

# Houston Buyline



NAPM - Houston, Inc. Monthly Publication

November 2005

## UPCOMING EVENTS

### NOVEMBER

8<sup>th</sup> Dinner Meeting

15<sup>th</sup> & 16<sup>th</sup> Improving Negotiating Skills

University Of Houston Clear Lake  
Center for Advanced Mgmt Programs

Check out the details for all events

[www.napmhou.org](http://www.napmhou.org)

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## November 8, 2005 General Meeting

### ***“The Journey To Professionalism”***

We all strive to better our personal and professional lives on a daily bases but few of us have identified and/or developed the “journey” that we must take to accomplish those objectives. As Supply Managers we are fortunate to have an international organization that was founded for the purpose of assisting us in that journey. ISM has the programs, the tools, and the staff with the right skills to help us along the way but that is not enough! Now comes the selection process of just what each of our personal journeys will consist of, what road do we take, and how long will it be before we reach our objectives.

This month you will hear from a Purchasing Manager with 40+ years of experience who will show you “how to plan your journey, how to determine where you are in the journey, what tools are available for you to use to accomplish your goals, and the ROI that is there for those who make the investment in time and effort. It is your opportunity to either start your journey, correct your approach if you have already started, or discover new ways to make a difference by “adding value” to your personal and professional life.



**William “Frank” Quiett, C.P.M., A.P.P.** Author, Motivational Speaker, and Supply Management Instructor with thirty years of experience in Procurement and Materials Management. Hands on experience in both the private and public arena serving in every capacity in the Acquisition process from Expeditor to Director of Procurement. Professional attributes are a “high level of enthusiasm” coupled with a “total ownership” Approach to each project or task.

### **PRE MEETING**

November’s Pre-Meeting is to be held at 5:00 p.m. and will be presented by Frank Quiett entitled “Strategic Sourcing for Profit.” We’ll get a look into the strategies and methodologies of how strategic sourcing can add value to your supply chain while having a positive impact on the bottom line. This meeting is worth 1 CEH.

**Location:** Sheraton Houston Brookhollow Hotel  
3000 North Loop West (I45 to 610 to T.C. Jester Exit-Hotel on Right)  
**Cost:** \$27 (Reservations Required by Thursday 11/3/05, 5pm)  
**When:** 5:30 pm – Pre-Meeting  
6:00 pm - Dinner  
7:00 pm – Program  
8:15 pm - Adjourn

Please RVSP for dinner meeting by Thursday, November 3<sup>rd</sup> at 5pm at [napmhou@earthlink.net](mailto:napmhou@earthlink.net)

## EXECUTIVE BOARD

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# PRESIDENT'S



# MESSAGE

Our focus this year has been on providing our members value of local affiliate membership here in Houston. That value comes from providing development opportunities through training programs, seminars, workshops and speakers and a forum for networking within our profession. Last month our dinner speaker, Jan Miller, VP of ISM Affiliate Support outlined how our National Association has been elevating our profession and the available tools available to assist members in their own personal development plans.

Our November keynote speaker will be Frank Quiett C.P.M.; A.P.P. Mr. Quiett will present both our pre-meeting "Strategic Sourcing for Profit" and our dinner keynote program. In addition Mr. Quiett has been retained to present our two day traditional C.P.M. review seminar scheduled for February 17 & 18, 2006.

This C.P.M. review seminar will be offered to our members at a nominal cost and will be held at the Sheridan Brook hollow. Additional information can be viewed in the Seminars and Professional Development sections of our website.

Providing development opportunities for members will continue to be our focus throughout the upcoming year. So plan on participating and joining us in our local events. If you have any questions or suggestions regarding our local affiliate please feel free to contact either myself or any of our Officers or Committee Chairs.

Hope to see you at our next general meeting scheduled for Tuesday November 8, 2005.

Regards,  
*Ed Wahowski*

## Professional Development

**CAREER SERVICES SEMINAR:** "The Science and Process of Finding Your Next Job" is scheduled for Saturday, January 21, 2006 at the AMEC Paragon facility. This seminar will be presented by Between Jobs Ministries and is worth 4 CEH's. Contact Marc Wiley at 832-369-1379 for more information.

**SATELLITE SEMINAR --** The next one scheduled is Thursday, February 9, 2006 at the Aramco Services facility. The topic is "Ethics in Supply Management – Minding Your Actions and Decisions". To register contact Dora Valdez at [DA.Valdez@AramcoServices.com](mailto:DA.Valdez@AramcoServices.com). This seminar is worth 4 CEH's.

**C.P.M REVIEW:** The lecture style 2-day C.P.M. Review is scheduled for February 17<sup>th</sup> & 18<sup>th</sup>. Mr. Frank Quiett will be presenting this review, along with useful study tools to help you pass the C.P.M. exam. Order your C.P.M. Guide through I.S.M and start studying now. Contact Jo Ann Prazak at [joannprazak@yahoo.com](mailto:joannprazak@yahoo.com) if you are interested in participating.

The next Pro-D Committee meeting is scheduled for January. If you would like to participate, please contact Jo Ann Prazak.

## November 15-16, 2005

### Improving Negotiating Skills

University Of Houston Clear Lake Center for Advanced Management Programs (Camp)

Today, more than ever, management is placing increasing demands on its buyers to purchase its goods and services in a cost effective manner. In fact, they see this function as the area of greatest profit contribution. One clear-cut way of achieving these goals is to discover ways that will help you to improve your negotiation skills. In this core course, you can "learn by doing" with an experienced purchasing negotiator who will show you techniques guaranteed to bring immediate results.

#### General Information/Registration Details

Location: University of Houston-Clear Lake, 2700 Bay Area Blvd., Bayou Building, Houston, TX 77058

Time: 8:30 a.m. - 4:30 p.m., with check-in 8-8:30 a.m.

[Click Here For Registration Information](#)

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## New ISM Certification coming in 2008

Some of you may have received a promotional piece from a for-profit company that has a certification program. It erroneously states that ISM's C.P.M. program is being discontinued. We believe they are doing this in order to pitch their designation.

The Certified Purchasing Manager (C.P.M.) is, and will continue to be a globally recognized designation within the supply management profession. ISM has not chosen a date to cease issuing new C.P.M. certifications, and even after we do cease issuing them, C.P.M.s will continue to have the same ability to recertify as they do now. We are currently in the process of developing a new qualification program to better serve those in the supply management field, including purchasing professionals. This new qualification program will be available in 2008.

C.P.M.s who do not meet the minimum requirements for the new qualification will be encouraged to maintain their expertise through recertification. The C.P.M.s main focus covers the operational aspects of purchasing, but also includes supply functions such as agreements, negotiations, technology and relationship management.

Conversely, C.P.M.s who meet the minimum requirements for the new qualification will be encouraged to engage in continuing education and bridge to the new qualification, which raises the bar on supply management's capabilities. This process, though still in development, will be advantageous to professionals who have earned their C.P.M.. With increased professional and educational standards, the new qualification will prepare supply managers to meet the current and future demands of the profession.

#### THE VALUE AND RECOGNITION OF YOUR C.P.M. IS PERMANENT!

You've achieved a high-level of knowledge and expertise that has been demonstrated through a high-stakes examination process, as well as having documented and verified appropriate professional work experience. ISM has certified over 45,000 individuals around the world and will continue to do so. ISM continues to support current and future C.P.M. candidates.

Please refer to our Web site at <http://www.ism.ws> for more information or to sign up to receive updates as they are available at <http://www.ism.ws/Certification/NewSupplyMgmtQual.cfm> or email us at [certification@ism.ws](mailto:certification@ism.ws).

## Supplier Diversity Group

### Innovation – Ensuring MWBE Participation on Large Construction Projects

CenterPoint Energy has piloted a new initiative to improve our MWBE program. This initiative is the introduction of a Subordinate Subcontractor/ Sub Supplier Agreement Arrangement between CenterPoint Energy, MWBE subcontractors/suppliers and a prime General Contractor.

From past history and from listening to our MWBE suppliers, CenterPoint was very sensitive to some bad experiences that MWBEs may face on large projects. These range from being used for window-dressing to get a contract but being replaced once the prime general contractor has been awarded the business, not getting as much work, or receiving a change in pay scale from what was originally indicated by general contractor.

While we have used segmentation and unbundling of work on smaller projects, a large-scale construction project introduced potential legal and project integrity issues. After much research and networking with a peer utility company experienced in the process, a type of contract referred to as the Subordinate Subcontractor / Sub Supplier Agreement Arrangement was pursued.

Top Shared Services executive management was integral in the legal negotiations with the prime contractor. This included ironing out the contract language and communicating our company's firm supplier diversity commitment. The prime contractor thus had no doubt about, and heard a clear reaffirmation of, CenterPoint Energy's expectation for MWBE percentage goals.

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**Think Service**  
**Think Value**  
**Think NAPM-Houston**

## Communications And Website

Laurie Oberhoff – Communications Chairman

Are you receiving the Communications bi-weekly broadcast messages? NAPM-Houston, Inc. has a New! e-mail address, [napmhou@earthlink](mailto:napmhou@earthlink) and it has been in effect for over two ( 2 ) months.

A broadcast message of “Current Events” is sent in the middle of the month and a second broadcast Dinner Reservations **Reminder** e-mail is sent the last weekend of the month.

This message is to announce our speaker, remind you to make your dinner reservations or to remind you to cancel your reservations by the deadline of 5:00 pm, on Thursday.

If you are **Not** receiving our broadcasts, these are just a few examples of the reasons why: Mailbox is over quota, No address found, Name not recognized, this message is considered SPAM....

Please make sure you **Add** [napmhou@earthlink](mailto:napmhou@earthlink) to your address book, provide an alternate e-mail address and/or ask your IT department to allow messages from this sender and contact Doc Stelzer - Treasurer at [docstelz@swbell.net](mailto:docstelz@swbell.net) to confirm the master membership roster has been updated with your correct address.

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## School Partnership Committee Update

Scarborough Elementary was very appreciative of the school supplies (4 boxes) and cash (\$175) donated by our members at our September dinner meeting. Thanks again.

Just a reminder, we'll be collecting holiday food items and cash donations at our November dinner meeting. The Scarborough PTO will put together holiday food baskets for needy student families. So bring your canned yams or cranberry sauce, stuffing mix, etc. Cash donations will be used to purchase turkeys or other items needed for the baskets.

Our adopted schools can always use miscellaneous office supplies (pens, pencils, paper), children's books (even if slightly used) and even calendars (the student cut out the pictures or draw on the back of the pages.) Please keep our adopted students in mind if you are cleaning up around the office or at home and come across items that can still be put to good use. Contact Debbie Newman ([debbie.a.newman@exxonmobil.com](mailto:debbie.a.newman@exxonmobil.com)) if you have something to donate.

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**Check us out at**  
**[www.napmhou.org](http://www.napmhou.org)**

## FEATURED BOARD MEMBER OF THE MONTH

### LINDA LOVE, C.P.M.

Vice President – Fiscal Year

**Linda Love, C.P.M.** has been a member of NAPM-Houston, Inc., since 1995, and has served on the Career Services and Programs committees as Chair, as well as served as Local Director, prior to being elected Vice President in 2005. She obtained her C.P.M. designation in November, 1996.

Linda also has been active in serving on the Board of Directors of her neighborhood civic association, St. George Place. She has served as Underwriting Chair for the Susan G. Komen Foundation 'Race for The Cure' for the past three years, and is a breast cancer survivor.

Linda is employed by Science Applications International Corporation (SAIC) as a Sr. Subcontract Administrator providing software license management services, contract negotiation, and contract administration for petrotechnical software applications in support of the upstream petroleum industry.

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## NEWS & NOTES

### Condolences

Mary Collins Newton, wife of our Past President Denny Newton, passed away on September 25, 2005, due to complications from Alzheimer's. Mary was a talented dancer, den mother, floral designer, seamstress, artist, hostess, homemaker and wonderful wife to Denny for 64 years. Denny was our President in '68 – '69. NAPM-Houston, Inc., has made a donation to the Alzheimer's Association in Mary's honor.

### Congratulations

NAPM-Houston, Inc., extends a congratulatory thumbs up to our Programs Chair, Kim Wren, who has been named Co-Chair of the ISM Supply Chain Forum Education Committee.

# NAPM - Houston Business Report

October 11, 2005

by Douglas R. Miller, C.P.M. 713-988-7306

## ECONOMY MAINTAINING STRENGTH HIRING PUSH CONTINUES - SALES STILL GROWING

The rain from neither Katrina nor Rita dampened the Houston economy in September, as the PMI for the month registered 62.1, the sixth consecutive month with a reading over 60 (18 of the last 20), indicating a very strong area economy. This was the 33rd straight month of economic growth in Houston. Sales continued to be a primary driver of the Houston PMI, with over half of survey participants reporting a Sales increase for September while only seven per cent had a decrease in Sales for the past month. The Sales index has been fairly steady for six months, averaging about 44. As long as this index level is maintained the overall economy will persist in it's upward movement.

Production grew in September at exactly the same pace as in August, with an index of 31. Those survey contributors reporting Production gains out-number those with reductions in their Production rates by more than five to one. Production has been struggling to match Sales growth for more than a year; hence, the need for more workers. The growth of Employment continued in September, as it has for the past twenty-one months, but the rate of growth slowed slightly for the month, according to Houston Supply chain executives. This rate might actually benefit from the recent hurricane activity as more Houston firms become involved in the reconstruction of damaged property and facilities along the Gulf Coast. Certainly there was no perceptible ebbing of confidence among the comments received from survey participants.

The Prices Paid component of the PMI saw the greatest amount of variation in September as the index for the month rose from 22 in August to 42 in September. Thirty-one per cent of those surveyed paid more for the goods and services they purchased in August; in September that percentage jumped to fifty-two. Certainly the cost of fuels and energy is a major factor in this result and is being felt throughout the market. Interestingly, Lead Times actually fell during the past month, indicating that inventories are being brought into a semblance of balance. Purchased Materials Inventory fell during September while Finished Goods Inventory increased. Demand on both will likely continue to grow as Sales backlogs are still increasing. Katrina and Rita will pair up to create a lot of work in the months to come for many firms in the Houston area. This potential adds to the prospects for economic fortunes in 2006.

**Items in short supply:** Plastic bottles, ball valves, steel, plastics, metal medical components, steel fabrications, polyethylene & metallocene resins, diesel, OCTG, drilling rigs, inland barge & land rigs, TiO2 & co-poly resins, C276 nickel products, carbon flat rolled steel.

**Prices on the UP side:** Base oils, additives, K-1, ball valves, plastics, chemicals, carbon steel, poly, steel & steel products, fuel & lubricants, electricity, stretch wrap, PVC resins, calcium carbonate fillers, pigments, fuel surcharges, aluminum products, plastic resins, PVC, CPVC pipe and fittings, plastic valves, stainless steel pipe & fittings, fiberglass/FRP parts, tires, maintenance services, carbon flat rolled steel.

**Prices on the DOWN side:** Stainless steel prices, carbon steel plate, metal fabrications, packaging, stainless products.

### SEPTEMBER

### Index 2004/2005 (9 months)

	UP	SAME	DOWN	N/A	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT
Sales	52%	38%	07%	03%	+46	+26	+24	+42	+51	+34	+45	+46	+45
Production	38%	34%	07%	21%	+29	+14	+11	+34	+47	+31	+35	+31	+31
Employment	34%	59%	07%	00%	+25	+15	+18	+31	+28	+18	+30	+34	+27
Purchases	45%	45%	10%	00%	+38	+18	+39	+36	+23	+46	+48	+38	+35
Prices Paid (Major Purchases)	52%	38%	10%	00%	+54	+52	+49	+34	+25	+25	+27	+22	+42
Lead Times (from Sellers)	45%	48%	07%	00%	+32	+35	+39	+36	+20	+34	+31	+45	+38
Purchased Inventory	21%	38%	10%	31%	+26	+02	+21	+26	+05	+12	+17	+17	+11
Finished Goods Inventory	24%	38%	14%	24%	+09	-02	+08	+17	+03	-03	-10	00	+10

(Note: Each monthly index was calculated by subtracting the "DOWN" percentage from the "UP" percentage. The indices are not seasonally adjusted.)

NAPM - Houston	10/04	11/04	12/04	01/05	02/05	03/05	04/05	05/05	06/05	07/05	08/05	9/05
Composite PMI	60.2	60.8	60.5	61.7	59.0	58.2	60.8	62.9	61.0	63.7	62.9	62.1

A reading above 50 indicates that the Houston economy is generally expanding; a reading below 50 indicates that it is generally contracting.

The NAPM-Houston Business Report began publication in January 1995.  
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