NIGP BOARD OF DIRECTORS

Meeting Date/Time: Thursday, August 12, 2010 @ 2:30 PM Central
Continuing Friday, August 13, 2010 @ 11:00 AM Central

Conference Room 12 – 3rd Level
Marriott Rivercenter, San Antonio, TX

Chairman: Ken Koester, CPPO, C.P.M., A.P.P.
Board Secretary: Rick Grimm, CPPO, CPPB

NIGP’s Mission

Develop, support and promote the public procurement profession through premier educational and research programs, professional support, and advocacy initiatives that benefit members and constituents.

AGENDA ITEM ACTION TAKEN

BOARD STRATEGY SESSION
Thursday, August 12, 2010 – 2:30 PM to 4:00 PM Central

1. Call to Order and Introductions
   President Ken Koester called the meeting to order at 2:23 PM.

2. Attendance of Board Members and Guests
   Board Members in Attendance
   Ken Koester CPPO, C.P.M., C.P.P. – President
   Stephanie Creed CPPO, CPPB – First Vice President
   Bobbi Matthews CPPO CPPB – Second Vice President
   Marcheta Gillespie CPPO, CPPB, C.P.M., CPM – Third Vice President
   Ed Grant CPPO, CPPB, RPPO – Treasurer
   George Nader CPPO – Region 2
   Barbara Johnson CPPO, CPPB – Region 3
   Kathy Elgin CPPO, CPPB – Region 4
   Sandra Wright CPPB – Region 5
   Don Buffum CPPO – Region 6
   Keith Glatz CPPO – Region 7
   Lourdes Coss CPPO – Region 8
   DeWight Dopslauf CPPO, CPPB, C.P.M. – Region 9
   Judy Meisel CPPO, CPPB – Region 10
   Dave Davis CPPO – Region 12
   Gord Sears CPPB – Region 13
   Kirk Buffington CPPO, C.P.M. – At-Large 16

Board Members Excused
Paul Brennan CPPO – Immediate Past President
Staff Members in Attendance
Rick Grimm CPPO, CPPB – Board Secretary and CEO
Tina Borger CPPO CPPB
Carol Hodes CAE

Guests in Attendance
Rob Bezjak – National Business Council/Graybar
Norma Hall CPPO, CPPB – UPPCC
David Kidd – US Communities
Eric Prier – FAU
Luke Spikes – Spikes Cavell
John Walters – Periscope
Jonathan White – Spikes Cavell

3. Opening Comments from NIGP President Koester
President Koester introduced Carol Debish who brought greetings on behalf of the Texas Chapters to San Antonio.

President Koester offered special greetings to Don Buffum and Lourdes Coss who were officially joining the NIGP Board of Directors at this meeting.

4. Environmental Scan by the Board: Key Issues affecting constituencies, members, chapter affiliates, governmental entities
Most Board members contributed to the discussion. The themes centered around:
- Budget and financial struggles facing the public sector
- Seminar class cancellations
- Interest in eLearning programs to be offered by NIGP
- Chapter affiliate updates including successes in hosting reverse trade shows

5. Verbal Reports from NIGP Partners
A. National Business Council – Rob Bezjak
Rob Bezjak extended his appreciation to the Board for the opportunity to engage suppliers in chapter affiliate activities. He stated that his company is experiencing an uptick in purchasing activity.

B. NIGP Code – John Walters
John Walters expressed his appreciation for NIGP’s continued partnership with Periscope in the management of the NIGP Commodity and Service Code. He discussed his firm’s marketing efforts to increase participation; and mentioned that the Code is licensed by 33 state governments as well as 860 public entities.

C. NIGP Observatory – Luke Spikes
Luke Spikes expressed his appreciation to the Board for the partnership that has been ongoing for 18 months. He expressed his commitment to a long-term relationship with NIGP; relating it to an ecosystem of partnerships. Acknowledging that the NIGP Observatory entered the marketplace at a very difficult time, he stated that he was very pleased with the listing of early adopters who represent a good cross-section of public entities. He further stated that the next critical step is to demonstrate that having the spend data from the Observatory will deliver tangible results. Finally, he mentioned that the Observatory and NIGP are launching MEASURE at the San Antonio Forum as a free tool for NIGP members to record/track cost savings.

D. Public Procurement Research Center – Dr. Cliff McCue
Dr. McCue stated that his focus this past year has been supporting longer-term tasks within the NIGP community such as the Guiding
E. UPPCC – Norma Hall

Norma Hall reviewed the key components of the UPPCC Governing Board’s strategic plan. She stated that the Board is deliberating on revisions to the eligibility requirements for CPPO and CPPB designations so that an associate degree is required for CPPB candidates and a bachelor degree is required for CPPO candidates. These requirements will be phased in over the next few years. She also mentioned that the Board is considering eliminating the lifetime certification.

F. US Communities – David Kidd

David Kidd provided a PowerPoint presentation on behalf of U.S. Communities. He extended his appreciation to NIGP for their partnership as a founding national sponsor. He explained how U.S. Communities supports the work of the national organization as well as chapter affiliates.

6. Verbal update on Strategic Initiatives

A. eLearning Program (Carol Hodes)

Carol Hodes provided an overview of activities supporting the Institute’s eLearning program. She stated that the off-the-shelf offerings - previously audited by a task force (which included some members of the NIGP Board) - are still scheduled for purchase and delivery through the NIGP web site in October 2010. She stated that staff continues to work on the development of NIGP’s courseware for online delivery; while also working to enhance the online assessment programs for professional certification.

B. Guiding Principles and Standards of Practice (Tina Borger)

Tina Borger recognized the value that Candace Riddle brings to the NIGP team in the development of Guiding Principles; and also recognized the contributions of Marcheta Gillespie and Dr. Cliff McCue. She mentioned that the draft Principles are still available for public comment but will close soon so that a second draft can be presented to the NIGP Board for approval during the Fall 2010 meeting.

7. Clarification on Options for Board Representation Prior to Establishment of the Task Force (Attached documents from the 2010 Spring BOD Meeting and 2009 Reports)

A. Numerical balance of all regions based solely on national agency membership
B. Numerical balance of all regions based solely on national membership by individuals
C. Representation based on chapter affiliate coverage
D. Representation based on agency type
E. Representation based on geography and bundles
F. Representation based on international vision
G. Representation based on strategic value

The Board engaged in considerable discussion on representative governance. The conversation transitioned to the role that each regional board member plays in supporting chapter affiliates in his/her region. This discussion led to a more protracted discussion on the role of the Chapter Relations Committee which is also proportioned by region. Discussion themes included:

- The role of the Board in setting direction and policy
- The need to reconsider expectations on chapter visits from a strategy and cost perspective
- The use of volunteers to perform chapter visits once they are trained on the talking points (and the opposing concern that, if the Board no longer performs visits, a sense of isolation from the membership)
- The need to develop a consistent message regarding the value of NIGP membership as well as the need to define how the message is packaged, delivered and by whom
- The need to develop a tool kit that can be used to deliver the message
- The need to visit locations where no chapters exists in order to generate interest in professionalism and NIGP membership
• The option of bringing chapter leaders together within a region to facilitate communication (Region 11 was cited as an example)
• The need to give the Chapter Relations Committee more direction on its roles and responsibilities
• The possibility of converting the Chapter Relations Committee to a Task Force
• The possibility of involving Board members in the selection of Chapter Relations representatives based on skill sets and relationships

As a result of the discussion, it was agreed that:

1. A Task Force within the Board will be responsible for developing a communications strategy between the national organization and chapter affiliates based on the following criteria:
   a. What are the message themes? Potential options include the value of public procurement, the value of NIGP, and the value of professional certification
   b. Who delivers the message? Potential options include Board members, Chapter Relations Committee members and/or trained volunteers
   c. How is the message delivered? Potential options include onsite presentations, written communications, videos, teleconferences, and emails
2. That the Task Force will be comprised of Don Buffum, Barb Johnson, Judy Meisel, George Nader, and Sandra Wright;
3. That the Task Force will report its findings and recommendations to the full Board at a future date for deliberation and approval;
4. That, once final recommendations are approved, the Task Force will engage the Chapter Relations Committee to develop a toolbox that supports this effort.

It was also agreed that the Board will meet with the Chapter Relations Committee during the Fall 2010 Board meeting to discuss:
   a. Progress to date on the communications strategy
   b. Whether the Committee should be task-driven based on projects given to the Committee by the Board and/or staff;
   c. How the Committee membership is selected.

It was further agreed to table discussion regarding further analysis on regional representation based on the following:

1. That the current Board governance model, which divides geographic areas into representative regions based on national member data, is satisfactory; and
2. That the size of the Board should not be expanded in attempt to address representation issues.

8. Other Strategic Issues

Rick Grimm mentioned that he recently co-presented to the NACo national conference in Reno regarding cost saving measures. The Board asked Rick to send them a copy of the PowerPoint presentation.

9. Adjournment of Strategy Session

The Strategy Session was adjourned at 3:52 PM.
10. Call to Order and Introductions

President Ken Koester called the meeting to order at 11:03 AM.

All Board members in attendance during the Strategy Session were also in attendance for the Official Board Meeting. Additionally, the following guests/staff were in attendance:

Keith Ashby CPPO
Tina Borger CPPO
Rick Grimm CPPO, CPPB
Patti Huth CPPO, CPPB
Jill Press CPPO
Miriam Singer CPPO

11. Approval of Minutes from the June 23, 2010 Board Teleconference Meeting (Attached)

“... move to approve the minutes of the June 23, 2010 Board of Directors Teleconference Meeting as prepared by staff”

It was mentioned that there were a couple of typographical errors that needed to be corrected.

Kirk Buffington moved to approve the minutes of the June 23, 2010 Board of Directors teleconference meeting as amended; seconded by Bobbi Matthews. Motion carried.

12. Verbal Operational and Progress Reports

A. Verbal Report from the Diversity Council – Keith Ashby

Keith Ashby spoke to the Board as the Chair of the Diversity Advisory Council. He mentioned that he would appreciate the opportunity to meet with the Board on an annual basis in order to fulfill the Council’s charge as an advisory council to the Board.

He stated that the Council plans to be engaged in a number of activities during the coming year:

- To educate suppliers on the public procurement process through local NIGP chapters and Minority Business Development entities
- To create alliances with existing organizations and/or providers that can assist NIGP in linking minority, women, and HUB businesses to the public procurement community

B. Preliminary Year-End Close Statistical and Financial Reports (Grimm) (Reports were Disseminated During the Meeting)

Rick Grimm reviewed the unaudited year-end KPIs and financials through June 30, 2010. He provided a story board which provided the following information:

- The Institute met its goal for student numbers but missed its goal for associated revenue; primarily because more students enrolled in the less-lucrative 1 and 2 day classes
- The Institute experienced a $280,000 shortfall – of which $175,000 is attributed to depreciation and $100,000 is attributed to severance and annual leave payout for those positions eliminated in April 2010
- The Institute earned $4,653,100 in FY10 – consistent with the FY11 revenue budget of $4,744,100
- The actual student participation in FY10 educational programs was higher than the anticipated budgeted amounts for FY11 – substantially in some cases (e.g. Webinar students was 1,670 actual in FY10 v. 750 budgeted for FY11)
- In FY10, administrative cost centers spent $315k less than budgeted in an effort to control costs
- The areas of concern for FY11 include eLearning projections, US Communities shared revenue, and corporate sponsorships.
After consideration discussion and Q&A by the Board, the following issues were requested:

- That staff assess the net ratios for one, two and three day classes to ensure that fees generate sufficient revenue to offset expenses and report findings to the Board;
- That staff develop an appropriate message to the membership regarding the deficit; and
- That staff assess the fees for eLearning coursework to ensure that they are competition in the market while providing an adequate source of revenue.

13. Executive Summaries

A. Executive Summary Report: LearnSomething Course Assessment (Attached)

Rick Grimm mentioned that this ESR identifies the eLearning courses that will be promoted/delivered by NIGP in October 2010.

B. Executive Summary Action: Approval of Position Paper on Transparency in Public Procurement (Attached)

“...move to approve the Position Paper on Transparency in Public Procurement as an Official NIGP Position; further, to direct the Chief Executive to publish the Position Paper and to extend the Board’s appreciation to the Policy and Position Committee”

Several Board members identified small editing issues to be addressed in the final document. There was general consensus that the paper was a good representation for NIGP.

Bobbi Matthews moved to approve the revised Position Paper on Transparency in Public Procurement as an Official NIGP Position; further, to direct the Chief Executive to publish the Position Paper and to extend the Board's appreciation to the Policy and Position Committee; seconded by Stephanie Creed. Motion carried.

14. Revisions to the Board of Directors Policy Manual (Attached)

“...move to adopt revisions to Sections III and IX of the Board Policy Manual as recommended by staff and the Forum and Products Exposition Committee”

President Ken Koester asked Rick Grimm to review the recommended revisions to the Board Policy Manual. There were significant changes to Section III that relate to policies and practices during a Board election cycle. There was consensus that this edition was appropriate.

The Board also discussed revisions to Section IX on the Board Policy Manual which replaces the word “Forum” with the word “Conference”. There was considerable debate regarding this change. Several Board members stated that the title “Forum” makes the event more formal and credible. Others stated that a Forum is traditionally a venue where interested parties come together to discuss key issues and trends. The Board sought more information from the Board liaisons to the Forum and Products Exposition Committee but neither recalled the discussion by the Committee that resulted in the recommendation. Accordingly, the Board decided to table this portion of the motion.

Marcheta Gillespie moved to adopt revisions to Section III of the Board Policy Manual; seconded by Sandra Wright. Motion carried.

Marcheta mentioned that she would like to see the Board adopt Policy Manual revisions less frequently in the future. She also suggested that the Board should discuss whether the Manual contains detailed, administrative procedures that should not be part of the Manual.

15. New Board Initiatives and Charges

None

16. Empowering the Executive Committee

“... move to empower the Executive Committee to take future actions on behalf of
the Board of Directors prior to its next scheduled meeting on October 21-23, 2010 in Louisville, KY

17. Adjournment

Stephanie Creed moved for adjournment; seconded by Gord Sears. The meeting was adjourned at 1:41 PM.