

Contact: Andrea Anania

CONFLICT OF INTEREST VENDORS

Action Requested: Consider approval of the following vendors with a potential conflict of interest:

UNIVERSITY OF NORTHERN IOWA

- ◆ Caroline Davis Lange
- ◆ Kevin S. York

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

UNIVERSITY OF NORTHERN IOWA

Caroline Davis Lange provides voice over services and is located in Cedar Falls, Iowa.

Caroline Davis Lange's husband, Eric Lange, is employed on a full-time basis as Department Head and Associate Professor in the Department of Theatre (DT), College of Humanities and Fine Arts (CHFA), at the University of Northern Iowa.

The University reports that:

- ◆ Eric Lange does not have any authority in DT to issue purchase orders or to approve payments for services provided by Caroline Davis Lange;
- ◆ Eric Lange has been issued a procurement card. Services provided by Caroline Davis Lange must be bid and would be paid through a requisition and purchase order process. All University procurement cards must be approved by a supervisor and all are audited monthly by the Office of Business Operations;
- ◆ DT and the CHFA acknowledge awareness of Caroline Davis Lange's request to do business as a conflict of interest vendor and agree that Eric Lange would have no influence in awarding services or approving payments to Caroline Davis Lange; and
- ◆ DT will not purchase services from Caroline Davis Lange without prior bidding, where appropriate.

Kevin S. York provides painting services and is located in Cedar Falls, Iowa.

Kevin York's wife, Candace York, is employed on a full-time basis as a Coordinator and Instructor in the Child Development Center (CDC), Price Laboratory School (PLS), College of Education (COE), at the University of Northern Iowa.

The University reports that:

- ◆ Candace York does not have any authority to issue purchase orders or to approve payments for services provided by Kevin S. York;
- ◆ Candace York has been issued a procurement card. Services provided by Kevin S. York must be bid and would be paid through a requisition and purchase order process. All University procurement cards must be approved by a supervisor and all are audited monthly by the Office of Business Operations;
- ◆ PLS and the Dean of DOE acknowledge awareness of Kevin S. York's request to do business as a conflict of interest vendor and agree that Candace York would have no influence in awarding services or approving payments to Kevin S. York; and
- ◆ CDC and PLS will not purchase services from Kevin S. York without prior bidding, where appropriate.

Background:

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 \$2,000 unless the sale is made after public notice and competitive bidding.

Once a vendor with a potential conflict of interest is approved by the Board, any Regent institution is authorized to purchase from that vendor.