MEMORANDUM

To:       Board of Regents
From:     Board Office
Subject:  Approval of Vendors with a Potential Conflict of Interest
Date:     October 8, 2001

Recommended Action:

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

- University of Iowa – Performance Dynamics
- Iowa School for the Deaf – LINWELD

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

Employee Relationship: Ms. Mollie Marti is a Program Director at the Iowa Social Science Institute, a survey research unit of the University. Ms. Marti also owns and operates Performance Dynamics.

Nature of Business: Performance Dynamics is a consulting company that offers performance effectiveness education and consulting services to individuals and groups, including the University of Iowa Athletics Department.

Purchasing Authority: The University reports that the nature of Mollie Marti’s work is not related to her survey research unit and she is completely removed from the ordering process for those areas that would use the services of her company.

IOWA SCHOOL FOR THE DEAF

Employee Relationship: Mrs. Julie Page is an aid at the Iowa School for the Deaf elementary school. Julie’s spouse, Chuck, is a salesman for LINWELD.

Nature of Business: LINWELD distributes welding supplies.

Purchasing Authority: The School reports that Mrs. Page will not participate in any evaluations or award decisions relative to LINWELD.
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