MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest
Date: February 9, 2004

Recommended Action:

Approve the following additions to the respective institution’s list of approved vendors with a potential conflict of interest:

UNIVERSITY OF IOWA
• Aubey & Enzie, L.L.P.
• Campus Crusade for Conservation, Inc.
• Laurel Farrin
• Firefly Communications & Design, LLC
• FlowerPower
• William Mentor dba Will Mentor, Inc.
• Owen Rehnblom Construction
• ValuCon, Inc.
• Darvin Yoder

IOWA STATE UNIVERSITY
• Lana Pavlik

Executive Summary:

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

UNIVERSITY OF IOWA

Aubey & Enzie, L.L.P.

Nature of Business  Aubey & Enzie, L.L.P. provides psychological services to the public. Dr. Linda Aubey and Dr. Susan Enzie own the company, which is located in Cedar Rapids, Iowa. The University requests that the company be added to the list of approved vendors.

Employee Relationship  Dr. Enzie’s husband, Nathan (Gene) Savin, is the George Daley Professor of Economics in the Tippie College of Business at the University of Iowa.

Purchasing Authority  The University reports that Mr. Savin has no ordering or payment approval responsibilities.
Campus Crusade for Conservation, Inc.

Nature of Business  Campus Crusade for Conservation, Inc. recently formed to provide recycling services to university campuses. Charles Jones is the owner of the company, which is located in Iowa City, Iowa. The University requests that the company be added to the list of approved vendors.

Employee Relationship  Mr. Jones is a part-time cook for the Iowa Memorial Union Food Service Department at the University of Iowa.

Purchasing Authority  The University reports that:

- Mr. Jones has no ordering or decision making authority within his department; and

- The company would be subject to the bidding process.

Laurel Farrin

Nature of Business  Laurel Farrin is a professional artist who has a studio and occasionally sells paintings. Her studio is located in Iowa City, Iowa. The University requests that the company be added to the list of approved vendors.

Employee Relationship  Ms. Farrin is a full-time Assistant Professor in the Art and Art History Department.

A painting of Ms. Farrin’s was chosen by a committee for the Art in State Buildings Program. This committee consists of 15 members, including employees from the University of Iowa and individuals from the surrounding area.

Purchasing Authority  The University reports that:

- Ms. Farrin was not involved in the review or selection of the painting chosen for purchase;

- Ms. Farrin does not have direct purchasing privileges or payment authority responsibilities. Approvals and payments are made in the Administration Office;

- The Art and Art History Department will not purchase goods or services from Ms. Farrin beyond her salary as a faculty member; and

- Classroom purchases consist of painting and drawing supplies, not completed works of art.
**Firefly Communications & Design, LLC**

**Nature of Business**
Firefly Communications & Design, LLC provides printing, graphic design, web, design, and other miscellaneous designs and layouts. Elizabeth Everson and Jill Fishbaugh own the company, which is located in Iowa City, Iowa. The University requests that the company be added to the list of approved vendors.

**Employee Relationship**
Elizabeth Everson is the full-time Program Associate and Jill Fishbaugh is the full-time Director of External Relations in the College of Education at the University of Iowa. They are the only two employees on the entire External Relations staff.

**Purchasing Authority**
The University reports that:

- The Department of Education will not purchase goods or services from the company; and
- Ms. Everson and Ms. Fishbaugh will not gain financially from their positions within the University.

**FlowerPower**

**Nature of Business**
FlowerPower sells photo greeting cards. Joann Eland is the sole proprietor of the company, which is located in Iowa City, Iowa. The University requests that the company be added to the list of approved vendors.

**Employee Relationship**
Joann Eland is a full-time Associate Professor in the College of Nursing and is in charge of the Honors Program in the College of Nursing at the University of Iowa.

**Purchasing Authority**
The University reports that:

- The College of Nursing purchased a total of $49.50 from Ms. Eland in 2003 but does not purchase from her consistently;
- Ms. Eland does not have any purchase order or payment authority responsibilities; and
- Ms. Eland will not gain financially from her position within the University.
**William Mentor dba Will Mentor, Inc.**

**Nature of Business**  
William Mentor sells artwork. He is the President of Will Mentor, Inc., which is located in Iowa City, Iowa. The University requests that the company be added to the list of approved vendors.

**Employee Relationship**  
Mr. Mentor is a full-time Assistant Professor in the School of Art and Art History.

An original artwork of Mr. Mentor’s was chosen by a committee for the Art in State Buildings Program. This committee consists of 15 members, including employees from the University of Iowa and individuals from the surrounding area.

**Purchasing Authority**  
The University reports that:

- Mr. Mentor was not involved in the review or selection of the painting chosen for purchase;
- Mr. Mentor does not have direct purchasing privileges or payment authority responsibilities. Approvals and payments are made in the Administration Office;
- The Art and Art History Department will not purchase goods or services from Mr. Mentor beyond his salary as a faculty member; and
- Classroom purchases consist of painting and drawing supplies, not completed works of art.

**Owen Rehnblom Construction**

**Nature of Business**  
Owen Rehnblom owns and operates a construction business, which is located in North Liberty, Iowa. The University requests that the company be added to the list of approved vendors.

**Employee Relationship**  
Mr. Rehnblom’s wife, Patricia Rehnblom, is a full-time Program Assistant in the Pharmacy Purchasing Office in the Department of Pharmacy at the University of Iowa.

**Purchasing Authority**  
The University reports that Mrs. Rehnblom does not have any purchasing or payment responsibilities for construction projects within the University.
ValuCon, Inc.

Nature of Business  ValuCon, Inc. provides construction services. Michael Streb is the President of the company, which is located in Iowa City, Iowa. The University requests that the company be added to the list of approved vendors.

Employee Relationship  Michael Streb’s wife, Lori Streb, is employed full-time as a Clerk III in the Biochemistry Department at the University of Iowa.

Purchasing Authority  The University reports that:

- ValuCon, Inc. has already been paid $1,875 for two separate projects completed in the fall of 2003;
- The Biochemistry Department will not purchase from ValuCon, Inc.; and
- Mrs. Streb does not have any purchase order or payment authority responsibilities.

Darvin Yoder

Nature of Business  Darvin Yoder provides artwork. He is a sole proprietor and is located in Parnell, Iowa. The University requests that he be added to the list of approved vendors.

Employee Relationship  Darvin Yoder’s wife, Martha Yoder, is employed as a full-time Preparator in the Museum of Art at the University of Iowa.

A committee for the Art in State Buildings Program commissioned Mr. Yoder to create three original works of art to be displayed at the University of Iowa Hospitals and Clinics. This committee consists of 15 members, including employees from the University of Iowa and individuals from the surrounding area.

Purchasing Authority  The University reports that:

- Mrs. Yoder was not involved in the review or selection of the artwork chosen for purchase; and
- Mrs. Yoder does not have any purchase or payment approval authority responsibilities.

IOWA STATE UNIVERSITY

Lana Pavlik

Nature of Business  Lana Pavlik provides supervision for student teachers in preparation for licensure. She is located in Ames, Iowa. ISU requests approval for her to provide services to all Regent institutions. The University requests that she be added to the list of approved vendors.

Employee Relationship  Lana Pavlik’s husband, David Pavlik, is a full-time employee in the Continuing Education and Communications Department at Iowa State University.

Purchasing Authority  The University reports that Mr. Pavlik will not participate in any evaluation or award decisions relative to Mrs. Pavlik providing goods or services to ISU.
**Background:**

Requirements

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.

- Requires that a summary of institutional expenditures with approved conflict of interest vendors will be included in the annual purchasing report presented to the Board in November.

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Andrea L. Anania  
Approved: Gregory S. Nichols