MEMORANDUM

To:                Board of Regents
From:              Board Office
Subject:           Approval of Vendors with Potential Conflicts of Interest
Date:              November 4, 2002

Recommended Action: Approve Wilson Sales Company / John Wilson to Iowa State 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.

Wilson Sales Company / John Wilson

Nature of Business: Wilson Sales Company is a Master Plumbing Parts Wholesaler located in Randall, Iowa. John Wilson is the owner of the company. Mr. Wilson would like to sell his products to Iowa State University.

Employee Relationship: John Wilson’s wife, Julie Wilson, is employed as a Clerk in the Student Financial Aid Office at Iowa State University.

Purchasing Authority: The University reports that:

- Ms. Wilson will not participate in any evaluation or award decisions relative to Wilson Sales Company providing goods or services to Iowa State University; and

- Whenever a conflict exists, the University will obtain competitive bids and provide public notice as prescribed in Iowa Code §68B.3.
**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

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