CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA  
- Etre Plaza Towers Restaurant LLC dba Formosa

IOWA STATE UNIVERSITY  
- Wahl Sawmilling

UNIVERSITY OF NORTHERN IOWA  
- New Light Media, Inc.

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

Etre Plaza Towers Restaurant LLC dba Formosa is a restaurant establishment. Lois Etre is Vice President of and holds interest in the business, which is located in Iowa City, Iowa.

Lois Etre’s husband, Paul Etre, is employed on a full-time basis as an Assistant to the Chair in the Department of Orthopaedics (DOO), College of Medicine (COM), at the University of Iowa.

The University reports that:

- Paul Etre has authority to issue purchase orders and approve payments for his department; he has not been issued a procurement card;
- Paul Etre will not participate in any discussions, decisions, business transactions, or correspondence involving Etre Plaza Towers Restaurant LLC dba Formosa and the University of Iowa; and
- COM DOO will solicit competitive bids whenever Etre Plaza Towers Restaurant LLC dba Formosa is involved.

IOWA STATE UNIVERSITY

Wahl Sawmilling (WS) provides sawmilling services. J. James (‘Jim’) Wahl and wife Joanne Wahl own the business, which is located in Nevada, Iowa.

Jim Wahl is employed on a full-time basis as a Computer Information System Technician II in the Information Technology Services Department at Iowa State University.

The University reports that Jim Wahl:

- Has not been issued a university procurement card;
- Will not participate in any discussions, decisions, business transactions, or correspondence involving WS and ISU, nor will he have any authority to make any University purchasing or payment decisions associated with his business; and
- Will not sell products or services to the department in which he is employed.
UNIVERSITY OF NORTHERN IOWA

New Light Media, Inc. provides film and video production services. Richard David O'Shields owns the business, which is located in Cedar Falls, Iowa.

Mr. O'Shields is employed on a part-time basis as the Media Productions Coordinator at the Tallgrass Prairie Center (TPC), which is associated with the Department of Biology (DOB), College of Natural Sciences (CNS), at the University of Northern Iowa.

The University reports that:

- Richard David O'Shields does not have any authority to issue purchase orders or approve payments for his department, nor has he been issued a University procurement card;
- DOB and the CNS Dean acknowledge awareness of Richard David O'Shields' 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 his own time;
- DOB agrees that Richard David O'Shields would have no influence in awarding a University contract; and
- DOB will not purchase services from Richard David O'Shields 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 (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.