

NIGP- Utah Chapter

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NIGP- Utah Chapter Officers:

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Chapter President's Message

Seasons Greetings,

This year has been one of many changes in the Utah public purchasing environment which mirrors situations nationally. Some of our colleagues are now living the dream as retired purchasing agents, some have changed jobs and some offices have seen unfortunate job reductions. Budgetary concerns affect most if not all of our organizations. Thankfully, most of our members are in place to provide valuable service to their organizations as well as their constituents.



Glendon Mitchell- President

As we look forward to a new year, I ask that you consider reaching out to at least 1 person in our profession who can benefit from not only the professional development provided by NIGP but the association with other public purchasing professionals. We all benefit collectively as our individual image, skills, reputation, productivity and credibility improves within our organizations. Our office has greatly benefited from contacts with many of you for ideas, problem solving, specification sharing or advice given on challenging procurements. Thank you for sharing with me and other members of our staff.

Thank you to those who volunteer to serve our local association. These are busy people, like you, who have chosen to make extra efforts and sacrifices to help each of us improve. I recognize and value their contributions and we are fortunate to benefit from their service. I hope you will take opportunities to thank and recognize the officers, board members and committee's as you associate with them.

As the year is drawing to a close, I hope this message finds you and your family healthy and happy. It is often easy to take both of those important matters for granted. Likewise, the importance and associations with great people and friends such as you continue to increase in importance to me. I appreciate you and your friendship.

Happy Holidays,
Glendon Mitchell, President
NIGP Utah Chapter



Utah Chapter News

CONGRATULATIONS to LaDonna Haslem of UDOT for receiving her CPPB certification!

THANK YOU to Paul Worthen of Granite SD for serving as our new Honors & Awards committee chairperson!

LOCATION for all chapter meetings will be at the SL County Building, room S1007 (2100 S. State), unless otherwise posted. PUBLIC PARKING is available in the parking structure if outside lots are full.

VOLUNTEER to serve on a chapter committee! If you are interested, please contact the committee chairperson listed below:

Committee Chairpersons

Honors & Awards: Paul Worthen (Granite SD) paul.worthen@granite.k12.ut.us

Financial: *Currently Looking for a Volunteer!*

Historian: Mindi Bos (Sandy City) mbos@sandy.utah.gov; 801-568-7148

Membership: Stephen Elms (Draper City) steve.elms@draper.ut.us;
801-576-6514

Marketing/Public Relations: Greg Maynard (SLCSD)
greg.maynard@slc.k12.ut.us; 801-578-8264

Education: Traci Montano (UDOT), tmontano@utah.gov; 801-964-4534

Nominating: *Currently Looking for a Volunteer!*

"If you want others to be happy, practice compassion. If you want to be happy, practice compassion."

-The Dalai Lama

Upcoming Meeting Dates

January 19, 2010:

Protests:

Avoidance: Jim Parker, UofU

Resolution: Brian Hemsley, SL City Corp.

Case Studies- Lessons Learned: Doug Richins, WSCA

March 16, 2010:

Topic and Speakers TBA

Classroom Corner

(First of a three part article- Excerpts From "Time for an Ethics Reality Check/ Is Anyone Watching? (And Other Ethical Questions)" by Rob Rickard. Reprinted, with permission, from GoPro magazine, October/November 2009 issue. Copyright 2009 by Penton Media, New York, NY.)

Don't be fooled by nine common misconceptions about ethics. For this publication, the first three misconceptions are listed; look for the remaining six in the next two editions.

You give the cashier at the grocery store a \$10 bill, and you get back change for a \$20 bill. What do you do? Your response has nothing to do with your professional ethics. Or does it? As public purchasing professionals, ethical thinking and practice influence our lives at both personal and professional levels. But because "ethics" or "ethical thinking and practice" are so entwined into who we are and what we do, it is often difficult to separate the personal from the professional. In fact, mastering personal ethics enables professional ethics to become much more natural. Therefore, we need to focus on who we are and how we think and act.

All around us are stories relating to ethical behavior, and sometimes the outcomes are not favorable. Standards are defined to establish and direct ethical behavior in many areas of our lives. Speed limits, stop signs, yield signs and licensing are all designed to direct safe, ethical driving; there are con-

sequences if you cross those lines. Doctors subscribe to a very strict ethical code including the Hypocratic oath. Auditors and accountants have a code of ethics. Corporate "misbehaving" led Congress to pass the Sarbanes-Oxley Act to require acceptable, ethical corporate behavior. Everywhere you look is evidence of attempts to establish ethical levels.

Ethical expectations also pervade every area of our professional lives. The National Institute of Governmental Purchasing (NIGP), the Institute of Supply Management and other state and local entities provide a strict code of ethics. For public purchasers, state or municipal codes grant us specific direction and authority to conduct the responsibilities of our positions ethically, fairly and impartially. These statutes, codes and rules provide clearly defined direction on ethical behavior. However, it is in the "gray areas," where clarity may be lacking, that we are challenged to make correct ethical decisions. The gray edges of ethical conduct are often misunderstood, and this article will highlight some common misconceptions - and hopefully help to highlight the ethical path.

Misconception Number 1. "I can't make a difference."

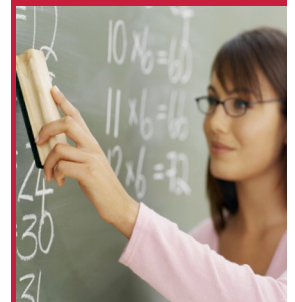
If you think you cannot make a difference, you may be right. However, by refusing to accept that premise and insisting on high ethical practices, you can realize a positive, ethically sound outcome. The United States Army in its most recent advertising campaign, calls itself "An Army of One,"

recognizing that each soldier can make a difference. Here's an example of how one person can make a difference: A purchasing professional from the local area served on the Advisory Committee for the Business Management Program of one of our local colleges, with the responsibility to evaluate the program curriculum. Discovering that students were graduating from the program without any ethics training, the purchasing professional recommended that an ethics class become a requirement for graduation. He gathered data and shared it with other committee members and the chair of the program, and the ethics class became a requirement. This same purchasing professional was working with a set of agency purchasing rules that were silent on the subject of ethics. To ensure that the agency followed ethical purchasing practices, he was instrumental in seeing that new administrative rules were written, reviewed in public hearings, and implemented into the agency's purchasing practices. One individual can indeed make a difference.

Misconception Number 2. "No one is watching."

"Our character is what we do when we think no one is looking," says author H. Jackson Brown, Jr. There was an accounting clerk for a small city in the Northwest who apparently figured that no one was watching her and failed her character test. This 18-year employee of the city worked in the finance department with five other employees, and her responsibilities included canceling city-owned credit cards for former employees. Because of staff

"Our character is what we do when we think no one is looking"
- H. Jackson Brown, Jr.



(cont)

Classroom Corner (cont.)

cutbacks, a review of credit card cancellations by another person had been eliminated. Police investigators later found at least four cards that were not canceled, but were retained and used by the clerk. This activity was discovered after a bank employee questioned the use of the city's credit card to pay a utility bill on a private residence. Independent auditors revealed misuse of the credit cards totaled \$108,000. Result: three years, two months in jail. But that's not the end of the story. The recently promoted finance director of the same city was discovered writing checks to a bogus company. She was cashing the checks and depositing them into her own account. The additional step of her work being reviewed by the city manager had been eliminated. Independent auditors, brought in to clean up after the finance director resigned, discovered a trail of bogus checks totaling more than \$1.4 million and resulting in a long jail term. City officials have implemented procedures to require two levels of review by different staff members. Someone should always be watching.

Misconception Number 3. "If I didn't know it was wrong, it must be OK."

Often in our day-to-day work activities, we encounter others who unknowingly take actions to violate the rules we operate within. Our internal customers usually rely on the central purchasing staff to keep

them within the ethically acceptable boundaries or explain what those boundaries are. When customers are unaware of or attempt to elude the central purchasing authority, problems can occur. Here is an example: A large centralized purchasing agency had delegated certain informal purchasing levels to their offices scattered throughout the city and state. The agency also had established several agency-wide mandatory use contracts for commonly used products and services. A new employee wanting to make her mark on the agency negotiated a services contract with a provider near her office. Proud of her accomplishment, she sent an agency-wide email extolling the value of the newly established contract. When the purchasing manager saw the email, the new employee was advised to cancel the negotiated contract immediately because it violated the terms of an existing mandated contract. It also had terms unfavorable to the agency. It took considerable discussion between the new employee and the purchasing manager, and several references to the purchasing code, to make the new employee understand the risk to the agency and her personal risk for potentially violating the purchasing code. When the supplier of the new contract realized that the person who had negotiated the contract did not have authority for such action, they reluctantly canceled the contract. Ignorance is not an excuse.

As these examples show, it matters a lot how we analyze and respond to day-to-day occurrences, both big and

small, in our lives. Ethical decision-making and ethical behavior are critical, both personally and professionally. When we use ethical decision-making practices in our personal lives, the carryover of those practices into our professional lives is easier and more effective. The principles for a strong ethical foundation are not complex:

-- believe that you can make a difference and that it does matter;

-- model ethical practices to tell everyone you are ethical and to create a pattern for them to follow;-- don't get caught up in the cloudy thinking that others are doing it, or that it will only be this one time

-- remember that the end never justifies the means if it includes any form of ethical compromise.

In public purchasing, our lives and actions are in a fishbowl. Everything we do is transparent. Our actions are evaluated after the fact so that the outcome is already known. We need to ensure that all our decision-making processes are of the highest ethical standards. We not only need to know our rules, but we need to follow them. If they do not achieve the highest ethical outcomes, we need to change them. We need to use "best practices" in the industry such as multiple levels of review when financial decisions are made. As purchasing professionals, we must make a difference. We can model the ethical standards for others to follow. Mark Twain said: "Always do the right thing. This will gratify some people and astonish the rest!" Let's go out and astonish some people!

Special Notes/Announcements

Happy Holidays!!!

See you at our next NIGP Utah Chapter Meeting on
January 19, 2010.



Special Notes / Announcements (cont).

Change in Accounting Period for the NIGP- Utah Chapter

Our current chapter fiscal accounting period has been from September to August. The Board and the membership have approved moving our fiscal period to January to December, in order to better align the chapter with NIGP National reporting periods.

Your 2008-2009 dues will carry you through the remainder of the 2009 year, with the following exception: The chapter will no longer subsidize your attendance to the November EdPAC meeting for this and subsequent years.

Invoices for 2010 membership fees will be mailed the end of November for payment by the end of December.

We look forward to serving you in 2010. Any questions regarding invoicing and fees may be directed to Gayle Gayler, Treasurer for NIGP- Utah Chapter.

What's Your Problem?

As many of you may recall in our May meeting we held a discussion session where we discussed problems being faced by some of our organizations lead by Glendon Mitchell. We had many positive responses to this session and so we are implementing this discussion opportunity as a standing event in our membership meetings. This session will be known as "What's Your Problem?".

I will be leading this discussion session and would like to have input from our membership regarding what issues you are currently struggling with. Please email me (jbgardner@graniteschools.org) any issues you would recommend by September 18th.

Note: if I do not here from you, then I will simply use this as my own personal problem session. Trust me, you do not want to see this.

Jared Gardner
Board of Directors

UDOT & Salt Lake County Receive 2009 Achievement of Excellence Award.

Congratulations to both UDOT and Salt Lake County for receiving the 2009 Achievement of Excellence in Procurement award. UDOT was featured in the last newsletter, and we want to also congratulate Salt Lake County on receiving the award as well. Thanks for the example of procurement excellence you show to all of us!

For newsletter submissions or comments, please contact Tonya Hodges, Newsletter Editor:

Phone:: 801-578-8261 ; Email: tonya.hodges@slc.k12.ut.us

Special Notes / Announcements (cont).

Upcoming NIGP Webinars

(\$75 for Members/\$105 for Non-Members. Register at www.nigp.org)

- Thursday, Jan. 21, 2010: *Finding, Understanding, and Using Price Indexes*
- Wednesday, Jan. 27, 2010: *Responsible Green Purchasing: Top Ten Tricks of the Trade*
- Wednesday, Feb. 3, 2010: *CPPO Virtual Prep; CPPB Virtual Prep*
- Thursday, Feb. 11, 2010: *Another Role Model? The Public Purchaser as Peacemaker*

"It is the province of knowledge to speak and it is the privilege of wisdom to listen."

-Oliver Wendell
Homes

Speaker Biographies (Selected)

Jim Parker- University of Utah

James T. Parker, CPSM, C.P.M. is Director of Purchasing with the University of Utah. He has over 30 years experience in both the public and private sectors in purchasing management. He is a member of The National Association of Educational Buyers (NAEB), the Utah Procurement Advisory Council, and the C.P.M./CPSM Item Writing Committee. He is the author of "Understanding E-Commerce", and a contributing editor on e-commerce for the current edition of "The Purchasing Manager's Handbook", published by ISM.

He is an active member of ISM and has held several positions with the organization including president of the Utah affiliate. He has extensive experience in consulting, including the 2002 Winter Olympics. He has a bachelor's degree in Business Administration from the University of Alabama and a master's degree in Operations Management from the University of Arkansas.

Douglas G. Richins- WSCA

Douglas G. Richins, C.P.M, following 23 years as the Director of the Utah Division of Purchasing & General Services and the state's chief procurement officer, Richins is now leading the Western States Contracting Alliance (WSCA). WSCA is an alliance of 15 Western states focusing on cooperative contracting for state and local governments.

A Certified Purchasing Manager, Richins is the past president of the National Association of Purchasing Management- Utah, and the past president of NASPO- the National Association of State Procurement Officials. He has been honored by both of these associations with their highest "Distinguished Service Awards".

Richins, a Kaysville resident, received his college education at Weber State University. Before being appointed as the state's chief procurement officer, he spent seven years as the purchasing director at Davis School District.