREMENTS**

### **A. Board Approval**

The Board must approve all categories of products and services prior to posting public notice of a solicitation.

### **B. Awards**

#### **1. Responsible Suppliers**

Master agreement awards may only be made to responsible suppliers as defined by Minnesota law, federal requirements, and the specific solicitation.

#### **2. Multiple Awards**

Sourcewell intends to award one or more master agreements to responsive and responsible suppliers to meet the needs of Sourcewell Participating Entities. Factors to be considered in determining the number of awards in any category may include the following:

- a. The number and geographic location of suppliers necessary to offer a comprehensive selection of products for use by Participating Entities.

- b. The number and geographic locations of suppliers, and their sales and service network, to assure availability of product supply and coverage to meet Participating Entities' anticipated needs.
- c. The attributes of suppliers' products and services that are necessary to assist Sourcewell Participating Entities with achieving environmental, sustainability, supplier diversity, and technological goals and objectives.

### 3. Debarment Status Updates

All cooperative purchasing master agreements must contain a provision requiring the supplier to notify Sourcewell if its status changes regarding debarment and suspension in any jurisdiction.

### 4. Term

The Board of Directors will establish the maximum term of any cooperative purchasing master agreement upon request of the CPO when approving the opening of a solicitation. The Chief Procurement Officer may exercise lawful discretion in defining any combination of term and extensions not exceeding the maximum term established by the Board. The Board may approve, upon written request of the CPO, an extension of any existing master agreement beyond the established maximum term only in exceptional situations and to be determined on a case-by-case basis.

### 5. Ratification

Upon completion of the procurement process and award, and as soon as practicable, the Chief Procurement Officer will present a resolution to the Board for ratification of awards.

## C. Administrative Fees

Suppliers awarded a master agreement must pay Sourcewell an administrative fee in consideration for the support and services provided by Sourcewell. The fee will be determined and negotiated within the master agreement award process upon advice of the Chief Revenue Officer to the CPO. Fees will be determined based upon total sales to Participating Entities for all contracted equipment, products, or services made during the term of, and pursuant to the requirements of, the master agreement. Supplier may not charge Participating Entities more than the contracted price to offset the administrative fee. In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel a master agreement and reject any proposal submitted by the supplier in any subsequent solicitation.

## VII. PROCUREMENTS THAT MAY CONTAIN FEDERAL FUNDING

As required under certain United States federal rules regarding procurements (2 C.F.R.200.317 – 200.326 and Appendix II to Part 200) all Sourcewell cooperative purchasing master agreements will contain language to assist Participating Entities, when possible, in meeting federal requirements and procurement standards.


## VIII. DATA PRACTICES AND RECORDS RETENTION

All data created and maintained during the procurement process is subject to the Minnesota Data Practices Act (Minnesota Statutes Chapter 13) and Sourcewell's Records Retention Policy.

### IX. APPROVAL

The Sourcewell Board of Directors has approved the Program effective December 16, 2025.

By: \_\_\_\_\_  
Authorized Signature – Signed

Signed by:  
  
By: \_\_\_\_\_  
Authorized Signature – Signed

Name: Greg Zylka

Title: Sourcewell Board of Directors Chair

Date: 12/17/2025 | 2:54 PM CST

DocuSigned by:  
  
By: \_\_\_\_\_  
Authorized Signature – Signed

Name: Sara Nagel

Title: Sourcewell Board of Directors Clerk

Date: 12/17/2025 | 5:42 PM CST