

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest
Date: December 4, 2000

Recommended Action:

Approve the following additions to Iowa State University's list of approved vendors with a potential conflict of interest:

- Jody A. Graden
- Leading Change, Inc.

Executive Summary:

Vendors at the Regent institutions with a potential conflict of interest are required by statute to be approved by the Board.

Iowa State University requests that Jody A. Graden, who provides free-lance graphic design services, be added to its approved vendor list. Jody A. Graden, a temporary instructor in desktop publishing for the Journalism Department, and her husband, Roger L. Graden, a Project Manager/Architect for Facilities, Planning, and Management at ISU will not be involved in the decision making process for acquiring the graphic design services.

Iowa State University requests to add Leading Change, Inc. (LCI), an Information Technology (IT) training and consulting organization specializing in high-level IT training, to its approved vendor list. ISU wishes to have an LCI employee teach classes in the Spring 2001 semester. Two of the LCI owners, Steven D. Bell and Loren Faeth have spouses that are ISU employees. Kris Bell is a secretary in the College of Education while Arleen Faeth is a secretary in the College of Architecture. Kris Bell and Arleen Faeth do not participate in any evaluation or award decisions relative to the services provided by Leading Change, Inc.

Background:

Iowa Code §68B.4 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. The Iowa Code requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception.

The Board's adopted rules are incorporated in the Board of Regents Procedural Guide §10.09. Board authorization is required 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.

The Board's authorization of a vendor with a potential conflict of interest does not alleviate the requirement to obtain competitive bids and provide public notice as prescribed in Iowa Code §68B.3.

Board rules preclude individuals with potential conflicts from being directly involved in the purchasing decisions or authorizing of any such contracts as well as making material changes to such contracts.

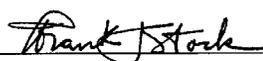
Analysis:

Iowa State University wishes to add Jody A. Graden to its list of approved vendors with a potential conflict of interest. Jody Graden provides free-lance graphic design services and is employed as a temporary instructor in desktop publishing for the journalism department at ISU. Her husband, Roger L. Graden, is a Project Manager/Architect for Facilities, Planning, and Management at Iowa State University. The University states the neither Ms. Graden nor her husband will participate in any evaluation or award decisions relative to graphic design services provided by Jody A. Graden.

Iowa State University wishes to add Leading Change, Inc. (LCI) to its list of approved vendors with a potential conflict of interest. Steven D. Bell and Loren Faeth are two of the owners of LCI. Due to a temporary faculty shortage, the ISU Department of Logistics, Operations, and Management Information Systems wishes to have an LCI employee teach two sections of management information systems classes in the Spring 2001 semester.

Steven D. Bell's wife, Kris Bell, is employed as a secretary in the College of Education, and Loren Faeth's wife, Arleen Faeth, is employed as a secretary in the College of Architecture at ISU. The University states that Ms. Bell and Ms. Faeth will not participate in any evaluation or award decision relative to training and consulting services provided by Leading Change, Inc.


Pamela M. Elliott

Approved: 
Frank J. Stork