NIGP BOARD MEETING MINUTES

NIGP Board of Directors

Meeting Date/Time: Tuesday, February 7, 2012 @ 11:00 AM Eastern
Meeting Location: Teleconference
Dial In: (866) 664-1069
Passcode: 7368900 #
President: Stephanie Creed CPPO, CPPB
Board Secretary: Rick Grimm CPPO, CPPB

NIGP’s Mission: Develop, support and promote the public procurement profession through premier education and research programs, professional support, and advocacy initiatives that benefit members and constituents.

AGENDA ITEM ACTION TAKEN
1. Call to Order and Attendance
   President Stephanie Creed called the meeting to order at 11:15 AM.

   Board Members
   Stephanie Creed CPPO, CPPB – President
   Bobbi Matthews CPPO CPPB – First Vice President
   Marcheta Gillespie CPPO, CPPB, C.P.M., CPM – Second Vice President
   Don Buffum, CPPO – Third Vice President
   Ken Koester CPPO, C.P.M., A.P.P. – Immediate Past President
   Ed Grant CPPO, CPPB, RPPO – Treasurer (Non-Voting)
   Paul Brennan, CPPO – Region 1
   George Nader CPPO – Region 2
   Barbara Johnson CPPO, CPPB – Region 3
   Kathy Elgin CPPO, CPPB – Region 4
   Sandra Wright CPPB – Region 5
   Keith Glatz CPPO – Region 7
   Lourdes Coss CPPO – Region 8 (partial attendance)
   DeWight Dopslauf CPPO, CPPB, C.P.M. – Region 9
   Keith Ashby CPPO – Region 10
   Jeff Baer CPPO, CPPB, C.P.M. – Region 12
   Gord Sears CPPB – Region 13
   Kirk Buffington, CPPO, C.P.M. – At Large 16

   Staff Members
   Rick Grimm CPPO, CPPB – Board Secretary and CEO
   Tina Borger CPPO – Executive Director, Business Development
   Carol Hodes CAE – Director of Professional Development
   Brent Maas – Director of Marketing
2. Approval of Minutes from the December 13, 2011 Board Teleconference (attached)

Marcheta Gillespie moved adoption of the minutes as presented; seconded by Don Buffum. Motion carried.

3. Executive Reports (attached)

The report was received without comment from the Board.

A. Price Analysis on Expo Booth Fees

4. Executive Actions Related to NIGP Enterprise Program Assessments (attached)

A. Approval to Re-Structure the NIGP Corporate Sponsor Program

Brent Maas provided an overview of the assessment provided by McKinley Associates who specializes in sponsor programs for non-profits. After his presentation, individual Board members offered the following comments:

- Selection of corporations as Sponsors
  - How are sponsors selected? Highest bidder? An RFP that defines the expected value to be attained and the expected contributions to be provided by the sponsor? (It was agreed that the current sponsors would receive the first rights to continue in the program and that the selection would not be based on the corporation willing to pay the highest price. There was consensus that there should not be price differentiation.)
  - Will sponsors be rotated on a regular basis (perhaps every 5 years) in order to give competitors an opportunity to compete for the sponsor position? (It was agreed that current sponsors will be given the first rights of refusal to sign up for the re-structured program; further, that staff will evaluate the selection process for new sponsors as well as term limits and bring back a recommendation to the Board during their Fall 2012 meeting).

- Program Expenses:
  - Can the FTE be dedicated to multiple programs and does it need to be full-time? Can the Institute begin with an outsourced service and then bring it in-house once revenue is sufficient to offset expenses? (It was agreed that a full-time FTE was an appropriate investment in the program and that the position’s primary responsibility was to support the Sponsor program; with 20% of the remaining time dedicated to other enterprise programs that need staff support.)
  - What is the break-even point for the program? (It was determined that a break-even on net income, including indirect expenses, could be achieved with three sponsors; and Brent was very confident that at least three of the existing sponsors will move forward to this new structure based on their overall financial contributions to the Institute.)

- Exclusivity
  - Will sponsors be entitled to some level of exclusivity? Does exclusivity translate into added value? (It was determined that exclusivity drives value and that the program should offer exclusive benefits not available to non-sponsors)

At the conclusion of the discussion, George Nader moved to accept the recommendations submitted by staff in conjunction with the Executive Summary Action effective July 2012; seconded by Don Buffum. Motion carried with one opposed vote.
B. Approval to Close-Out the NIGP Consultancy Program

Action: Staff to recommend a selection process and a policy regarding term limits for the Board’s deliberation by no later than the Fall 2012 meeting.

Rick Grimm provided an overview of the staff recommendation to discontinue the Consultancy Program as of June 30, 2012. He reviewed the financial impact of the decision as it relates to indirect costs (G&A and salary support), direct expenses (program manager’s payment as an independent contractor), and net income/deficit projections.

The Board discussed the following issues related to the program:

- Whether the program could be re-structured under a different business model in order to serve public agencies and demonstrate NIGP’s role as a leading authority (Staff commented that it would appreciate clear direction from the Board on alternatives to consider)
- Whether the program should continue to be funded in FY13 as a revenue-neutral cost center until such time as an alternative strategy is determined
- Whether the Institute can absorb indirect (G&A and salary) costs within the budget
- Whether certain Board members should recuse themselves from the discussion since they are consultants for the program as independent contractors

After considerable discussion, Barb Johnson moved that the Institute’s FY13 budget should reflect a $0 budget for the Consultancy cost center; seconded by Keith Glatz.

Don Buffum offered the following friendly amendment to the motion which was accepted by Barb and Keith:

Due to the poor financial performance over recent periods and the lack of significant anticipated changes in the market in the near future, NIGP will reduce the resources dedicated to the consultancy program until such time as various alternatives can be reviewed and/or there are significant changes in the market place. This will include but is not limited to: deletion of independent contractor to operate the program. It is understood that there may be some costs associated with Staff activity in finalizing existing projects as well as the possibility of future projects which will be considered on a case by case basis by the Executive Committee.

After considerable discussion, the Board took a straw vote to determine support for the staff recommendations on the Consultancy Program as contained in the Executive Summary. The straw vote was six for and eight against the recommendation.

Action: Stephanie Creed determined that she would call another telephonic meeting of the Board in the near future for the purpose of completing this discussion and addressing all remaining issues on the agenda.

No further action was taken on the pending motion; therefore, the motion was carried over to the next Board meeting.
5. Revisions to Sections V, X and Appendix L the Board Policy Manual *(attached)*  
   A. Budget Strategy  
   B. Early, Regular and Late Fees for Events  
   C. Awards Program  
   D. Scholarship Program  

6. Verbal Status on Projects  
   A. Institute/Chapter Relationship Survey (Borger)  
   B. Conflict of Interest Review (Matthews)  
   C. 2012 Board Elections (Grimm)  

7. Other Board Initiatives or Topics  
   None  

8. Adjournment  
   Bobbi Matthews moved for adjournment; seconded by Keith Ashby.  
   The meeting was adjourned at 12:35 PM.