



2024
Q4 Newsletter



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MEET THE TEAM | Q3 NEW HIRES AND TRANSFERS



Matthew Oscarson
Supply Chain Analyst
Mid-North



Janelle Boyd
Procurement Admin
National



Brian Love
Supply Chain Project Mgr
Mid-North



Mike Garrity
Supply Chain Project Mgr
Connecticut



Harmony Hodges
Supply Chain Engineer
SoCal



Eslam Soliman
Supply Chain Project Mgr
PANJ/Mid-Atlantic



Landon Brake
Supply Chain Specialist
South Central



Jag Singh
Assistant Engineer
New York



Falin Ishee
Supply Chain Project Mgr
South Central



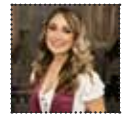
Alex Giraldo
Supply Chain Procurement Mgr
Mid-North



Yazan Thabet
Supply Chain Specialist
South Central



Michael Garner
Supply Chain Coordinator
National



Anida Delgado
Supply Chain Coordinator
South Central



Caleb McBride
Supply Chain Coordinator
SoCal



Ahmad Saleh
Business Development Engineer
National



Renee Erickson
Supply Chain Coordinator
PANJ/Mid-Atlantic



Jasmine Brooks
Supply Chain Project Mgr
PANJ/Mid-Atlantic

Welcome to the SourceBlue family- we are thrilled to have you join our team. We can't wait to see all the great things you'll accomplish here!



SourceBlue is hiring!
Click here to visit the Turner job portal to see current job openings

MEET THE TEAM | SOURCEBLUE ACROSS THE GLOBE



SOURCEBLUE IN AUSTRALIA

"Collaboration in motion! A great start to our SourceBlue time in Australia, meeting with Grupo ACS partners at CPB Contractors, UGL, and Pacific Partnerships to discuss market trends and explore global supply chain solutions. We had a warm welcome from our colleagues, including a

short break to cheer on the Melbourne Cup racers, and a chat with local superintendent Luke as he fished after work. When I first met my colleagues online it was -40c in Edmonton and +40c in Sydney, and it felt like we were truly a world apart. Nothing beats being here in person to strengthen friendships and build bridges that bring us closer together!"

- SEAN CROCKETT



SAFETY IN GLOBAL CONSTRUCTION | MADRID

"We are proud to announce that SourceBlue recently joined several Grupo ACS companies in Madrid to prioritize SAFETY in global construction. While each country has its own safety regulations, we are committed to exceeding these standards by fostering a culture of empathy and active caring."

- STEF LIDINGTON



GLOBAL PARTNERSHIP | LEIGHTON

"Exciting update! Our SourceBlue journey of global partnering in the APAC Region has begun with boots on the ground with our first project with Leighton Asia Hong Kong Group. Our Leighton Team warmly greeted us with a delightful dinner at the end of our first day. It is a fantastic opportunity to strengthen our partnership and exchange ideas. Looking forward to continuing partnership and more collaborations ahead!"

- CICERO RODRIGUEZ

MEET THE TEAM | Q3 EMPLOYEE CHOICE AWARD WINNERS

SourceBlue nominates fellow employees to show appreciation to those who have gone above and beyond the call of duty. Nominations, made on a quarterly basis, align with our values including: Overall Excellence, Right Environment, LEAN & Sustainability, Team Spirit, and Fun at Work.



**RICHARD
ESCOTO**

Supply Chain Sr. Project Manager
Southeast/Mid-South

Rich's attention to detail is excellent. He mediates meetings well. He digs deep to find root core issues with problems. Rich has told me frequently that he welcomes feedback and is interested in his personal continual growth. He is great to work with and his days are long.



**PABLO ANDRES
HERNANDEZ**

Supply Chain Analyst
Pacific Northwest

In just a relatively short time with the SourceBlue team, Pablo has made a huge impact. Pablo attacks assignments with enthusiasm and frequently takes initiative to improve processes and create new tools to help the entire team be more efficient and effective. Pablo's personable communication style and passion for customer service have made him an indispensable member of the SourceBlue team.



**MAYA
LINDEN**

Supply Chain Analyst
PANJ/Mid-Atlantic

Maya has gone above and beyond her daily responsibilities to train and support new team members within the MidAtlantic region. She often jumps in to help others with their workload, and takes on any task, big or small, always with a positive attitude. She goes above and beyond to help the Turner project teams she works with often chasing down items outside of the SB SOW. We are so lucky to have her as part of our team!



**MARY
TOMPKINS**

Supply Chain Project Manager
SoCal

Mary consistently exemplifies our core values of Teamwork, Integrity, and Commitment, always going the extra mile to ensure both personal and team success. For example, Mary has been dealing with hard setbacks from vendor mishaps while maintaining relationships and project timelines. She approaches every task with dedication and accountability, setting a high standard for everyone around. Not only does Mary deliver exceptional results, but she also brings a positive and creative energy to the workplace.

MEET THE TEAM | 2024 STAFF AWARDS

The 2024 SourceBlue Staff Award winners represent the highest standards of excellence, innovation, and commitment within the company.

These individuals have demonstrated exceptional dedication, going above and beyond in their roles to contribute to SourceBlue's continued success and growth. Their hard work, leadership, and collaborative spirit not only inspire their colleagues but also set a benchmark for excellence across the organization.

The recognition of these outstanding staff members highlights their invaluable impact and serves as a testament to the culture of excellence at SourceBlue.



SPURTHI RAJ

SUPPLY CHAIN COORDINATOR



ALEX MASTERS

MARKETING MANAGER



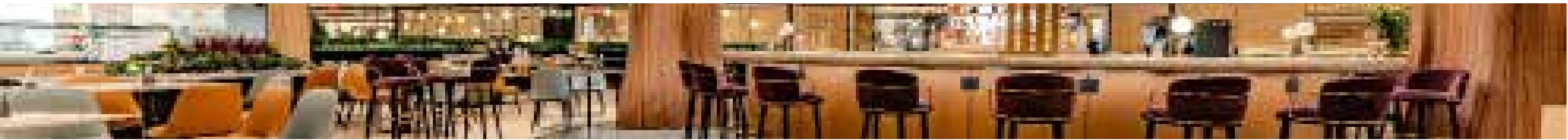
ANNA BENNETTS

SUPPLY CHAIN
SENIOR PROJECT MANAGER



JACK WALSH

BUSINESS DEVELOPMENT
ANALYST



SourceBlue Enhances Renovation Process for Chase Sapphire Lounge at LaGuardia Airport

SourceBlue played a key role in the renovation of the Chase Sapphire Lounge at LaGuardia Airport, helping ensure timely delivery of critical equipment. By collaborating with manufacturers and the owner, SourceBlue pre-purchased long-lead mechanical, lighting, and kitchen equipment, resulting in delivery two months ahead of schedule and providing a cost savings of over \$200k to the client. SourceBlue also worked with the design team to find alternatives for the lighting control system and negotiated savings with manufacturers, contributing to the project's MWBE targets. The result was a premium lounge featuring a range of first-time amenities for the airport.

SourceBlue Lights Up Touro College Manhattan with Innovative Lighting Solutions

SourceBlue provided expert lighting solutions for the transformation of Touro College Manhattan, upgrading multiple floors into classrooms, labs, offices, and event spaces. With a focus on efficiency and cost-effectiveness, SourceBlue collaborated with the client's engineers, helping the project scale from \$2 million to \$7 million as the scope expanded. Our strategic approach, including pre-purchasing CRAC units, saved valuable time and kept the project on track. A standout feature was the design and installation of a striking lobby wall of lights, creating a visually compelling landmark while showcasing SourceBlue's technical and creative expertise.



SourceBlue Accelerates Electrical Equipment Delivery for 4240 Chestnut Street

In a recent project involving the construction of a new seven-story mixed-use building in West Philadelphia, SourceBlue provided critical support when sourcing electrical equipment threatened to delay the timeline. Faced with challenges in acquiring medium voltage switchgear and transformers, SourceBlue utilized its extensive network to find faster solutions. Through a design-assist collaboration and a strategic partnership with the manufacturer's satellite facility, SourceBlue expedited the fabrication and delivery of the equipment. As a result, the project received the necessary gear 4-6 months ahead of schedule, keeping the development on track and avoiding costly delays.



SourceBlue Drives Efficiency and Cost Savings in University of Kansas Football Facility Upgrade

SourceBlue played a key role in the University of Kansas football facility upgrade, addressing challenges like HVAC clashes, design changes, and tight deadlines. Through proactive strategies such as early switchboard ordering, coordination meetings, and efficient planning. These efforts saved time, minimized costs, and ensured the project remained on track, ultimately reducing the budget gap from \$300k to \$100-150k while accelerating equipment delivery.



SourceBlue Streamlines Procurement for Columbia County Health Campus Development

SourceBlue played a crucial role in ensuring the timely completion of the Columbia County Health Campus project by addressing procurement challenges. With the original plan requiring two generators and switchgear with a lengthy lead time, SourceBlue sourced three gensets and added an 8,000A section to the switchgear, reducing the lead time significantly. This strategic move helped mitigate risks to the project's schedule, ensuring the equipment would meet the critical operational needs and support the development of the 100-bed hospital and medical office building.

260
EMPLOYEES



50%
STAFF GROWTH
SINCE JAN '23



600+
ACTIVE PROJECTS



\$3B+
MANAGED SPEND
LAST 3 YEARS

500+
PURSUITS



DYNAMIC
CAREER
OPPORTUNITIES



CONTRACT FURNITURE & THE AVIATION MARKET

Contract furniture plays a vital role in improving passenger comfort in the competitive aviation market

The aviation market is becoming more competitive, with airports and airlines focusing on passenger comfort through contract furniture. High-quality ergonomic seating and modular designs with integrated charging stations are in demand to enhance the travel experience. Durability is essential, requiring robust materials that withstand heavy use. Additionally, the shift towards sustainability is driving the use of eco-friendly furniture made from recycled materials, such as ocean plastic. As the need for comfort and flexibility grows, innovation in contract furniture design will increasingly emphasize sustainability and technology.

Durability and maintenance have become critical priorities in the aviation sector, particularly due to the high volume of passengers that airports handle daily. The furniture installed in these environments must not only be exceptionally durable but also easy to clean and able to withstand

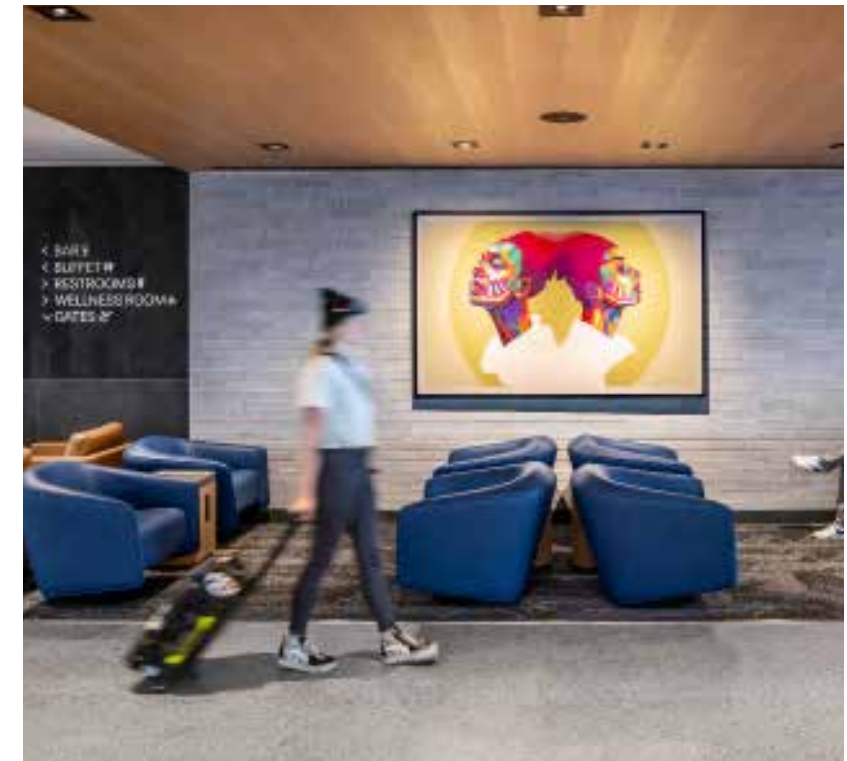


constant, heavy use. This necessitates the use of high-quality materials, such as premium upholstery and stain-resistant fabrics, alongside robust structural components that ensure the furniture retains its quality and aesthetic appeal over time, despite the rigors of a bustling airport setting.

Additionally, there is a growing emphasis on sustainability within the industry, prompting many airports to choose furniture crafted from recycled materials or designed through eco-friendly processes. A notable trend involves transforming ocean plastic waste into functional and stylish furniture and fabrics, which not only addresses environmental concerns but also resonates with eco-conscious travelers looking to minimize their carbon footprint.

By prioritizing innovative, ergonomic, and sustainable contract furniture, the aviation industry is poised to enhance passenger comfort and redefine the future of air travel

The aviation sector's demand for furniture that seamlessly blends durability, flexibility, and passenger comfort is driving significant innovation in contract furniture design. As this market evolves, the integration of sustainable practices and cutting-edge technology is expected to play an even more prominent role, shaping the future landscape of airport environments and enhancing the overall travel experience for passengers.



The MEP Cost Index is rising to **210**.

This represents a projected increase of **2.9%** between 2023 and 2024.



SourceBlue has raised the MEP Index to account for high market demand, raw material availability, and energy costs for fourth quarter of 2024.

The past two weeks have created intense speculation and reactions on the impacts to the equipment supply in reaction to the US East / Gulf Coast port strike and recovery from Hurricane Helene. As the supply chain continues to recover from these events, it is imperative for stakeholders to explore strategies to enhance resilience and mitigate the impact of future disruptions.

Year to date industry data for 2024 versus the same time in 2023 shows electrical equipment orders increased (+.7%) and shipments also increased (+1.7%). For the same time period, mechanical equipment orders increased (+8.8%) and shipments increased (+9.1%).

Year	Avg. Index	↔ ↘ ↗ %
2024	209	2.9%
2023	204	10.4%
2022	185	15.1%
2021	161	10.3%
2020	145	2.8%
2019	142	3.0%
2018	138	3.8%
2017	133	3.0%
2016	129	1.5%
2015	127	1.0%
2014	126	2.0%
2013	124	2.5%
2012	121	3.5%
2011	117	2.5%
2010	114	-4.5%
2004	100	Base Year

REFRIGERANT CHANGES

With the refrigerant change happening 1/1/25 for chillers and unitary products, clients and contractors need to be aware of the one (1) year after delivery or 1/1/26 deadline for installation of this equipment. Legislation to extend this deadline is currently up for votes in several states and the federal EPA. Review of the construction schedules related to installation of the equipment is recommended.

ELECTRICAL INDUSTRY DEMANDS

The UPS and ATS product lines have lines have not changed much in lead time due to high demands and capacity. This trend is expected to continue through the end of this year with UPS lead times peaking at 40-45 weeks and ATS with Bypass at 50-54 weeks. Generator lead time for 3- 3.5 MW generators has slightly increased to 125- 140 weeks due to the very high demands. Switchgear has stabilized at 52- 80 weeks depending on voltage rating and complexity.

ESTIMATED EQUIPMENT LEAD TIMES (VARIES DUE TO EQUIPMENT SIZING)

Equipment	Previous Report	Current Report	
Cooling Towers	14 - 32 wks	16 - 30 wks	↘
Chillers	30 - 85 wks	20 - 85 wks	↘
Air Handling Units	20 - 50 wks	20 - 50 wks	↔
Generators	60 - 156 wks	52 - 140 wks	↘
Switchgear	32 - 80 wks	30 - 80 wks	↘
Uninterruptible Power Supply	18 - 45 wks	20 - 45 wks	↗
Lighting Fixtures	10 - 12 wks	10 - 16 wks	↗
Lighting Controls	14 - 24 wks	12 - 26 wks	↗

PORT STRIKE

Although the port strike was resolved with a tentative agreement after three days, manufacturers were well prepared for the initial impact stocking essential components and raw materials needed to maintain manufacturing levels. **The largest impacts showing are the surge demand of bookings for rail, airfreight, and cross country trucking.**

This reactionary modal shift combined with the disruption of routes in the southeast due to the hurricane will have ripple effects. **This has led to higher air freight rates and capacity constraints, as the industry recovers and processes the influx of rerouted cargo.**

Rail and trucking sectors also felt the strain as goods were rerouted from ports to inland terminals. Similarly, trucking companies saw a spike in demand as businesses scrambled to move goods overland, particularly for time-sensitive shipments. **This surge in demand for trucking services led to increased trucking rates and shortages of available trucks and drivers, compounding existing logistical challenges.**

Although the strike ended after three days, the disruption to these sectors combined with 4th quarter demand underscore vulnerabilities in the broader logistics network. Challenges, such as increased demand for repair and replacement equipment, further stretch resources in the mechanical and electrical sectors. This combination of factors still leads to project delays and cost increases, though less severe than initially feared.

HURRICANE HELENE

The longer-term impacting event was Hurricane Helene. **This event has and will continue to have a profound impact on the manufacturing industry, disrupting operations across a wide range of sectors.** The storm caused extensive damage to manufacturing and assembling facilities with flooding and high winds destroying infrastructure, equipment, and warehouses. The destruction of power lines and utility infrastructure has created widespread outages, making it impossible for factories to resume operations even after the storm passed. For many facilities, restarting production will be delayed as the ability to access roads to reach it and restore power will exceed two weeks. Followed by time needed to assess and repair damage, replace lost equipment, and ensure worker safety.

The human impact is devastating. Many workers are displaced from their homes, facing personal losses and challenges that made it difficult to return to work immediately. **The labor shortage, combined with damaged roads and transportation networks, will delay the return to normal operations.** Restarting factories require not only repairs to physical facilities but also ensuring component supply chains, which were disrupted by the hurricane, could reliably deliver materials and components. This will lead to longer recovery periods, production backlogs, and increased costs, further slowing the industry's return to full capacity.



The Mechanical / Electrical supply chain business relationships include over 400 of the leading manufacturers resulting in nearly \$2 billion in annual equipment and product sales. Through providing direct procurement solutions, the Mechanical / Electrical supply chain has developed high level relationships and communications channels with major mechanical, electrical, and plumbing manufacturers. These relationships provide us insight and market information to forecast equipment costs. These forecasts are validated annually through our aggregated purchasing to determine this cost index. The ability to accurately forecast cost increases and connect them with supply and demand from vendor market is how we mitigate supply chain challenges. This report outlines Y/Y costs changes as well as supply and demand data directly from our vendor partners. This information will allow our partners/clients to make more informed decisions with their project and overall companies visions/goals.



FOR MORE INFO

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