

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Approval of Vendors with a Potential Conflict of Interest  
**Date:** January 31, 2000

**Recommended Action:**

Approve the request from Iowa State University to add Kars & More, Explore, Inc., and The Hope Clinic to the University's list of approved vendors with a potential conflict of interest.

**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 to add Kars & More, Explore, Inc., and The Hope Clinic to its list of approved vendors with a potential conflict of interest.

Kars and More, located in Nevada, Iowa, sells name brand outdoor power equipment and utility vehicles. Iowa State University wishes to purchase from Kars and More.

Richard L. Kinyon owns Kars and More. His wife is employed by Iowa State University as an Adjunct Assistant Professor in the Veterinary Diagnostic/Production Animal Medicine Department. She will not participate in any evaluation or award decisions relative to Kars & More.

Explore, Inc., located in Ames, Iowa, is a retail store sells travel and education materials such as maps, field guides, microscopes, and telescopes. Iowa State University wishes to conduct business with Explore, Inc., a certified Targeted Small Business.

Carolyn Cornette is the president, treasurer, and sole stockholder of Explore, Inc. Her husband, Dr. James Cornette, is employed by Iowa State University as a Professor in the Mathematics Department. He is also the Director of the Laurence H. Baker Center for Bioinformatics. Professor Cornett will not participate in any evaluation or award decisions relative to Explore, Inc.

Iowa State University, particularly the athletic department, wishes to conduct business with The Hope Clinic for comprehensive psychological and learning disability assessments. The Hope Clinic is the private practice of Dr. Warren H. Phillips, a licensed psychologist. Dr. Phillips provides psychotherapeutic, psychological, and learning disability assessment services to children, adolescents, families, and adults in the clinical practice located in Ames, Iowa.

Dr. Phillips also works part-time for Iowa State University as a Temporary Assistant Professor in the Psychology Department teaching an undergraduate class in developmental psychology. Kelli Schilder is a graduate student in the Psychology Department and is currently doing a practicum at The Hope Clinic under the supervision of Dr. Phillips. She will also perform some of the assessments for the athletic department. Dr. Phillips receives no compensation for his supervision of Kelli Schilder. Neither Dr. Phillips, nor Kelli Schilder will participate in any evaluation or award decisions relative to The Hope Clinic.

**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 decisions to purchase, or from authorizing any such contracts, as well as making material changes to such contracts.

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Pamela M. Elliott

Approved: \_\_\_\_\_  
Frank J. Stork