

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest
Date: September 8, 2003

Recommended Action:

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

UNIVERSITY OF IOWA

- Stoppelmoor Enterprises, Inc. dba Towncrest X-Ray
- VB Company Inc. dba Mail Boxes of Iowa City

IOWA STATE UNIVERSITY

- Stecker-Harmsen, Inc.
 - Mitchell Squire
 - Palisade Systems, Inc.
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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

Stoppelmoor Enterprises, Inc. dba Towncrest X-Ray

Nature of Business: Towncrest X-Ray provides X-Ray services for research studies. The company is located in Iowa City, Iowa. Ernest W. Stoppelmoor is President of Stoppelmoor Enterprises, Inc. (dba Towncrest X-Ray.) Mr. Stoppelmoor would like to provide services to the University of Iowa.

Employee Relationship: Ernest Stoppelmoor's wife, Nancy L. Harney, is a full-time Administrative Assistant in the Department of Radiology at the University of Iowa Hospitals and Clinics.

Purchasing Authority: The University reports that Ms. Harney does not have any purchase or payment authority or responsibilities.

VB Company Incorporated dba Mail Boxes of Iowa City

Nature of Business: Mail Boxes of Iowa provides mail, shipping, packaging, and office supply products. The company is located in Iowa City, Iowa. Mark R. Vining is President and owner of VB Company Incorporated. Mr. Vining would like to provide services to the University of Iowa.

Employee Relationship: Mark Vining's wife, Lynn Vining, is a full-time Quality Management Coordinator in the Clinical Outcomes and Resource Management Department at the University of Iowa Hospitals and Clinics.

Purchasing Authority: The University reports that Ms. Vining does not have any purchase or payment authority or responsibilities.

IOWA STATE UNIVERSITY

Stecker-Harmsen, Inc.

Nature of Business: Stecker-Harmsen, Inc. provides construction cost consulting services. James Stecker is the owner of Stecker-Harmsen, Inc., located in Ames, Iowa. Mr. Stecker would like to provide services to all Regent institutions.

Employee Relationship: Mr. Stecker's wife, Gail Stecker, is a full-time Administrative Specialist in the Institute of Food Safety and Food Security in the Colleges of Agriculture, Family and Consumer Sciences, Liberal Arts and Sciences, and Veterinary Medicine at Iowa State University.

Purchasing Authority: The University reports that Mrs. Stecker will not participate in any evaluation or award decisions relative to Stecker-Harmsen Inc. providing goods or services to Iowa State University.

Mitchell Squire

- Nature of Business: Mitchell Squire sells public art, ranging from sculptures and drawings to installations and videos. Mr. Squire is the sole owner and his business is located in Ames, Iowa. He would like to provide services to all Regent institutions.
- Employee Relationship: Mitchell Squire is a full-time Assistant Professor in the Department of Architecture at Iowa State University. Mr. Squire's domestic partner, Martha Selby, is a full-time Adjunct Assistant Professor in the Department of Materials Science and Engineering at Iowa State University.
- Purchasing Authority: The University reports that:
- Mr. Squire nor Ms. Selby will participate in evaluation or award decisions relative to Mr. Squire providing goods or services to Iowa State University;
 - Mr. Squire will not sell his products / services to the Department of Architecture nor to the Department of Materials Science and Engineering at Iowa State University; and
 - Purchases from Mitchell Squire would not be used for Mr. Squire nor Ms. Selby's curricula or class projects.

Palisade Systems, Inc.

- Nature of Business: Palisade Systems, Inc. provides / sells network security and bandwidth management products and is located on the ISU Research Park in Ames, Iowa. The company was started in 1996 using licensed technology from Iowa State University. ISU holds the patent for the core technology. Doug Jacobson, Gary Bridges, and Steph Bridges are three of the company's owners.
- Employee Relationship: All three of the aforementioned individuals are employed by Iowa State University:
- Doug Jacobson is a full-time professor in the Electrical and Computer Engineering Department;
 - Gary Bridges is a full-time technician in the Electrical and Computer Engineering Department; and
 - Steph Bridges is a full-time system administrator for the Economics Department.
- Purchasing Authority: The University reports that:
- Messrs. Doug Jacobson, Gary Bridges, and Ms. Steph Bridges will not have influence in awarding a contract at the University nor will they serve as requestors on a University acquisition of products or services sold by Palisade Systems; and
 - The Electrical and Computer Engineering Department and the Economics Department agree to not purchase products or services from Palisade Systems, Inc., Doug Jacobson, Gary Bridges, or Steph Bridges.

Background:

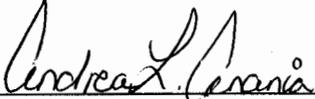
Requirements

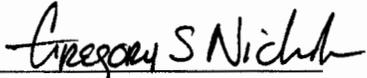
The Iowa Code [68B]:

- 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.


Andrea L. Anania

Approved 
Gregory S. Nichols