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From the Editor
Posted By NAEP, Monday, December 12, 2016

It's December 2016, the year is about over, and maybe it's an appropriate time to glance back and think about what has changed - if next month we are to make resolutions addressing 2017's challenges. In U.S. politics, perhaps the most important competitive event of the year, dramatic change seems to be on the horizon. Only time will tell if whatever passes for change will result in a net upgrade in the lives of Americans, or even the rest of the planet's population. Domestically, perhaps, but globally, that's a bit much to ask, even if we had a way to measure progress there. Some are convinced that carbon in the atmosphere is the most pressing problem we all share; but I suspect for many the existential basics of food, shelter and physical safety remain at the top of their daily to-do lists.

Carefully crafted, lofty, international resolutions in Paris seemed promising, but recently I read that China is taking steps to sharply expand coal production and consumption. Resolutions to reduce carbon emissions are comforting, but burning more coal to produce power isn't likely to be helpful. Apparently, the Saudi government has been looking down the road to the time when the use of carbon-emitting oil and gas will be in decline and have been considering how producing petrochemicals from crude might drive their economy. Maybe they see real change in the offing, well beyond the horizon, and that's a positive note. However, I wonder what a shift in petrochemical production and the inevitable discarding of the products produced will net in terms of relative carbon production. That's what our posting is about this month.

Global politics, combined with economics, seems to be a gloomy topic. But there is a brighter side to year-end goings on. Christmas is coming! For Christians and for many who have no affiliation with that persuasion, the end of the year is a happy time—for good reasons they understand best. My ever-expanding extended family will gather at homes across the country to enjoy each other's company. That's about the best way I can imagine to celebrate just about anything.

— Neil Markee, Editor in Chief Purchasing Link

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Oil Gas and Petrochemicals
Posted By NAEP, Monday, December 12, 2016

By: Neil Markee
Editor in Chief-Purchasing Link

My 1975 Random House College Dictionary suggests “ambivalence” can be defined as, “uncertainty or fluctuation especially when caused by inability to make a choice or by a simultaneous desire to say or do two opposite things.” Should U.S. national policy actively encourage the development of oil and gas natural resources domestically and internationally (Canada, for example)? Should we drill-drill-drill off the east and west coast, in Alaska, North Dakota and Texas and wherever these resources may be found, as we have in the Gulf and elsewhere? Should we encourage pipeline construction to hopefully streamline distribution and reduce costs?

Some say cheap and plentiful gas would speed the shift away from using coal to generate power and see that as a worthwhile and reasonable mid-term goal. Others agree...
shifting to gas may be a convenient and maybe sufficient short-term bridge to a cleaner future now, but point out both oil and gas are carbon emitting fuels and not the clean sources of energy, where we should be invested long-term. The duration of short-term has not been established. Some argue that focusing on cheap gas and oil will divert resources from the innovative clean sources of energy we must have eventually. Others point out that, in any case, currently we don’t have a clean energy source with the capacity to replace coal, oil and gas and none has yet been recognized on the horizon. The back and forth discussion between realists and dreamers or pessimists and visionaries continues, but few have considered what lies beyond that happy day when we have viable, affordable, truly clean sources of power, whatever they might be. But oil and gas are not just fuels.

Among the few who are publicly thinking beyond the future of oil and gas as fuels are the sultans of oil in the Middle East, the Saudis. Change has long been a constant in the oil and gas production industry. They have seen the dilution of their once all but absolute dominance of the industry by other large-scale sources of oil and gas from shale formations. There have been major changes in power production as well. After decades of dependence on coal, my local power plant went from coal to oil to gas rapidly, in the few years I was at college. Nuclear power must once have been seen as a serious threat to the Middle East’s major source of wealth but that receded as we wrestled with what to do with the radioactive waste. However, nuclear may be a major part of the solution in the future.

Natural gas frequently burned off in the day as a waste product; now it is seen as a potential dominant source. Current thinking threatens the value of crude oil, the product the Saudi government sells to support its economy. One obvious solution is to sell another or other products, but what? Maybe the next big shift in the use of oil and gas for the Saudi economy will be to petrochemicals. An in-depth article titled “Aramco’s Grand Plan To Move Beyond Oil,” in the November 21, 2016 issue of The Wall Street Journal, offered an answer. Like many developing countries, the Saudi government apparently would prefer to sell manufactured products rather than raw materials—in this case, petrochemicals rather than crude oil. If and when we cease to see crude oil and natural gas primarily as fuels, they hope to have already shifted to providing needed, commercially viable products produced from crude. As such, they are following the path of other countries that have shifted to selling steel rather than iron ore, or aluminum rather than bauxite, for example. Plastics of many kinds come to mind and there are a host of other products in common use that are produced from crude by the likes of Exxon-Mobil, Royal Dutch Shell PLC and others. The change is designed to provide jobs and increase the net income for the countries involved.

According to the WSJ article by Russell Gold, Bill Spindale and Summer Said, to implement their plan the Saudi government and the Saudi Arabian Oil Company have begun a corporate transformation. “Aramco, as it is commonly known, until recently focused on pumping great quantities of oil and, like the standard oil companies of John D. Rockefeller, processing it through its refineries. Aramco now aims to vastly expand its petrochemical operations, turning itself into a modern integrated energy company along the lines of Exxon Mobile Corp.” But it plans to continue as a major supplier of crude and refined products. Even at relatively depressed prices that might drive other suppliers out of the market, Saudi crude at a production cost of, “perhaps $6 a barrel compared with an average of $10 in Texas’s Permian Basin” would remain an attractive proposition. Perhaps ultimately crude is worth more as feed stock than it is as fuel.

Aramco already has a facility in Holland known as its Arlanxeo plant that makes an
assortment of products from synthetic rubber derived from crude. Another plant is under construction ($20 billion) in Saudi Arabia known as the Sandara petrochemical complex. A joint venture with Dow Chemical Co., the plant will produce butadiene, a commonly used chemical worldwide. In addition, Aramco has a joint venture with Lanexx AG, a German company. Apparently, the plan drawn up with the assistance of McKinsey and Co. is for the money earned by its petrochemical enterprises and continued pumping of its crude resources will be used to shift the country away from its dependence on petroleum as a fuel in the belief that the "demand for petrochemicals is likely to remain strong." By diversifying now in this area and presumably others, the Saudis are preparing for the time when the demand for oil as a fuel may decline, or maybe for the time when its currently huge current supply tapers off.

Obviously, seriously planning bodes well for the Saudi economy long-term. If they have had all of their eggs in one basket for too long, it seems they have seen the light. The same need for a new direction might apply to Norway and other countries heavily dependent on oil. However, I suspect, like Norway, they have prudently buffered their dependence short-term with a huge national portfolio invested in major corporations and government bonds, etc., world-wide. Is this planned change in direction good news or bad news globally, or just an interesting development but not a solution to the carbon emissions issue for the rest of us? What might be the short, mid and long impact of a shift to petrochemical production on carbon in the atmosphere?

I don’t know how much carbon the petrochemical industry emits. What are the life cycle carbon contributions of the plastics and other products produced from crude? Are there ways to render these products finally biodegradable when they become waste? Certainly in transition, the oil pumped and refined and burned to provide power will continue to be a major contributor to atmospheric carbon until and unless we find ways to eliminate or capture the carbon. How long that transition might last and what and when technological breakthroughs might occur along the way is anybody's guess. Saudi funded breakthroughs would benefit both the planet and the Saudis. I wonder if investment there is part of the plan. How about the crude we produce and our petrochemical industry? If nothing less, understanding the industry can help us make sense of campus protests and contribute to finding solutions. The November 21, 2016 article in the Wall Street Journal is a valuable educational contribution. You might want to take a look. What's happening on your campus?

From the President
Posted By NAEP, Monday, December 12, 2016

Kelly Kozisek - NAEP President
Chief Procurement Officer
Oregon State University

It seems like every December I’m in awe of how quickly the year has passed and this month is no exception. It’s been a very productive year for our department and it’s important to extend gratitude to our deserving staff, co-workers and clients, letting them know that their contributions are appreciated. Whether it’s a token of appreciation or genuine words of thoughtfulness, we need to take the time to recognize these wonderful individuals and all
that they have accomplished.

It's also a time to look forward to the year ahead. Consider how your department is going to achieve the goals in your departmental strategic plan. Think about changes ahead and how you can use them as opportunities to make improvements. As you look forward there are also many NAEP activities to consider:

Membership renewals are due. Members of record should be sure to renew their organization's NAEP membership before the end of the year. We're pleased to share the news that membership rates have not increased!

Nominations for the 2017 NAEP National Awards are officially open. Consider nominating outstanding members for the variety of awards offered by NAEP. Nominations are due by February 3.

Registration for the 2017 Annual Meeting in Reno, Nevada is open. We have a schedule of sessions that focus on:

- Analytics
- Best Practices
- Contract Management
- Leadership & Strategic Planning
- Supply Chain Management
- Talent Management
- Technology

Early bird rates are in effect until February 3.

I hope that you are able to take some time to spend with your loved ones this holiday season. I wish you all a very happy New Year!

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**Annual Meeting Early Bird Registration Ends February 3**

Posted By NAEP, Monday, December 12, 2016

Registration for the NAEP 2017 Annual Meeting is now open. Early Bird Registration is only $750—that's a savings of $100 off the standard Member registration fee. February 3 is the final day for Early Bird Registration. Register today. Procrastinating could mean missing the deadline by just one day.

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**Annual Meeting Hotel Reservations**
Peppermill Resort Spa Casino
90 West Grove Street
Reno, Nevada 89509

There are several styles of rooms to choose from but reserve soon as some room styles will sell out very quickly.

Click here to reserve your room online.

For full details, please visit the NAEP 2017 Annual Meeting Website

Annual Meeting Program Content

The theme of our 2017 conference is: "Great Ideas. Great Expectations. Great Rewards."

Our full educational session schedule will be published shortly but you can see a brief day-at-a-glance on our website now and start making your session choices. The seven meeting Tracks are:

1. Analytics
2. Best Practices
3. Contract Management
4. Leadership & Strategic Planning
5. Supply Chain Management
6. Talent Management
7. Technology

Pre-Opening Events
Pre-Opening Event: New Attendee Orientation

New Attendee Orientation is on Sunday, March 26, 4:45 to 6:00 p.m. If you are a first-time attendee, or just returning after a long absence, you will benefit from the information and networking opportunities provided by this orientation. No registration is required. Just show up in time to check in at the Registration Desk to pick up your conference materials, then head over to the very first event on the 2017 Annual Meeting agenda.

Pre-Opening Event: Host Committee Event

On Sunday, March 26, 6:30 to 9:30 p.m., come on down to The Edge, Peppermill Resort’s ultra-lounge. Relax after your day of travel, as you meet up with new and old friends in the hotel’s beautiful club, The Edge. Enjoy dining, cocktails, and dancing, with DJs who spin an eclectic mix of music on vinyl.

Keynote: Vernice Armour, America's First African-American Female Combat Pilot

Posted By NAEP, Monday, December 12, 2016

Known in her profession simply as FlyGirl, Vernice Armour went from being a beat cop on the streets of Nashville to combat pilot in the U.S. Marine Corps—with the added distinction of being America's first African-American combat pilot. Within months of earning her wings, she was flying over the deserts of Iraq, supporting our ground troops. Upon returning home, she realized that many other people would want to create major breakthroughs in their own lives; they just didn’t know how. Her passion has become helping organizations and individuals create those results.

From her experiences, she created a 7-step process called the Zero to Breakthrough™ Success Plan. She now travels extensively sharing this message through her keynotes, coaching and seminars. From the moment she leaps into the audience, she shows attendees how to create a personal flight plan utilizing her own candid strategies to win on the battlefield of business and life. Vernice’s achievements include being the first African-American woman on the Nashville Police Department’s Motorcycle Squad, Camp Pendleton’s 2001 Female Athlete of the Year, two-time titelholder in Camp Pendleton’s annual Strongest Warrior Competition, and a running back for the San Diego Sunfire women’s professional football team. Her signature book, Zero to Breakthrough™, was published in 2011.
Scholarship Fund Raffle: Ship Your Donated Items to Us Free

Each year, we ask our Members to donate items to be raffled off at our Annual Meeting Scholarship Fundraiser. Typical donations include sports memorabilia, FitBits, iPods, gift cards, and other fun items, perhaps from your campus bookstore. Money raised goes to the NAEP Scholarship Fund, which offers a number of cash scholarships to assist Members in attending professional development events.

**Ship Donations at NAEP’s Expense:**
The NAEP Scholarship Committee will incur the cost of shipping your donated items to the NAEP National Office in Columbia, Maryland. Simply contact the National Office at (443) 543-5540 and they will be happy to assist you.

Please plan to ship your donations by **February 15, 2017** - but the earlier, the better!

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2017 National Awards Nomination Deadline: February 3rd

Nominations for the NAEP National Awards are officially open and will close on February 3, 2017. Please take a moment now to look at the award descriptions on our website and decide who among your colleagues might be deserving of some special recognition. Self-nomination is also welcomed.

The awards will be in recognition of achievements and work done during the year 2016.

Winners will be announced and honored during the 2017 Annual Meeting in Reno, Nevada, March 26-29.

**Nominations are open for the following awards:**
- Award of Excellence in Procurement
- Bert C. Ahrens Achievement Award
- Bob Ashby Mentor of the Year
Sons & Daughters Scholarship Application Deadline: January 15

Posted By NAEP, Monday, December 12, 2016

Our Sons & Daughters Scholarship supports and encourages dependents of NAEP Members to continue their higher education. The scholarship amount is $1,000 and is for a one-year term. Past recipients may reapply. Award winners will be announced at the 2017 NAEP Annual Meeting, March 26-29 in Reno, Nevada. If your son or daughter is seeking full-time, post-secondary education, act now to take advantage of this unique opportunity.

- Applications are due January 15, 2017.

Download Application

If you have applied for this scholarship, you will be notified of the award decision early February 2017.

Nancy Tregoe Scholarship Application Deadline: January 15

Posted By NAEP, Monday, December 12, 2016

The Nancy Tregoe Scholarship provides professional development opportunities for a current Member who has made significant contributions to both NAEP and E&I. Nancy Tregoe served as the Director of Purchasing and Administrative Services for Lafayette College for more than 25 years. She was a President of the National Association of Educational Buyers and a long-time member of the E&I Board of Directors. Nancy was considered by her colleagues in both organizations to be a special friend, a devoted colleague and a tireless advocate for small-school issues. The Nancy Tregoe Scholarship was created to honor her legacy and to encourage others to become active in NAEP.

Award Criteria:

- The Applicant shall demonstrate a commitment to NAEP and E&I and an interest in professional growth and development.

Applications are due January 15, 2017.
Mark Your Calendar—February 7, 2017: Voting Opens for NAE Board of Directors

Posted By NAEP, Monday, December 12, 2016

because purchasing link is not published in January due to late-year holidays, we are sending this heads-up early: enter a reminder on your calendar for February 7, 2017. That’s the date voting opens for the NAEP Board of Directors. Voting is the easiest way to be an active NAEP member and to make your voice heard.

Check our website in February for candidate bios and voting instructions.

How to Be a Winner: Renew Your NAEP Membership by January 31

Posted By NAEP, Monday, December 12, 2016

Keep your procurement department on the winning track to success. Now is the time to renew your commitment to the most valuable higher education professional association.

- Join or renew your membership

RFP’s: You Have em’, We Need ‘em!

Posted By Mark Polakow, Monday, December 12, 2016

One of the greatest features of NAEP membership is full access to its exclusive RFP library. NAEP maintains and
indexes hundreds of RFP’s for its members which are all keyword searchable from the site-search at the top of the NAEP website. Most of the content is gathered from the eponymous RFP submission contest run by the volunteer RFP subcommittee of the Professional Development committee. Keeping content fresh and relevant is paramount to members and an ongoing process, so we ask you to contribute to the community by sharing an RFP anytime you create a new one. Even if you are responding to a request in the National Forum, please also submit the RFP for formal inclusion to the library, where it will be properly indexed and searchable by the rest of the membership.

Sharing is easy. From the NAEP website, visit the RFP Library (Under the ‘Resources’ tab, must log in first) and click the ‘Submit an RFP for Review’ link to share your document with your fellow procurement professionals. Be sure to include your name and school so you get credit for it!

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Quote of the Month

Posted By NAEP, Monday, December 12, 2016

“A superior who works on his own development sets an almost irresistible example.”

— Peter Drucker

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