

Contact: Andrea Anania

CONFLICT OF INTEREST VENDORS

Recommended Action: Approve the following vendors with a potential conflict of interest:

UNIVERSITY OF IOWA

- Advanced Specialties Co. LLC
- Chuck Richards
- L T & J Consulting
- The Wehr Group, Inc.

UNIVERSITY OF NORTHERN IOWA

- Cowan Research LC

Executive Summary: Vendors at the Regent institutions with a potential conflict of interest are required by statute to be approved by the Board.

ADVANCED SPECIALITIES CO. LLC provides construction administration services. Bill Kapp is the owner and principal of the company, which is located in Solon, Iowa. Bill Kapp's wife, Ellen Kapp, is a full-time Research Assistant II in the Psychiatry Department at the University of Iowa Hospitals and Clinics.

The University reports that Ellen Kapp does not have any purchase order or payment authority for her department, nor has she been issued a procurement card.

CHUCK RICHARDS is a children's book illustrator in Ames, Iowa, and is a full-time Associate Professor in the College of Design, Department of Art and Design, at Iowa State University.

SUI reports that Mr. Richards does not have any purchase or payment authority at SUI. ISU reports that the Department of Art and Design will not purchase any work from Professor Richards and that Professor Richards has no procurement authority.

LT & J CONSULTING provides business and strategic planning, leadership coaching, and grant writing services. Jill Smith is a partner in the business, which is located in Iowa City, Iowa, and is employed on a half-time basis as a Graduate Research Assistant in the Iowa Non-Profit Resource Center at the University of Iowa.

The University reports that Jill Smith does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card.

THE WEHR GROUP, INC. provides business consulting, training (books, audio, visual publications), and programming services. Timothy Wehr is the President of the company, which is located in Coralville, Iowa. Mr. Wehr is a full-time Information Technology Support Services II in the Integrated Call Center Services Department at the University of Iowa Hospitals and Clinics.

The University reports that Mr. Wehr does not have authority to issue purchase orders or to approve payments for his department and that he has been issued a procurement card. All procurement card transactions are reviewed and approved by the Program Director for UIHC Healthcare Initiatives in the Call Center Department.

COWAN RESEARCH LC sells financial research software and financial consulting services. Arnold R. Cowan owns and is the President of the company, which is located in Ames, Iowa. Mr. Cowan is a full-time Professor in the College of Business, Department of Finance, at Iowa State University.

UNI reports that Mr. Cowen will not participate in any evaluation or award decisions for purchases at UNI and in no way will influence departments in placing orders. ISU reports that the Department of Finance will not purchase any products or services from Cowan Research LC and that Mr. Cowan has no procurement authority.

Background:

The Iowa Code [68B]:

- Does not alleviate the requirement for institutions to obtain competitive bids and provide public notice.
- Prohibits an official or employee of a regulatory agency from selling, either directly or indirectly, goods or services to the agency of which the individual is an official or employee, except when certain conditions are met.
- Requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception.

The Iowa Administrative Code [681-8.9]:

- Precludes individuals with potential conflicts from being directly involved in the purchasing decisions or authorizing of any such contracts making material changes to such contracts.
- Requires Board authorization when a single purchase from a conflict of interest vendor (Regent employee) exceeds \$1,000 or a fiscal year's cumulative purchases exceed \$2,000.

Once a vendor with a potential conflict of interest is approved by the Board, any Regent institution is authorized to purchase from the vendor.