G.D. 22
Consent

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Approval of Vendors with a Potential Conflict of Interest

Date: January 7, 2002

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

- Cherise Oleson
- CombiSep, Inc.
- WinningProposal.com

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

Cherise Oleson

Nature of Business: Cherise Oleson is a free-lance graphic designer.

Employee Relationship: Cherise Oleson's husband is an assistant professor in the Human Development and Family Studies Department at Iowa State University.

Purchasing Authority: The University reports that Mark Oleson will not participate in any evaluation or award decisions relative to Cherise Oleson providing graphic design services to Iowa State University.

CombiSep, Inc.

Nature of Business: CombiSep is a manufacturer of high performance analytical instrumentation, including high throughput chemical analysis systems aimed at addressing needs in the combinatorial sciences area.

Employee Relationship: Edward S. Yeung is a Distinguished Professor of Chemistry and Marc D. Porter is a Professor of Chemistry and Director of the Institute for Physical Research and Technology's (IPRT) Microanalytical Instrumentation Center. Drs. Yeung and Porter are major stockholders and members of CombiSep's Board of Directors.

Purchasing Authority: The University reports that Drs. Yeung and Porter will not participate in any part of the specifications, evaluation, acquisition, and authorization processes relative to CombiSep providing goods or services to Iowa State University.

In order to be certain that neither Drs. Yeung nor Porter participate in any aspect of the purchasing process, the IPRT Director, Tom Barton, will request an additional review by the Conflicts-of-Interest Committee (setup by ISU for CombiSep) of all purchasing process aspects. Dr. Barton and Dr. Patricia Thiel, Chair of the ISU Chemistry Department, have indicated their support.

WinningProposal.com

Nature of Business: WinningProposal.com is the web site of *The Grants Workbench*, which is a web-based application that helps to produce the first draft of a grant proposal.

Employee Relationship: Richard Freed is a professor in the English Department at Iowa State University. Mr. Freed is also the creator of *The Grants Workbench* software, and is in the business of providing site licenses and training programs in grant writing.

Purchasing Authority: The University reports that Richard Freed will not participate in any evaluation or award decisions relative to his providing services to Iowa State University.

Background:

Iowa Code

The Iowa Code:

- Does not alleviate the requirement for institutions to obtain competitive bids and provide public notice [§68B.3].
- 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 [§68B.4].
- Requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception [§68B.4(4)].

Regent Procedural Guide

The Regent Procedural Guide:

- 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 [§10.09.A].
- 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 [§10.09.B].
- 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 [§10.09.E].

Andrea L. Anania

Approved:

Robert J. Barak

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