SPRING 2013 BOARD MEETING MINUTES

NIGP BOARD OF DIRECTORS STRATEGY AND STUDY SESSION

Meeting Date/Time: Thursday, April 18, 2013 thru Saturday, April 20, 2013
Meeting Location: Orlando Marriott World Center
                 Key West Room
                 Orlando, Florida
Chairman: Bobbi Matthews CPPO, CPPB
Board Secretary: Rick Grimm CPPO, CPPB

NIGP’s Mission: Develop, support and promote the public procurement profession.

AGENDA ITEM ACTION TAKEN

1. Call to Order and Introductions
   President Matthews called the meeting to order at 8:30am Eastern.
   Board Members in Attendance:
   Bobbi Matthews CPPO CPPB – President
   Marcheta Gillespie CPPO, CPPB, C.P.M.,CPM – First Vice President
   Don Buffum, CPPO – Second Vice President
   DeWight Doppauf CPPO, CPPB, C.P.M. – Third Vice President
   Stephanie Creed CPPO, CPPB – Immediate Past President
   Paul Brennan CPPO – Treasurer (Non-Voting)
   Ron Blendermann, CPPO, CPPB- Region 1
   George Nader CPPO – Region 2
   Joan Graham, CPPO, CPPB - Region 3
   Kathy Elgin CPPO, CPPB – Region 4
   Sandra Dix, CPPB - Region 5
   Keith Glatz CPPO – Region 7
   Lourdes Coss CPPO – Region 8
   Keith Ashby CPPO – Region 10
   Denni Baumer, CPPO, CPPB, C.P.M. - Region 11
   Nelson Park, CPPO, CPPB - Region 12
   Gord Sears CPPB – Region 13
   Guests in Attendance:
   Charles Smith, MBA, CPPO, CPPB
   Lisa Buitenhuis, C.P.P.
   Jack Adger, CPPO, CPPB
   Staff in Attendance:
   Rick Grimm, CPPO, CPPB
   Tina Borger
   Carrie Rawn
   Carol Hodes
   Brent Maas
   Cam Smart
   Chad Quinn (joined with the NIGP Business Council)

   President Matthews asked attendees to provide self-introductions.
2. Election of the 2013-14 Third Vice President

A. Oral Presentations by the Candidates
   - Keith Ashby CPPO
   - Keith Glatz CPPO, FCPM, FCPA
   - George Nader CPPO
   The three candidates provided an oral presentation of their qualifications to the Board.

B. Appointment of Tabulation Board and Balloting by the NIGP President
   President Matthews announced the tabulation board would be comprised of Stephanie Creed, Paul Brennan, and Carrie Rawn.

C. Distribution of Ballots
   Rick Grimm explained the voting process (the requirement for a majority vote) and distributed the first round of ballots.

   The Tabulation Board provided their results to President Mathews who announced the election results.

   After tabulation, President Mathews announced Keith Glatz was elected NIGP’s Third Vice President for the period of July 1, 2013 to June 30, 2014.

D. Destruction of Ballots
   Denni Baumer motioned to certify the election of Keith Glatz as the Institute’s Third Vice President for the period of July 1, 2013, through June 30, 2014 based on the reported results from the tabulation Board and further moved to destroy the ballots of said election, seconded by Don Buffum. Motion carried.

3. Election of Remaining 2013-2014 Officers
   Joan Graham motioned to elect, by acclamiation, the following remaining Officers of the Institute for the period of July 1, 2013 through June 30, 2014:

   President - Marcheta Gillespie, CPPO, CPPB, C.P.M., CPM
   First Vice President – Don Buffum CPPO
   Second Vice President – DeWight Dopslauf, CPPO, CPPB, C.P.M.
   Immediate Past President – Bobbi Matthews, CPPO, CPPB

   seconded by Kathy Elgin. Motion carried.
### DISCUSSIONS WITH THE NIGP BUSINESS COUNCIL

4. **NIGP’s Engagement with Strategic and Business Partners**

   - President Matthews welcomed the NIGP Business Council requesting self-introductions

   **Guests joining the meeting:**
   - Paul Murphy, Canon
   - Rob Rhoads, Graybar
   - Jason Walker, Caterpillar
   - Dave Wetzel, Office Depot
   - Brittany Devine, Periscope Holdings
   - Scott Matthews, The Home Depot
   - Lyn Alvarado, The Home Depot
   - Cynde Beedel, HD Supply Facilities Maintenance
   - Pete Whitacre, The Toro Company
   - Mark Matranga, Office Depot
   - Jeff Peskuski, Graybar
   - Paula Sliefert, The Toro Company

   **A. Understanding NiGP’s Model for Program Engagement**
   - Rick Grimm provided an overview, detailing the developing relationships with Business Council members and describing the difference between Strategic Partners and Business Partners.

   **B. Report on Results of the Strategic Partner Summit**
   - Rick Grimm provided a report on the recent Strategic Partner Summit highlighting key initiatives:
     - Sharing knowledge for better relationships
     - Increased awareness of Partners’ missions
     - Improved communications
     - Create a business intelligence network
   - Rick Grimm announced that the partners will convene during the 2013 Forum in August to discuss the opportunity for future Summits.

5. **Environmental Scan: Dialog on Market Trends.**

   **A. Supplier Updates from their Respective Industry**
   - The session continued with a State of the Industry report from each member of the NBC that highlighted market and pricing trends within each industry. Their individual reports were followed by questions from the Board.

   **B. Board Updates on Public Sector Issues Impacting Spend**
   - As Chair of the NBC, Paula Sliefert requested NIGP Board members to provide updates on issues from their perspectives which were shared with the NBC from a variety of agency-based viewpoints.

6. **Topical Discussions affecting Public Procurement Officials and the Supplier Community**

   **A. Public-Private Partnerships**
   - It was highlighted that the desire for public entities to collaborate with private industry and creating a long-term relationship poses certain risk factors based on the unknown and other factors typically used in risk evaluation.
   - It was generally accepted that transparency within private industry may be challenging as many of the agreements are determined by the political environment.
     - What opportunities could be available for Public/Private Partnerships within the NBC?
     - How can we maximize the value of public-private partnerships while maintaining transparency?
### B. Industry Data For Decision-Making: What Research Does the Public Sector Use v. What Research Does the Supplier Community Use?

The Board and Council discussed data collection and how to harness it for effective use. It was mentioned that most data programs are cumbersome for the agency and make it impossible to discern viable information. Council members agreed that budget information would be most helpful. It was agreed NIGP needs to further its partnership with Spikes Cavell to analyze data and remain transparent.

### 7. Discussion on the Revised 2013 Enterprise Sponsor Program

#### A. Successes and Enhancements to Date: What is Working Well?

Rick Grimm asked the Business Council what was working well between the Institute and Enterprise Sponsors. Responses include:

- Paula Sliefert introduced the new Enterprise Sponsor product. "We No Bid" is a supplier work-paper being written by the Council.
- Paula Sliefert indicated that the success has been providing more products to move forward, such as a panel discussion at Forum with practitioners and the supplier community regarding the cost of procurement and exploring what is working in the private sector that can be transitioned into the public sector.
- Extending the length of time the Board liaison allows for better rapport and productivity.

#### B. Areas for Improvement: What do We Need to Do Differently?

Rick Grimm asked the Business Council for suggestions to improve the relationship. Highlights include:

- The Business Council wants to serve a purpose and serve as a resource for NIGP; to build a "brand value."
- The Council wants to be viewed as Subject Matter Experts.
- The Council will meet following this meeting to discuss their value and how to create an interactive, strategic partnership with NIGP.
- Defining expectations of the Council to the Board and of the Board to the Council.

As a closing statement, Stephanie Creed asked the Council to define at what point they would see value and view the relationship beyond one-year increments. Chair Sliefert indicated that as long as the contract is structured in one-year increments, the value would be assessed annually.

The Board recessed for lunch with the Business Council at 12:10 pm Eastern.
8. Board Discussion on Developing the Optimal Governance Model for the Institute as a Non-Profit Professional Association (per the 2013-16 Strategic Plan)
The meeting reconvened at 1:13 pm Eastern.

A. Welcome and Opening Comments from NIGP President Bobbi Matthews
President Matthews expressed appreciation for the open-mindedness of Board members to broach the possibility of a new governance model, followed by an introduction of David Kushner, the facilitator for this discussion.

B. Facilitated Discussion: Dave Kushner
David Kushner provided his background and reaffirmed that the intent is not to fix something that is broken, rather, to take governance to the next level of effectiveness.

David defined the process for the meeting, established expectations, and provided an overview of the interviews with Board members.

Bobbi Matthews highlighted her themes on what she wanted the Board to accomplish within the context of:
- Openness and honesty
- Fresh ideas without criticism
- Moving ahead/forward thinking

Marcheta Gillespie highlighted her theme on what the Board does not want to do at this specific meeting:
- Vote on a new structure
- Develop specific plans
- Advocate change just for change sake
- Finger-pointing, etc.

It was agreed that this is a discussion to explore possibilities but no final decisions would be made during this session.

David Kushner lead the Board to consider key areas that affect Board Performance, such as:
- Culture and culture perceptions
- Levels of Leadership
- Composition
- Organizational life cycle
- Executive Director and staff

David addressed the difference in perceptions between being a Board member and organizational members and he identified governance trends:
- Focus on strategic planning
- New types of communication
- Trend toward smaller boards
- Fewer standing committees
- Ongoing environmental scanning

and the 3 types of boards:
- Fiduciary
- Strategic
- Generative
### MID-AFTERNOON BREAK

**3:00 PM**

<table>
<thead>
<tr>
<th>C. Facilitated Discussion: Dave Kushner (Continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Kushner provided an overview of the Board member interviews to provide a sense of different perspectives. (Attached as Exhibit A) He lead the members to discuss common critical issues and how these issues relate to the goals of the organization, such as</td>
</tr>
<tr>
<td>- Global recognition</td>
</tr>
<tr>
<td>- Chapter relations</td>
</tr>
<tr>
<td>- Qualifications vs. geography</td>
</tr>
</tbody>
</table>

and discussed what impediments exist that might keep NIGP from achieving its goals.

Before recessing for the evening David Kushner asked Board members to consider:  
- Role of the Board  
- Board composition  
- Future of the Chapter model  
- Need for members

The Board recessed for the evening at 5:20 pm Eastern.

---

### FRIDAY MORNING SESSION

**FRIDAY, APRIL 19, 2013**

**GOVERNANCE STRUCTURE (Continued)**

**9:00 AM**

**Key West Room**

<table>
<thead>
<tr>
<th>D. Facilitated Discussion: Dave Kushner (Continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>President Matthews reconvened the meeting at 9:00 am Eastern.</td>
</tr>
</tbody>
</table>

David Kushner began by providing background handouts:  
- Voter participation (Attached as Exhibit B)  
- Governance History (Attached as Exhibit C)  
- Current Board terms and projected terms (Attached as Exhibit D)

Rick Grimm provided some background/history behind the current governance structure.

After discussion, David Kushner highlighted areas to determine if the Board members were in agreement for the future:  
- International Organization for public procurement professionals  
- Board structure should be modified  
- Board composition and size should be modified  
- We support embarking on a process to effectuate a change

Sandra Dix challenged the summary. After further discussion, the Board agreed that the end result is unknown and that no change is still a possibility; however, the Board needed to explore the possibilities and determine if a change is necessary.

David reviewed the criteria to be considered and asked the Board to break into 4 smaller groups and develop a conceptualized Board.
### E. Facilitated Discussion: Dave Kushner (Continued)

A representative from each group presented their conceptualized Board. David Kushner highlighted areas each group was in agreement with:

- The Board does not have to be wholly comprised of practitioners
- It does not have to be based on regions
- The election process may change to a selection process
- The board will be smaller.

David also highlighted that the criteria of board members in other industries was yet to be determined.

### F. Conclusions and Next Steps: Dave Kushner

Through discussion, the Board outlined the following steps:

- Establish a deliberative body of selected experts (think tank) to develop a model and plan for the Board to consider.
- Create a timeline for action.
- Agree that the CEO will need to realign staff and resources to carry out the initiatives.
- Determine the reporting, assessment and reaction process.
- Commit to being flexible.

David turned the conversation over to President Matthews who, in turn, asked for a vote on whether NIGP should consider changes in its governance structure. A unanimous vote in favor of consideration. Non-voting new Board members are also in agreement.

President Matthews developed a plan of action.

The think-tank will:

- be appointed by the President
- provide periodic check-points with the Board for direction
- present its data and, if possible, recommendation by the fall Board meeting.

The modification to the board structure will be open knowledge and the staff will develop a list of speaking points.

The Board recessed for lunch at 12:13 pm Eastern.
### 9. Verbal Progress Reports on NIGP Strategic Initiatives

| A. eLearning Implementation *(Hodes)* | Carol Hodes reported on eLearning Implementation highlighting key points:  
|  | • An RFP has been issued for new co-sponsored coursework  
|  | • Collaboration with an online provider for CIPS and exploring a crosswalk for catalog/ menu between the two offerings  
|  | • The first edition of ebooks can be read on 6 different devices  
|  | • Developing an on-demand learning experience. |

| B. Technology Plan *(Borger)* | Tina Borger reported on the Technology Plan highlighting key components:  
|  | • The IT consulting firm has been contracted  
|  | • The discovery phase will go through June 2013  
|  | • Recommendation and report phase will begin July 1, 2013  
|  | • The Technology Plan is on target for this fall’s Board meeting  
|  | • The IT reserve fund is on target |

### 10. Verbal Progress Reports on Other Initiatives

| A. Higher Education Task Force *(Buffum)* | Don Buffum provided an update on the Higher Education Task Force, the answers to questions it explored with regard to the market, framework, and NIGP position to be able to move forward.  
|  | Rick Grimm reported the academicians are developing a framework for integrating public procurement courses into higher level institutions. It involves key stakeholders, academicians, practitioners and students to validate the curriculum for adoption. From there, there are institutions and associations that can provide their stamp of approval/credibility.  
|  | There was general discussion that this program must incorporate other countries if NIGP wants to build credibility as an international organization. |

| B. CIPS/NIGP Public Procurement Partnership *(Borger and Maas)* | Brent Maas and Tina Borger provided an update on the relationship with CIPS and the growing connection and alignment with the staff.  
|  | Brent Maas will take the lead on NIGP/CIPS initiative and reported on four key elements:  
|  | • Maturity framework - Guy Callender is leading the research effort to identify measurements based on 6 steps of development towards maturity. NIGP is still developing the initial phase.  
|  | • Portal: Target is mid-June to offer CIPS/NIGP portal. NIGP information will be offered but not delivered through the portal  
|  | • The Validation/Assessment Program is intended to replace the OA4. The assessment will help an entity discover their maturity framework position.  
|  | • Commercialization: Creating an initial free assessment with the intent to sell the tools for progress for full assessment and more for validation. |

| C. U.S. Communities 501(c)(3) Structure and Royalty/Marketing Agreement *(Grimm)* | Rick Grimm provided a history of US Communities and its structure. The new structure will be finalized by the Supervisory Board in the near future and the entity will likely be named the U.S. Communities Foundation, which will be a 501(c)(3). NIGP will be a co-owner. NIGP will continue to receive royalty |
| D. Periscope Consulting Contract | Rick Grimm provided an update on the consulting agreement with Periscope. It is a 3 year, renewable contract, with exclusive agreement and guaranteed royalty. A plan to review audit reports was addressed. Rick Grimm informed the Board there will be a lot of overview initially as the program gets off the ground. |
| E. UPPCC Governing Board Meeting | Rick Grimm reported that the UPPCC Governing Board is discussing the framework for the CPPO classification to ensure that it reflects management functionality. The UPPCC also discussed ISM's decision to eliminate the requirement for a bachelor degree for its CPSP certification and agreed that the Council would not take similar measures; as such actions reduce the value of the certification. The Council also agreed to terminate further work on expanding the Governing Board to other associations. With the increased state certification programs, the UPPCC plans to develop a model for state certification programs within the context of a position paper. |

| 11. Executive Summary Reports | Rick Grimm provided an overview of Chapter Membership, highlighting: |
| A. 2013 Institute/Chapter Membership Report | Institute membership numbers have slightly declined |
| | Chapter memberships gained |
| | Dual memberships fairly steady |
| B. FY14 Membership Recruitment Plan | Studying the variances between Chapter and Institute membership, it was noted that OPBA was the second largest chapter growing by 7.2% yet Institute membership declined by 17.6%. Gord Sears, Lisa Buitenhuis, Belinda Sites and Brent Maas will develop a recruitment plan for Canada. Staff to provide marketing/member report for Canada. |
| | The Board reaffirmed its commitment to change its vernacular and refer to Institute membership rather than national membership. |
| | The Institute needs address Chapter relations. Some chapters are in name only and are unresponsive to efforts and communication. Bobbi and Rick will address possibilities during their weekly calls. |
| C. Submittal of NIGP’s 990 Report to the IRS | Rick Grimm briefed the Board on the requirement to provide Board members the opportunity to review the 990 Report and ask questions. |

<p>| 12. Executive Summary Actions | Rick Grimm explained the collaborative agreement with NASPO. |
| A. Collaborative Agreement with NASPO, NIGP and the UPPCC | Rick Grimm provided an overview of the vacancy based on the CPPO team resignation of Jack Adger. Contingent upon the Board’s approval, the UPPCC has already accepted the appointment of Jacqueline Watkins. Meeting recessed at 4:50 pm Eastern. |
| B. Recommended Appointment of Jacqueline Watkins CPPO as one of NIGP’s Representatives on the UPPCC Board of Examiners CPPO Team (as Recommended by the Governance Committee) |  |</p>
<table>
<thead>
<tr>
<th>SATURDAY MORNING SESSION</th>
<th>APRIL 20, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENSURING ADEQUATE RESOURCES</td>
<td>9:00 AM</td>
</tr>
<tr>
<td>Key West Room</td>
<td></td>
</tr>
</tbody>
</table>

13. **FY14 Budget (3 hours: 9:00 AM to 12:00 PM)**

- President Matthews reconvened the meeting at 9:03am Eastern.
- President Matthews recognized Rick Grimm for his 15 years of service to the Institute. Rick recounted his good memories with the Institute, his appreciation for a committed professional team in Herndon, and thanked the Board for their strong and constant support.

**A. Year-to-Date Assessment**

1. **February 2013 Financial Report and KPIs**
   - Rick Grimm indicated that although March activities are completed the financial reports have not been finalized; so the most recent data set reflected activities through February 2013.
   - The Board expressed concern regarding the downturn in face-to-face education. If studies indicate there is educational interest, where are the students? The Board requested information on what is trending, such as state certification courses. Some Board members questioned whether organizations are using NIGP coursework which would be a copyright violation.

2. **Cash Management, Investments, and Accounts Receivable**
   - Rick Grimm reviewed the cash management report as of April 10th.

**B. FY14 Budget Hearing: Presentation by the Chief Executive (Grimm)**

1. **Introduction**
   - Rick Grimm explained the proposed budget is revenue neutral.

2. **Promises Made - Promises Kept**
   - Rick reviewed previous direction of the Board indicating goals had been met or in progress:
     - Collaborative Media
     - Telephone system replacement
     - Webinar program restructured
     - Increased funding for Board travel
     - No Chapter Assessments for Institute members
     - Hiring an Executive Assistant
     - Hiring Enterprise Program Specialist
     - Global Partnership with CIPS
     - Professional Development
     - Strengthening Chapter relations
     - Technology advancements
     - Salary adjustments based on compensation study

3. **FY14 Journey Towards Bold Frontiers**
   - Rick Grimm introduced FY14 theme, Bold Frontiers, highlighting four areas of focus:
     - Value of Leadership – Chapter Leadership Symposium
     - Value of Membership – Complimentary Webinars
     - Value of Professional Certification – Immersion Academy
     - Value of Supplier Relationships – Expo Appointments
Rick Grimm indicated there were four goals to achieve in developing the budget:

- Align Resources with Strategic Plan
- Achieve a Balanced Budget
- No Growth from FY13 Projected to FY14 Proposed Unless Demonstrated
- Achieve Net Income for Revenue Centers

NIGP reformatted its budget format with new cost centers:

- Governance
- Operations
- Program Support
- Business Development
- Programs
- eLearning
- Enterprises

Rick Grimm explained how indirect expenses have been allocated across cost centers, how the proposed budget aligns with the strategic plan, and incremental changes in the fee schedule. He provided detailed information on revenues and expenses and their impact on the net income and then reviewed the capital budget.

President Mathews asked Paul Brennan to provide comments and recommendations of the Finance and Budget Committee. Paul noted:

- It is a balanced budget, which allows NIGP to invest revenues at the beginning of the fiscal year rather than waiting to the end of the year to determine whether net income can be allocated for programs.
- Salary adjustments are in-line with market adjustments based on the Compensation Study and have been incorporated into the budget eliminating the CEO’s need to make a special request to the Board.
| D. Board Discussion |  |
| E. Final Agreements on the FY14 Budget | The Board was in general agreement with the FY14 Budget. |
| 14. 2013 Forum Planning | President Matthews opened the meeting to discuss the 2013 Forum. Rick Grimm is assembling the Board and President’s schedule and will issue a draft via a Matrix in May. As an overview, Rick provided a rough outline of events: |
| | • Friday afternoon: Board meeting will be held 3-6:00pm |
| | • Saturday: Golf tournament plus volunteer events |
| | • Saturday evening: Meet and Greet |
| | • Sunday: Opening Breakfast plus workshops |
| | • Sunday evening: Awards Gala |
| | • Monday: 3-speaker panel, Chapter Presidents Lunch, and launch of Expo |
| | • Monday evening: Board Reception with VIPs and Social Event |
| | • Tuesday: Plenary Session, Annual Member Meeting |
| | • Tuesday evening: Partner dinner |
| | • Wednesday: President’s Farewell Reception |
| 15. Adjournment | Marcheta Gillespie motioned to adjourn the meeting, seconded by DeWight Dopslauf. Motion carried. The meeting adjourned at 1:20 pm Eastern. |