

**CONFLICT OF INTEREST VENDORS**

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

UNIVERSITY OF IOWA

- ◆ Pickett Consulting, L.L.C.

IOWA STATE UNIVERSITY

- ◆ Ames Center for Genetic Technologies, Inc.

**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**

**Pickett Consulting (PC)** specializes in space science instrumentation and has been selected by Redbird Armor™ to distribute disposable respirator masks to be used in the event of a public health emergency. Gregory L. Pickett owns the business, which is located in Iowa City, Iowa.

Gregory L. Pickett is employed on a half-time basis as an Engineer IV in the Department of Physics and Astronomy (DPA), College of Liberal Arts and Sciences, at the University of Iowa.

The University reports that:

- ◆ Gregory L. Pickett has not been issued a University procurement card;
- ◆ Gregory L. Pickett has authority to issue purchase orders and to approve payments for his department;
- ◆ Gregory L. Pickett will not participate in any discussions, decisions, business transactions, or correspondence involving PC and the University of Iowa; and
- ◆ The DPA will solicit competitive bids whenever PC is involved.

**IOWA STATE UNIVERSITY**

**Ames Center for Genetic Technologies, Inc. (ACGTI)** sells patented genetic testing kits. The business is located in Ames, Iowa.

Melissa Madsen is President of ACGTI and holds a 60.0% ownership interest in the company. She is employed on an hourly basis in the Department of Veterinary Microbiology and Preventative Medicine (DVMPM), College of Veterinary Medicine (CVM), at ISU.

Dr. F. Chris Minion holds a 40.0% ownership interest in the company. Dr. Minion is a full-time Professor in the DVMPM and his wife, Pam Minion, is a full-time Administrative Specialist in the Office of Executive Vice President and Provost at ISU.

The University reports that:

- ◆ Melissa Madsen has not been issued a University procurement card. Dr. F. Chris Minion and Pam Minion have both been issued university procurement cards; their transactions are reviewed and approved by their respective departments;
- ◆ Melissa Madsen, Dr. F. Chris Minion, and Pam Minion will not have any authority to make any purchasing or payment decisions or participate in any discussions, decisions, business transactions, or correspondence involving ACGTI and ISU;

- ◆ Melissa Madsen, Dr. F. Chris Minion, and Pam Minion will not serve on any University committees where they would have input into decisions relative to awards to ACGTI;
- ◆ The DVMPM acknowledges awareness of Melissa Madsen's and F. Chris Minion'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 their own time; and
- ◆ ACGTI will not sell products or services to the departments in which Melissa Madsen, Dr. F. Chris Minion, and Pam Minion are employed.

**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.