CONFLICT OF INTEREST VENDOR

Action Requested: Consider approval of a potential conflict of interest vendor, BMGC, LLC dba Big Mike’s Grill and Catering.

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.

BMGC, LLC dba Big Mike’s Grill and Catering provides catering services. Doug Tauchen is the sole member of the company, which is located in Iowa, City, Iowa.

Mr. Tauchen’s wife, Kristina Tauchen, is employed on a 60% basis as a Staff Nurse 1 in the Department of Nursing Services and Patient Care, Children’s and Women’s Services cardiopulmonary unit, at the University of Iowa Hospitals and Clinics.

The University reports that Kristina Tauchen does not have any authority to issue purchase orders or approve payments for her department, nor has she been issued a procurement card.

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 $1,000 or a fiscal year’s cumulative purchases exceed $2,000.

Once a vendor with a potential conflict of interest is approved by the Board, any Regent institution is authorized to purchase from the vendor.