

Contact: Andrea Anania

CONFLICT OF INTEREST VENDORS

Action Requested: Consider approval of the following vendors with a potential conflict of interest:

UNIVERSITY OF IOWA

- ◆ Iowa City Athletic Officials Association, Inc.
- ◆ Papa Bear's Novelty Foods, Inc. / Dan Goldberry
- ◆ Payne Design / Mary Beth Payne

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

Iowa City Athletic Officials Association, Inc. (ICAOA) provides officiating services for athletic sporting events. ICAOA is located in Iowa City, Iowa. Messrs. Joshua Berka and Dave Huling are: (1) Executive Secretary and Assistant Executive Secretary of ICAOA, respectively; (2) ICAOA athletic officials for various events; and (3) Elected to two-year term, paid Board positions.

Mr. Berka is employed on a full-time basis as Director of Sports Camps and Event Management Assistant in the Department of Intercollegiate Athletics (DIA) at the University of Iowa. Mr. Huling is employed on a full-time basis as a Clinical Lab Scientist II in the Department of Pathology at the University of Iowa Hospitals and Clinics.

The University reports that:

- ◆ Mr. Berka has authority to issue purchase orders and to approve payments for his department and has been issued a University procurement card; all transactions are reconciled by the Administrative Assistant and approved by the Associate Counsel and/or the Director of Administrative Services;
- ◆ DIA officials have acknowledged awareness of Mr. Berka's position at ICAOA; discussed with him their expectations of his University position; and advised him that any ICAOA duties or activities must be performed outside the workplace, on his own time, and without the use of University resources;
- ◆ Mr. Huling does not have any authority to issue purchase orders or to approve payments for his department, nor has he been issued a University procurement card; and
- ◆ Messrs. Berka and Huling will not participate in any discussions, decisions, business transactions, or correspondence involving ICAOA and the University.

Papa Bear's Novelty Foods, Inc. is an ice cream confectionary business. Dan Goldberry owns the business, which is located in Oxford, Iowa.

Mr. Goldberry's wife, Leanne Goldberry, is employed on a 50% basis as a Nursing Unit Clerk in the Leukemia and Bone Marrow Transplant Unit at the University of Iowa Hospitals and Clinics.

The University reports that:

- ◆ Mrs. Goldberry does not have authority to issue purchase orders or approve payments for the Bone Marrow Transplant Unit, nor has she been issued a University procurement card; and
- ◆ The Leukemia and Bone Marrow Transplant Unit will not enter into any transactions with Papa Bear's Novelty Foods, Inc.

Payne Design is a graphic design business. Mary Beth Payne owns the business, which is located in Cedar Rapids, Iowa.

Ms. Payne's husband, James Payne, is employed on a full-time basis as an Interior Designer in the Office of Capital Management at the University of Iowa Hospitals and Clinics.

The University reports that:

- ◆ Mr. Payne does not have authority to issue purchase orders or approve payments for the Office of Capital Management, nor has he been issued a University procurement card; and
- ◆ The Office of Capital Management will not enter into any transactions with Payne Design.

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 \$2,000 unless the sale is made after public notice and competitive bidding.

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