

**General Membership
Meeting Minutes**



TEXAS ASSOCIATION OF PUBLIC PURCHASERS

OUR MISSION

To provide the central Texas public purchasing profession with educational and networking opportunities in a professional, effective, and ethical manner while promoting member support, information resources, and professional certification.

Date: Thursday, October 2, 2008

Location: DSHS Building

Scheduled Time		Actual Time	
Start	Stop	Start	Stop
11:30 AM	12:30 PM	11:38 AM	12:25 PM

Convening: The TAPP general membership convened at 11: 38 a.m. on 10/02/08 at the DSHS building and a quorum was present.

President Jo Woten, in her opening remarks, asked if anyone had new professional certifications or re-certifications, or job vacancies to announce.

New certifications: Kay Wagner TxDOT CPPO

Re-certifications: Sandra Radosavljevic TxDOT - CTPM, Marsha Iwers City of Georgetown - CTP.

Job announcements: One purchaser vacancy was announced at TEA

President's Announcements:

Jo Woten mentioned TIBH Expo 10/10/08 and invited members to attend.

TAPP will send an email to members regarding data center tour – possibly to be held in early October. Ask if members were interested in attending; requires valid driver's license to enter the facility. Attendees must be at the transport location 30 minutes prior to tour; 15 people limit, 1st come 1st serve.

If any guests are contemplating membership in TAPP, there are blank applications at the entrance desk. Also, if current members have not picked up their membership certificates, please check the folder with current membership certificates. For new members, please pick up a TAPP mugs and chapter pin at the entrance desk.

The members were provided several handouts such as the agenda for today, last month's minutes, and the treasurer's report.

Officer's Reports:

Vice President's Report: Ernie Lee - Vice President: Ballots being sent out soon for 2009; John Altman agreed to be the election coordinate again this year.

Treasurer's Report: Lou Britt – Treasurer: presented the Treasurer's report for September 2008. Weaver Jackson moved to accept the report, Karen Wood seconded; motion carried.

Secretary's Report: Sandra Radosavljevic – Secretary: presented the general meeting minutes from September 2008. Carol moved to accept the report, Weaver seconded; motion carried.

Committee Reports

Professional Development: Ann Tillman – Chair. We have 17 attendees for Sourcing In the Public Sector seminar, 19 registrants for Contract Administration in October, 3 for Fundamentals of Leadership in November (deadline 10/30); and 6 registrants thus far for Developing RFPs in December. Ann is preparing for the 2009 seminars, 15 different courses will be offered thru TAPP and there are flyers with information on classes at the back of the room.

Membership: Regina Adams - Chair. Absent

Newsletter and Communications: John Dobrich – Editor – announced Lise Brown has done a great job making updates to the website. They will be working together to revise it to a new format and view, with accurate information updated promptly.

Facilities: Mike Long– Chair: reminded members that all meetings for the remainder of the year (except the holiday luncheon) will be held at DSHS. The December winter holiday event will again be at the City of Austin facility on Barton Springs Road. No General Meeting in January.

Programs: Art Huck – Chair: Absent – Jo announced Joe Ross ... In November the speaker will be ...

Old Business: None

New Business: There are many leadership opportunities available with TAPP. We especially need a Secretary for 2009, as Sandra is running for another position.

Program: Our speaker today was Janice Mullinex of TxDOT speaking on new challenges in contracting. She mentioned changes by the Legislature that affect contracts and emphasized the need for professional negotiations to decrease costs and increase income to Texas.

Discussed difference between traditional goods and services purchases (including those done through RFPs) compared to the establishment of income producing contracts. TxDOT determined that traditional procurement tools would not work well for accomplishing several goals set by the Legislature.

Joint ventures carry risk of liability if the operator does something wrong. TxDOT states in these specialized contracts that it is established with the other entity being an independent contractor, and specifically states it is not a joint venture.

Described the franchise model begun by Col. Sanders, and explained this is the concept used for TxDOT's Logo Sign contract. The business will pay TxDOT for the logo program (advertisement of businesses on road signs) and performing all operating functions. The logo sign contract included a guaranteed 10 million dollar minimum payment to the state. Payment increases as the vendor's income increases.

There are special risks related to franchising (if the contracts had required an up-front fee and on-going payments) the state could be subject to numerous unacceptable franchise laws.

On specialty license plates, there is a two-prong approach with a more traditional contract for the overall program and a second for day to day operations. The plate contract included a guaranteed \$40 million to the state over 5 years. Payment increases as their income increases.

Government regulatory approach is at odds with the commercial nature of enterprises. The specialized income producing models have required much more flexibility by TxDOT, to allow the businesses to do thing without micro-management and strict oversight.

Lessons – new government purchasing requirements will demand flexibility in crafting contracts to custom fit needs and increase revenue. The Legislature can be expected to force more changes more frequently.

Requests for Proposal format needs to be structured to encourage innovation by proposers, and avoid trying to predict the outcome.

With specialized, income producing contracts the agency needs to establish optimal, not maximum, oversight of operation to ensure the company serves valid government interests. Use the profit motive to drive contracts rather than counting on oversight and close monitoring to ensure success. The contractor will be profit-driven to provide quality deliverables and a fair price to avoid alienating customers and losing profit.

At the conclusion, the speaker was presented a plaque (Certificate of Appreciation) and TAPP coffee mug. A door prize drawing immediately followed.

Adjournment: Mike Pope moved to adjourn, Fran Robin seconded; motion carried and the meeting adjourned at 12:25 p.m.

Other: The next general membership meeting will be at 11:30 a.m. October 2, 2008.