# FALL 2013 BOARD MEETING MINUTES

## BOARD OF DIRECTORS STRATEGY AND STUDY SESSION

**Meeting Date/Time:** Thursday, November 7, 2013 @ 1:00 PM  
Friday, November 8, 2013 @ 9:00 AM

**Meeting Location:** Marriott GasLamp Hotel  
*(Various Meeting Rooms As Noted in the Agenda)*  
San Diego, CA

**Chair:** Marcheta Gillespie CPPO, CPPB, C.P.M., CPM  
**Board Secretary:** Rick Grimm, CPPO, CPPB

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### NIGP’s Mission

Develop, support and promote the public procurement profession

### Roles of the NIGP Board of Directors

Set Direction * Ensure Adequate Resources * Provide Program Oversight

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### AGENDA ITEM          ACTION TAKEN

| THURSDAY, November 7, 2013 @ 1:00 PM - Presidio B |                          |
| STRATEGY SESSION * SET DIRECTION | President Gillespie called the meeting to order at 1:00 pm Eastern. |

#### 1. Call to Order, Introductions, and Opening  
Comments from President Marcheta Gillespie

**Board Members in Attendance:**  
Marcheta Gillespie CPPO, CPPB, C.P.M., CPM – President  
Don Buffum, CPPO - 1st Vice President  
DeWight Dopslauf, CPPO, CPPB, C.P.M. - 2d Vice President  
Keith Glatz, CPPO, FCPM, FCPA - 3d Vice President  
Bobbi Matthews CPPO CPPB – Immediate Past President  
Paul Brennan, CPPO - Treasurer  
Ron Blendermann, CPPO, CPPB - Region 1  
George Nader CPPO – Region 2  
Bill Lindsey, CPPO, C.P.M. – Region 4  
Charles Smith, MBA, CPPO, CPPB - Region 5  
Jack Adger, CPPO, CPPB - Region 6  
Michael E. Bevis, JD, CPPO, CPSM, C.P.M., PMP - Region 8  
Keith Ashby CPPO – Region 10  
D. Michael Clawson, CPPO - Region 11  
Nelson Park, CPPO, CPPB - Region 12  
Lisa Buitenhuis, C.P.P. – Region 13
President Gillespie, reflecting on the issues to be addressed, remarked that the meeting would indeed be historic. With the strategic nature of the agenda, active participation will enable a full-spectrum view.

2. Financial Management Updates (A baseline for discussing strategies)

A. First Quarter FY14 Financials and KPIs (Grimm)

Rick Grimm provided the financial report highlighting the following:

- Compared to FY13, NIGP is ahead at $406k YTD
- Number of classes and students are at 35% of goal
- Online class participation has increased and webinars are well attended
- Agency memberships have increased while individual memberships have declined.
- Enterprise Sponsorship net income at 35% of goal
- Delinquent AR at 1.54%
- ST and LT reserves are stable
- Net assets better than last year 1st qtr.
- Expenses down $61,000

Program developed to concentrate on membership growth appears to be working.

Tina Borger reported on the external audit highlighting the following:

- Change in net assets from Operations of $226,000+
- Draft audit report has been sent to Audit Task Force.

Bobbi Matthews reported that a recommendation will be prepared for the next teleconference.

Services from the firm Tate & Tryon will not be utilized after December 2013. NIGP has hired a part-time Controller who will help with cash reconciliation.

3. 2013-16 Strategic Plan: Technology Update (Borger and DelCor Consultants)

Build a robust technology framework in order to deliver services more effectively.

- Develop a technology plan by fall Board meeting
- Establish an IT reserve fund to be able to proactively fund technology needs by March 2014

A. ESA: Technology Plan, Prioritization, and Initial Funding

Delcor Staff in Attendance:
David Coriale, President
Sarah Manwell
Kylee Coffmann

Tina Borger provided an overview of the technology project, a key initiative of the 2013-2016 Strategic Plan. In fulfilling this initiative staff was charged with selection of an IT partner and establishing an IT reserve.

Delcor provided a high level overview using an IT maturity model for associations and provided recommendations, cost, and timelines:

- CMS implementation:
  - Q1 FY 2016
  - Estimated life is 4-5 years
## Recommendations (DelCor via Webcast)

1. **Alignment of the Project with the Strategic Plan**
2. **Current NIGP Technology Framework vis-à-vis the IT Maturity Model**
3. **Components of a Robust Technology Framework based on Best Practices for Associations: AMS, CMS, LMS**
4. **Recommendations and Priorities that Enable NIGP to Move Forward with a Robust Technology Framework**

### C. Recommendations by Staff

1. Adoption of a plan
2. Funding IT Reserve to fun technology needs

### D. Board Deliberations

### E. Next Steps: Begin implementation in Jan 2014

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### AFTERNOON BREAK

**4. 2013-16 Strategic Plan: Governance Structure Update (Gillespie and the NIGP 2.0 Task Force)**

*Ensure that NIGP is structured to address the dynamic global marketplace by developing the optimal governance model for the Institute as a non-profit professional association.*

Executive Summary and Recommendations from NIGP 2.0 *(attached)*

**A. Alignment of the Project with the Strategic Plan**

**B. Intended Outcomes of the Optimal Governance Model**

**C. 2.0 Blueprint for Developing the Optimal Governance Model**

1. **Why and What?**
   - Purpose and Roles of the Board

2. **Who?**
   - Knowledge, Skills, Abilities
   - Structure
   - Composition Based on Diversity of Skills
   - Eligibility
   - Leadership, Officers, Roles

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- Estimated cost of selection/redesign is $190-280k
  - Website Cost:
    - CMS vendor selection: $20k
    - CMS implementation: $190-240k
    - CMS project management: $20k
  - Annual Maintenance
    - $35-55k outside of staffing funds

- Recommendations for staffing:
  - Web content manager
  - Date base assistant
  - Ongoing help for strategy
  - Community manager: Social media manager

The Board discussed initial and ongoing funding based on the zero-balance budget. It was agreed to decide whether or not to develop a plan to move forward to fulfill the strategic plan, then define the funding aspect.

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President Gillespie provided an overview of the Governance Structure Task Force, now known as NIGP 2.0, with assurances that under the proposed structure there would remain a position for all members of the Board. A straw poll was taken indicating there was a consensus to move forward with detailed review and discussion.

President Gillespie highlighted:

- **Intended Outcomes**
- **Consensus from the Spring 2013 Board meeting**
  - Small group consensus
  - Board agreements and direction
- **Think Tank NIGP 2.0**
- **NIGP 2.0 Blueprint**
  - Board Roles:
    - Setting Direction
    - Ensuring Resources
    - Providing Program Oversight
    - Determining Governance Structure
  - Four Separate Entities:
    - Governing Board (GB)
    - Talent Council (TC)
    - Member Council (MC)
    - Finance Council (FC)

It was agreed to modify the proposed Governing Board:

- Include the Chair of the TC in non-voting capacity
- The CEO does not have a vote
- The Chair must be a practitioner
- The CEO needn't be a practitioner
- Terms:
  - Two 3-year consecutive terms;
  - Chair can serve on GB total of 8 years.
- Proviso to establish succeeding Chair mid-term
### 3. How and When?

- **Board Terms**
- **Interface with Other Bodies**
- **Bylaw and Policy Alignment**
- **Implementation Schedule**

#### D. Proposed Governance Structure

- Structure:
  - 5 practitioners - voting
  - 3 industry leaders - voting
  - CEO, Treasurer, other advisors - non voting
- Add ratifications of resolutions to role of GB; as recommended by the MC
  - Adjudicate Revocation Appeals

It was agreed to modify the proposed Talent Council:

- Structure of 11 members:
  - 9 practitioners
  - 2 former GB members
- Chair is elected by TC members
- There is no Vice-Chair
- Terms:
  - Two 3-year consecutive terms for regular members
  - Two 3-year consecutive terms for former GB members
  - Chair serves one-year term.
- Chair of the TC may not transition to the GB
- Members of the TC may not apply for the GB

#### E. Implementation Assumptions and Schedule

#### F. Impact on Current Board Members

#### G. Board Questions and Discussions

#### H. Next Steps

Elections and regionally based representation need to be addressed, especially with regard to chapters and structure, and regional conferences.

It was agreed to modify the proposed Finance Council:

- Establish succeeding Chair mid-term
- There is no Vice-Chair
- Term is three 2-year consecutive terms
- Chair is elected by FC members
- Chair serves as NIGP Treasurer for a two-year renewable term
- Structure of 11 members

Composition of members needs to be addressed, with specific regard to including GB or former GB members on the FC, practitioners, and industry.

Due to time limitations, the Board decided to continue the Governance Structure discussion during tomorrow's session. For continuity of minutes, the remaining discussion is represented out of sequence below:
With a consensus to move forward on the basic structure, the discussion focused on key components and implementation, highlighting:

Key Components:
- Establish key performance indicators to measure success in 5 years
- Current Board members are not displaced
- Paul Brennan remains as Treasurer through June 2015
- No elections will be held in 2014
- No election of 3rd VP in 2014
- Immediate Past President remains through transition
- Regional representation is disbanded at July 2014
- The term "Council" may need to be changed for existing groups in order to distinguish roles (i.e. Diversity Council)
- Talking points to be developed for Board members as they discuss the governance structure with members

Timeline:
- Nov 2013: Board members send email to President Gillespie and Immediate Past President Matthews indicating where their interest lies and their preference to serve.
- Jan 2014: Structure and eligibility criteria defined; Board determines how current Board members are re-positioned into the new governance structure
- Feb 2014: Board recruits for TC
- May 2014: Board approves bylaws and policy revision to support the policy changes; Board appoints TC and Chair pro-tem; Board adopts FY 15 budget.
- Jul 2014: Regional seats disbanded
- Mar 2015: TC screens candidates for GB, MC and FC
- May 2015: Board appoints remaining vacancies on the GB, FC, and TC and either appoints or calls an election for vacant positions on the MC.

The Board recessed at 5:50pm Pacific.

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**STRATEGY SESSION CONTINUED @ 9:00 AM**  
**Friday, November 8, 2013**  
**Presidio A**

**SET DIRECTION**

The meeting reconvened at 8:53 am Pacific.

5. Strategy Related to NIGP’s Offices (Borger and Cresa)
   - A. ESR: Update on the Project *(attached)*
   - B. Summary of Findings, Recommendations and Implications on Whether to Remain/Renovate at Spring Street or Sell/Relocate *(Cresa)*
   - C. Board Discussion
   - D. Next Steps and Course of Action

Guest in attendance from Cresa:
Lucia Wadeson

Lucia Wadeson provided an overview of planned changes in infrastructure of Herndon, VA, the local real estate market, and current building condition, with recommended options for NIGP.

Highlighted during the discussion:
- NIGP is located at the primary intersection proposed as the new gateway into Herndon, VA.
- The building is aging and $100k has already been invested to correct maintenance issues
- Estimated cost to renovate building to code is $1.3m
- Current value of the building is $1.7m
Anticipated $898k net proceeds if building is sold
Market conditions could make leasing appealing
Collaboration opportunity reduces cost of operations and staff.

Lucia Wadeson provided recommended options:
- Sell the property
- Buy or Lease new property

A straw poll determined the Board favors selling the property over renovating the building.

A straw poll determined the Board is open to buying or leasing, pending review of availability and contract terms. The Board is also open to reestablishing NIGP offices outside of the northern VA area.

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<tr>
<th>6. 2013-16 Strategic Plan: Education Update (Hodes)</th>
<th>Carol Hodes provided an overview of education development, highlighting:</th>
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<tr>
<td>Develop and deliver a world-class education and training curriculum by increasing technology-based educational offerings, partnering strategically and optimizing the mix of traditional and distance learning opportunities based on market needs assessments.</td>
<td>• NIGP has delivered two-fold with 8 new courses focused on emerging trends and procurement strategies.</td>
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<td>A. Deliver four (4) courses focused on emerging trends and procurement strategies by December 31, 2013, as determined through market research</td>
<td>• Delivering on-demand material is more arduous than anticipated</td>
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<td>B. Deliver at least six (6) affordable, short duration, “on demand” learning experiences within 12 months of funding</td>
<td>• Developing electronic flashcards</td>
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<td>• Developing a multi-media format for coursework</td>
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President Gillespie declared the meeting to be closed and in executive session.

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<thead>
<tr>
<th>STRATEGY SESSION CONTINUED SET DIRECTION</th>
<th>NEXT SESSION HELD IN EXECUTIVE SESSION DUE TO THE CONFIDENTIALITY OF THE TOPICS RELATED TO NIGP’s COMMERCIAL OPPORTUNITIES</th>
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<tr>
<td>7. Global Strategies in Partnership With CIPS (Maas)</td>
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<tr>
<td>A. Public Procurement Maturity: A Primer on Moving from Research to Product</td>
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<td>B. Next Steps in Commercial Development of the Public Procurement Maturity Framework</td>
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<td>C. CIPS/NIGP Partnership Review and Outlook</td>
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<td>D. Board Discussions</td>
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<td>8. Initiative to Establish a Global Standard for a Singular Public Procurement Body of Knowledge (confidential briefing to be distributed under separate cover) (Grimm)</td>
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<td>9. Discussion on Continuance of NIGP’s Representation on the U.S. Communities Supervisory Board as a New Governance Structure is Implemented (confidential briefing to be distributed under separate cover) (Grimm)</td>
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<td>10. Verbal Updates on Strategic Partners</td>
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<td>A. NIGP Business Council (Maas)</td>
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<td>B. NIGP Code (Maas)</td>
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<td>C. NIGP Consultancy Program (Maas)</td>
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<td>D. NIGP Observatory (Maas)</td>
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<td>E. PPRC (Hodes)</td>
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<td>G. UPPCC</td>
<td>Brent Mass provided updates, highlighting the following:</td>
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<td>A. The NBC received a great response to the presentation at Forum, “We no bid.” Chad Quinn achieved an unprecedented 100% conversion to the Enterprise Sponsor Program.</td>
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<td>B. NIGP code now has over 1,000 licensees</td>
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<td>C. The consultancy program now managed by Periscope provides a minimum royalty payment of $50k annually and no overhead is budgeted against this revenue.</td>
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<td>D. The Observatory is realizing success especially in higher education. A most recent success is an agreement for $200k with a major film studio.</td>
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<td>E. Carol Hodes provided an update on PPRC activity, highlighting:</td>
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<td>• Hosted luncheon at Forum with academicians</td>
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<td>• Laying the groundwork for academician partnerships</td>
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<td>• Projects include research on fraud, e-procurement, and sustainability</td>
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Mike Bevis provided an update on the UPPCC, highlighting:
- Number of applicants has increased due to change in eligibility requirements
- Press release will be issued November 12, 2013 regarding change in eligibility requirements
- David Gragan will become Chair and, if reappointed as NIGP representative, Mike Bevis will become the Chair-elect effective January 1, 2014.
- The UPPCC is ahead of budget.

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<th>11. Strategic Direction of the National Council for Public Procurement and Contacting (NCPPC)</th>
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<td>A. Current Research Initiative on Development of Position Description Guidelines: Primer and BOD Support</td>
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<td>B. Other Program Initiatives by the Council</td>
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<td>C. NIGP Representation</td>
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DeWight Dopslauf provided an update on the NCPPC, highlighting:
- The Standards Report is complete and will be publicly available soon.
- Two NIGP position papers have been endorsed by the Council.

With no other active initiatives, DeWight Dopslauf queried the Board with regard to maintaining representation on the NCPPC. It was agreed that the NCPPC must show the value of participation for a representative to remain on the Council.

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<th>12. Committee and Board Reports</th>
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<tr>
<td>A. 2013 Demographics Report (Rawn)</td>
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<td>B. Governance Committee Initiatives (verbal report: Buffum)</td>
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<td>C. Report on the Conference Hosted by the National Association of Schools of Public Affairs and Administration (NASPAA) (verbal report: Buffum)</td>
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<td>D. Update on Per Diem Increases for Travelers (Brennan)</td>
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Carrie Rawn provided an overview of member demographics, highlighting greatest changes:
- Increase in Authority membership of 21.9%
- Decrease in Federal membership of 12.5%
- Overall growth of 3%
- Increase in Student membership
- Individual membership has grown 6%
- Women comprise 63% of membership
- Witnessing a shift in education levels of members
- Young professionals have maintained membership levels

Don Buffum reported that the Governance Committee has developed a leadership scoring system based on pre-determined criteria and minimum value scores to determine eligibility for offices.

Don Buffum reported on his panel participation highlighting that the number of public procurement opportunities available in the market today exceeds that of any other administration.

Paul Brennan provided an update on the progress of the Finance and Budget Committee. The final result on proposed per diem increases will be released shortly.

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<th>13. Board Actions</th>
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<td>A. ESA on Adoption of Budget and Fee Structure for the 2014 Forum in Philadelphia, PA (Rawn)</td>
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Carrie Rawn provided an overview of the fee and budget structure as recommended by the Finance & Budget Committee, highlighting:
- Nominal increase in attendance projected
- Meets dictate of the Board to generate revenue
- No registration increase for members
- $100 increase in expo fees
- A penalty in registration for participants outside of living radius not staying at the host hotel
- Include $5 rebate to NIGP within hotel room rate, offsetting cost of exhibit hall

### AFTERNOON BREAK
**Presidio A Foyer**

14. Verbal Updates on Programs
   - A. Revisions to the Board Policy Manual *(Grimm)*
     - Rick Grimm reported that 5 chapters of the Board Policy Manual have been revised and forwarded to the respective committees for review.
   - B. 2014 Awards Program *(Grimm)*
     - Rick Grimm reported on changes to the awards program, highlighting:
       - Removal of voice-over presentations during the Forum ceremony however recognizing achievements in the printed program
       - Revamping nomination process to a two-step process
       - Developing an objective scoring process for Chapter of the Year
       - Increase marketing for COY allowing chapters to receive increased recognition of their achievement
   - C. 2014 Leadership Development Symposium *(Rawn)*
     - Carrie Rawn reported on the LDS highlighting:
       - 19 confirmed members attending
       - 7 chapters have requested financial assistance
     - Carrie Rawn will provide Board members with talking points to use during their conference calls.
   - D. Public Procurement Practices *(Hodes)*
     - Carol Hodes reported on Practices highlighting:
       - 20 Practices are complete
       - Clifton Jackson is presenting Practices to chapters
       - CIPS has hired a counterpart to produce a shared product.
       - Practices is arduous work but moving forward with great acceptance

15. Other Board Initiatives
    - With the anticipated $300k loss in revenue from USC and unknown cost relating to revising the governance structure, the Board discussed whether or not to dedicate the change of $227k from net asset gain to the technology plan as requested by staff. Paul Brennan reminded the Board that the full loss from Forum is not yet known and NIGP operates on a break-even budget and recommended not transferring the entire amount. It was agreed to transfer the $227k to the IT reserve fund with authorization to only spend up to $100k at this time.

16. Adjournment of Strategy and Study Session
    - The Board adjourned the Strategy and Study Session at approximately 5:40 pm Pacific.