CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA

- Alton Szeto Illustration
- Carpentry by Chris
- Kas-Ber, Inc. DBA Novotny & Son Well Service
- The Thomas Group

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.

UNIVERSITY OF IOWA

Alton Szeto Illustration (ASI) is a medical illustration business. Alton Szeto is the sole proprietor of the business, which is located in Iowa City, Iowa.

Alton Szeto’s wife, Dr. Janet Tsui, is employed on a full-time basis as a House Staff III/Resident in the Department of Ophthalmology and Visual Sciences (DOVS), Graduate Medical Education (GME), at the University of Iowa Hospitals and Clinics.

The University reports that:

- Dr. Tsui does not have the authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card;
- Dr. Tsui will not participate in any discussions, decisions, business transactions, or correspondence involving ASI and the University of Iowa; and
- DOVS GME will solicit competitive bids whenever ASI is involved.

Carpentry by Chris (CbC) is a construction business. Chris Weckmann is the sole proprietor of the business, which is located in Iowa City, Iowa.

Chris Weckmann’s wife, Dr. Michelle Weckmann, is employed on a full-time basis as a Clinical Assistant Professor in the Department of Psychiatry (DOP), College of Medicine (COM), at the University of Iowa.

The University reports that:

- Dr. Weckmann does not have any authority to issue purchase orders or to approve payments for DOP, nor has she been issued a procurement card;
- Dr. Weckmann will not participate in any discussions, decisions, business transactions, or correspondence involving CbC and the University of Iowa; and
- DOP COM will solicit competitive bids whenever CbC is involved.
Kas-Ber, Inc. dba Novotny & Son Well Service (NSWS) is a pump, well, and water treatment service. Ownership interest in the business includes: Donald Kasparek (20%) and Tim Beranek (20%), and their spouses Marie Kasparek (30%) and Jeanine Beranek (30%). The business is located in Swisher, Iowa.

The University reports that:

- Marie Kasparek:
  - Is employed on a full-time basis as a Secretary II in the Department of Intercollegiate Athletics (DIA) at the University;
  - Does not have any authority to issue purchase orders or approve payments for her department. She has been issued a procurement card. Assistant Director of Athletics Mick Walker and Associate Director of Athletics for Legal Affairs Mark Abbott will review and approve Marie Kasparek's procurement card transactions; and
  - Will not participate in any discussions, decisions, business transactions, or correspondence involving NSWS and the University.

- Jeanine Beranek:
  - Is employed on a full-time basis as an Applications Developer and Support I in the Health Care Information Systems (HCIS) at the University of Iowa Hospitals and Clinics;
  - Does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card; and
  - Will not participate in any discussions, decisions, business transactions, or correspondence involving NSWS and the University.

- DIA and HCIS will solicit competitive bids whenever NSWS is involved.

The Thomas Group (TTG) is a consulting company. Thomas Pickering is the sole proprietor of the business, which is located in Iowa City, Iowa.

Thomas Pickering's wife, Lori Paris, is employed on a full-time basis as a Program Associate I in the Admissions Department (AD) at the University of Iowa.

The University reports that:

- Lori Paris does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card;

- Lori Paris will not participate in any discussions, decisions, business transactions, or correspondence involving TTG and the University; and

- AD will solicit competitive bids whenever TTG is involved.
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 (Regents 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 Regents institution is authorized to purchase from that vendor.