CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA
- Adfinity Marketing Group
- Capanna Coffee Company, Inc.
- Jamake's Cake Creations
- LG Consulting, LLC
- Nicole Pietrantoni, Artist

UNIVERSITY OF NORTHERN IOWA
- Daniel Perry
- JoAnn Schnabel

Executive Summary: Vendors at the Regents 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

Adfinity Marketing Group (AMG) is a marketing company. Alan Harrington owns 33% of the company, which is located in Cedar Rapids, Iowa.

Alan Harrington’s wife, Dr. Keela Herr, is employed on a full-time basis as a Professor and Research Director in the College of Nursing (CON) at University of Iowa.

The University reports that:
- Dr. Herr does not have any authority to issue purchase orders, however, she does have authority to approve payments for her department;
- Dr. Herr has not been issued a University procurement card;
- Dr. Herr will not participate in any discussions, decisions, business transactions, or correspondence involving AMG and the University of Iowa; and
- The CON will solicit competitive bids whenever AMG is involved.

Capanna Coffee Company, Inc. (CCCI) is a coffee and gelato business. Mike and Alicia McCain own 51% of the company, which is located in North Liberty, Iowa.

Alicia McCain is employed on a full-time basis as a Dietitian II in Food and Nutrition Services (FNS) at the University of Iowa Hospitals and Clinics (UIHC).

The University reports that:
- Alicia McCain does not have any authority to issue purchase orders or to approve payments for FNS;
- Alicia McCain has not been issued a University procurement card;
- Alicia McCain will not participate in any discussions, decisions, business transactions, or correspondence involving CCCI and the University of Iowa; and
- The UIHC FNS will solicit competitive bids whenever CCCI is involved.
**Jamake’s Cake Creations** (JCC) is a bakery. Jamake Dudley is the sole proprietor of the company, which is located in Iowa City, Iowa.

Jamake Dudley’s wife, Katherine Dudley, is employed on a full-time basis as a Patient Account Representative in Patient Financial Services (PFS) at the University of Iowa Hospitals and Clinics (UIHC).

The University reports that:

- Ms. Dudley does not have any authority to issue purchase orders or to approve payments for PFS, nor has she been issued a University procurement card;
- Ms. Dudley will not participate in any discussions, decisions, business transactions, or correspondence involving JCC and the University of Iowa; and
- PFS will solicit competitive bids whenever CCCI is involved.

**LG Consulting, Inc.** (LGCI) is a consulting business. William Gorman is the sole proprietor of the company, which is located in Solon, Iowa.

William Gorman is employed on a short-term/temporary basis as a Program Associate II in the Center for Disabilities and Development (CDD) at the University of Iowa Hospitals and Clinics (UIHC). William Gorman’s wife, Janet Gorman, is employed on a full-time basis as a Human Resource Specialist III in the Human Resource Department (HRD) at the University of Iowa.

The University reports that:

- Neither William Gorman nor Janet Gorman have any authority to issue purchase orders or to approve payments for their respective departments; neither of them have been issued a University procurement card;
- William Gorman and Janet Gorman will not participate in any discussions, decisions, business transactions, or correspondence involving LGCI and the University of Iowa; and
- The CDD will solicit competitive bids whenever LGCI is involved, and the HRD will solicit competitive bids whenever LGCI is involved.

**Nicole Pietrantoni, Artist** (NPA) provides artwork. Nicole Pietrantoni is the sole proprietor of the business, which is located in Iowa City, Iowa.

Nicole Pietrantoni is employed on a temporary basis as a Graduate Fellow in the Graduate College at the University of Iowa.

The University reports that:

- Nicole Pietrantoni does not have any authority to issue purchase orders or to approve payments for the Graduate College, nor has she been issued a University procurement card;
- Nicole Pietrantoni will not participate in any discussions, decisions, business transactions, or correspondence involving NPA and the University of Iowa; and
- The Graduate College will solicit competitive bids whenever NPA is involved.
**UNIVERSITY OF NORTHERN IOWA**

Daniel Perry provides artwork. Mr. Perry owns the business, which is located in Waterloo, Iowa.

Daniel Perry is employed on a full-time basis as a Shop Technician in the Department of Art (DOA), College of Humanities and Fine Arts (CHFA), at the University of Northern Iowa.

The University reports that:

- Daniel Perry does not have any authority to issue purchase orders or to approve payments for services for his department, nor has he been issued a University procurement card;
- The DOA, Chair of the Art & Architecture Committee, and the Dean of the CHFA acknowledge awareness of Daniel Perry’s request to do business as a conflict of interest vendor and:
  - Will permit these efforts as long as they are conducted outside the workplace and on the employee’s own time;
  - Agree that Daniel Perry will have no influence in awarding services or approving any payments; and
  - Agree to not purchase services from Daniel Perry without prior bidding, where appropriate, and review of outside experts, if necessary.

JoAnn Schnabel provides artwork. Ms. Schnabel owns the business, which is located in Cedar Falls, Iowa.

JoAnn Schnabel is employed on a full-time basis as a Professor in the Department of Art (DOA), College of Humanities and Fine Arts (CHFA), at the University of Northern Iowa.

The University reports that:

- JoAnn Schnabel does not have any authority to issue purchase orders or to approve payments for services for her department, nor has she been issued a University procurement card;
- The DOA, Chair of the Art & Architecture Committee, and the Dean of the CHFA acknowledge awareness of JoAnn Schnabel’s request to do business as a conflict of interest vendor and:
  - Will permit these efforts as long as they are conducted outside the workplace and on the employee’s own time;
  - Agree that JoAnn Schnabel will have no influence in awarding services or approving any payments; and
  - Agree to not purchase services from JoAnn Schnabel without prior bidding, where appropriate, and review of outside experts, if necessary.
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.

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