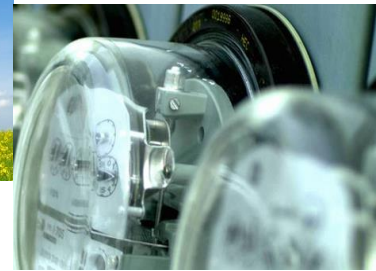




World Class Strategic Sourcing...The Procurex Difference

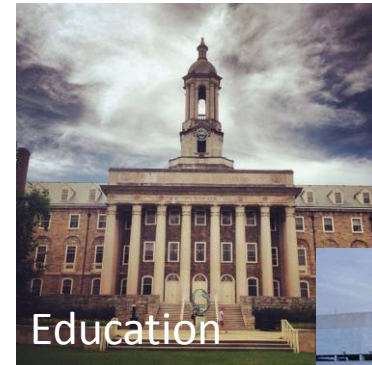


*Delivering Strategies and Savings
To General Procurement Categories, Energy and Sustainability
Portfolios*

Procurex & PRX Energy Overview



- Procurex founded in 2002 and has conducted more than 25,000 sourcing events, managing more than \$30Billion in contract value
- E&I Strategic Partner Since January 2012 via a competitively bid contract
- Over 20 years of energy market experience and retail transactions
- Providing consulting and brokering services in natural gas, electricity, renewable energy, liquid fuels and coal.
- Market timing and advisory to meet or beat energy budgets
- World Class state-of-the-art procurement platform that saves on average 18%!



Education



Healthcare



Municipalities

Example Procurex and PRX Energy Engagements



- Managing a group of 8 colleges in Indiana including Ivy Tech Community College System and 7 other independent colleges and members of the Independent Colleges of Indiana for Natural Gas.
- Saved Tarrant County Community College District over \$200,000 on laptop/desktop computers.
- Managed MIT's waste hauling services contract, increasing recycling services while reducing overall costs.
- Have managed aggregated multi-institution auctions for energy (gas/electricity), mattresses, rock salt, office supplies and others.
- Procurex manages more than \$8billion and 2500 auction events on behalf of the US Defense Logistics Agency, saving approx. \$1billion per year!



Higher Education Sourcing Program



Working together to provide higher education with general procurement and energy savings using expertise, strategy and technology.

The image shows a logo for "E&I" in large blue letters, with "Procurex" below it in a smaller font, and "PRX ENERGY" in a bold, italicized font at the bottom. The text below the logos is in a grey box with a white background and a blue border.

- **Aggregation:** Procurex and PRX Energy have deep experience in managing aggregated purchase activities. With members of Independent Colleges in Indiana and Ivy Tech Community Colleges, Indiana's public community college system, we have helped them to purchase natural gas with larger scale and leverage and obtain better rates and contract terms.
- **Reverse Auction:** Through the use of the Procurex reverse auction platform, we allow suppliers to actively compete for the group's business by reducing their price to undercut competition and win the business.
- **Energy Expertise:** PRX Energy provides the group with market knowledge to identify opportune times to purchase natural gas, reduce exposure to energy market price swings and manage supplier interaction.

Higher Education Aggregation Program

How it Works



Commit

Commit to being part of the group, participating in planning meetings and executing recommended purchases.

Assess

Provide information related to spend amounts, prior invoices, historical usage and current contract commitments for assessment by Procurex or PRX Energy.

Integrate

We will recommend a strategy for integrating participants into a common purchasing strategy by aligning each participant's contract dates.

Plan

Participate with Procurex in individual planning sessions to review the supplier list and determine the best approach to minimizing costs and market risks.

Procure

Use of the Procurex reverse auction platform to obtain pricing from qualified suppliers.

Contract

Pre-negotiated Master Agreements with suppliers will be used to execute a final transaction with the winning supplier.

Higher Education Aggregation Program Independent Colleges of Indiana (ICI) Getting Established and Growing



Commit

ICI, Procurex and PRX Energy introduced the aggregation initiative to prospective participants. High turnout from the ICI membership and early support from Ivy Tech showed material promise for the program. Five institutions committed at this stage.

Integrate

Individual meetings were held with each participant to properly manage existing contract commitments and align terms with the other participants.

Procure

The reverse auction was conducted in August 2014 for an October 2014 contract start date. 6 suppliers participated providing over 30 bids during the event. Prices were pushed down over 15% providing year over year savings to all participants.

Assess

Information was collected and analyzed to determine the best way to align the group's natural gas purchases. All account and prior usage information was compiled and confirmed for accuracy.

Plan

Planning sessions were conducted individually and in aggregate to review energy market conditions and the recommended strategy for purchasing natural gas including when to conduct the purchase under what pricing terms and for how long (term length)

Contract

Contract terms were negotiated with the winning supplier and the first month's invoice was reviewed for accuracy. Several supplier errors were identified and corrected to provide participants with additional savings.

Based on the success of the initial group purchase, five additional institutions are joining the group to participate in the next purchase which is scheduled for spring 2015 for an October 2015 start.

Finding the 'Right' Opportunity

Auction success can be found across a wide array of categories



➤ Questions to help define category success...

1. The bid specifications for the purchase are clear, concise and create a level playing field for multiple vendors to support the purchase
2. There is more than one supplier who can support the contract
3. There are discrete quantities and/or deliverables associated with the bid (1000 quantity of X item, or 12 months of Y service)
4. Price is the major deciding factor for awarding the contract, but not the only one

Category Savings Examples...

Reverse Auction Items & Services

Janitorial Services
Automobiles (Fleet)
Packaging Supplies
Electricity
Desktop Computers
Waste Hauling Services
Mattresses

Savings

\$9,440 (30%)
\$127,270 (11%)
\$143,000 (14.7%)
\$2,420,609 (9.4%)
\$844,419 (37.8%)
\$480,000 (20.0%)
\$206,930 (17.1%)

Dipping a Toe in the Water...



E&I's competitively awarded agreement with Procurex provides E&I Members with the tools and services to collaborate and participate in aggregated reverse auction events as well as one-off reverse auction purchases.

Highlights Include:

- Assistance in identifying a good purchase item or category, specifications development guidance, strategy recommendations and other input as needed to help facilitate effective reverse auction events.
- Procurex's strategic sourcing expertise is brought to bear on your purchasing efforts. While you may conduct a waste hauling contract every five years, Procurex will conduct 5 waste hauling events this year! This experience with suppliers, RFP content, changes in the marketplace are all provided to you as part of this service with no extra fees.
- A highly intuitive, easy-to-use and completely-web based tool providing access to all pertinent terms and conditions, detailed specifications and other elements of the competitive auction process.
- Flexible models to conduct a bidding event:

Single Event Management – Procurex provides E&I Members with a fully managed single reverse auction event program. Simply identify a category for reverse auction bidding and allow Procurex to manage the process and save you money! This is a supplier

E&I-Managed Aggregation Program – Fixed schedule of national and regional reverse auction events fully-managed by E&I and Procurex through all phases of the process.





World Class Strategic Sourcing...The Procurex Difference

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