

Contact: Andrea Anania

CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA

- ◆ Clarity Writing Service

UNIVERSITY OF NORTHERN IOWA

- ◆ Kenneth Hall Paintings
- ◆ The Higby Company
- ◆ Drake Martin
- ◆ Sunflower Natural Foods, LLC dba Roots Market

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

Clarity Writing Service (CWS) offers technical editing and writing assistance services. Dr. Diana Colgan owns the business, which is located in Iowa City, Iowa.

Diana Colgan's husband, Dr. John D. Colgan, is employed on a full-time basis as an Assistant Professor in the Department of Internal Medicine (DIM), Carver College of Medicine, (CCOM) at University of Iowa.

The University reports that:

- ◆ Dr. John D. Colgan has authority to issue purchase orders and to approve payments for his department;
- ◆ Dr. John D. Colgan has been issued a University procurement card; all transactions are reconciled by the Clerk IV and approved by the Senior Accountant or the Contracts Administrator II;
- ◆ Dr. John D. Colgan will not participate in any discussions, decisions, business transactions, or correspondence involving CWS and the University of Iowa; and
- ◆ The DIM will solicit competitive bids whenever CWS is involved.

UNIVERSITY OF NORTHERN IOWA

Kenneth Hall Paintings (KHP) makes and sells paintings. Kenneth M. Hall owns the business, which is located in Cedar Falls, Iowa.

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

The University reports that:

- ◆ Kenneth Hall 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;
- ◆ DOA and CHFA acknowledge awareness of Kenneth Hall'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;
- ◆ DOA agrees that Kenneth Hall will have no influence in awarding services or approving any payments; and
- ◆ DOA agrees to not purchase services from Kenneth Hall without prior bidding, where appropriate, and review of outside experts, if necessary.

The Higby Company (THC) sells and repairs small engine equipment and hardware items. John Higby owns the company, which is located in Cedar Falls, Iowa.

John Higby's wife, Patricia Higby, is employed on a full-time basis as the Energy Education and Outreach Coordinator for the Center for Energy and Environmental Education (CEEE), College of Natural Sciences (CNS), at the University of Northern Iowa.

The University reports that:

- ◆ Patricia Higby does not have any authority to issue purchase orders or to approve payments for goods or services provided by THC, which would be bid, when appropriate, and paid through a requisition and purchase order process;
- ◆ Patricia Higby has been issued a University procurement card; all University procurement cards are approved by a supervisor and audited 100% each month by the Office of Business Operations; and
- ◆ CEEE and CNS: (1) acknowledge awareness of John Higby's request to do business as a conflict of interest vendor and agree that Patricia Higby will have no influence to award contracts or approve payments relevant to goods or services provided by THC; and (2) agree to not purchase goods or services from THC without prior bidding, where appropriate.

Drake Martin provides consulting workshops on effective relationships. Drake Martin owns the business, which is located in Cedar Falls, Iowa.

Drake Martin is employed on a full-time basis as an Assistant Director of Residence Education, Department of Residence (DOR), Division of Student Affairs (DSA), at the University of Northern Iowa.

The University reports that:

- ◆ Drake Martin does not have any authority to issue purchase orders or to approve payments for services for his department;
- ◆ Drake Martin has been issued a University procurement card and agrees that the card will not be used for any personal business expense; the card will be audited 100% each month for compliance verification;
- ◆ DOR and DSA acknowledge awareness of Drake Martin'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, on the employee's own time, and without the use of University resources; and
- ◆ DOR agrees that it will not purchase services from Drake Martin without prior bidding, where appropriate, and review of outside experts, if necessary.

Sunflower Natural Foods, LLC dba Roots Market (RM) provides food and catering services. Robert Stanley owns the business, which is located in Cedar Falls, Iowa.

Robert Stanley's wife, Dr. Adrienne Stanley, is employed on a full-time basis as an Associate Professor in the Department of Mathematics (DOM), College of Natural Sciences, (CNS), at the University of Northern Iowa.

The University reports that:

- ◆ Dr. Adrienne Stanley does not have sole authority to issue purchase orders or to approve payments for her department;
- ◆ Dr. Adrienne Stanley has not been issued a University procurement card; and
- ◆ DOM and CNS: (1) acknowledge awareness of Robert Stanley's request to do business as a conflict of interest vendor and agree that Dr. Adrienne Stanley will have no influence to award contracts or to approve payments relevant to services provided by RM; and (2) agree to not purchase goods or services from RM without prior bidding, where appropriate.

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.