

Contact: Andrea Anania

CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA

- ◆ Alton Szeto Illustration
- ◆ Carpentry by Chris
- ◆ Kas-Ber, Inc. DBA Novotny & Son Well Service
- ◆ The Thomas Group

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 IOWA

Alton Szeto Illustration (ASI) is a medical illustration business. Alton Szeto is the sole proprietor of the business, which is located in Iowa City, Iowa.

Alton Szeto's wife, Dr. Janet Tsui, is employed on a full-time basis as a House Staff III/Resident in the Department of Ophthalmology and Visual Sciences (DOVS), Graduate Medical Education (GME), at the University of Iowa Hospitals and Clinics.

The University reports that:

- ◆ Dr. Tsui does not have the authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card;
- ◆ Dr. Tsui will not participate in any discussions, decisions, business transactions, or correspondence involving ASI and the University of Iowa; and
- ◆ DOVS GME will solicit competitive bids whenever ASI is involved.

Carpentry by Chris (CbC) is a construction business. Chris Weckmann is the sole proprietor of the business, which is located in Iowa City, Iowa.

Chris Weckmann's wife, Dr. Michelle Weckmann, is employed on a full-time basis as a Clinical Assistant Professor in the Department of Psychiatry (DOP), College of Medicine (COM), at the University of Iowa.

The University reports that:

- ◆ Dr. Weckmann does not have any authority to issue purchase orders or to approve payments for DOP, nor has she been issued a procurement card;
- ◆ Dr. Weckmann will not participate in any discussions, decisions, business transactions, or correspondence involving CbC and the University of Iowa; and
- ◆ DOP COM will solicit competitive bids whenever CbC is involved.

Kas-Ber, Inc. dba Novotny & Son Well Service (NSWS) is a pump, well, and water treatment service. Ownership interest in the business includes: Donald Kasperek (20%) and Tim Beranek (20%), and their spouses Marie Kasperek (30%) and Jeanine Beranek (30%). The business is located in Swisher, Iowa.

The University reports that:

- ◆ Marie Kasperek:
 - ◆ Is employed on a full-time basis as a Secretary II in the Department of Intercollegiate Athletics (DIA) at the University;
 - ◆ Does not have any authority to issue purchase orders or approve payments for her department. She has been issued a procurement card. Assistant Director of Athletics Mick Walker and Associate Director of Athletics for Legal Affairs Mark Abbott will review and approve Marie Kasperek's procurement card transactions; and
 - ◆ Will not participate in any discussions, decisions, business transactions, or correspondence involving NSWS and the University.
- ◆ Jeanine Beranek:
 - ◆ Is employed on a full-time basis as an Applications Developer and Support I in the Health Care Information Systems (HCIS) at the University of Iowa Hospitals and Clinics;
 - ◆ Does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card; and
 - ◆ Will not participate in any discussions, decisions, business transactions, or correspondence involving NSWS and the University.
- ◆ DIA and HCIS will solicit competitive bids whenever NSWS is involved.

The Thomas Group (TTG) is a consulting company. Thomas Pickering is the sole proprietor of the business, which is located in Iowa City, Iowa.

Thomas Pickering's wife, Lori Paris, is employed on a full-time basis as a Program Associate I in the Admissions Department (AD) at the University of Iowa.

The University reports that:

- ◆ Lori Paris does not have any authority to issue purchase orders or to approve payments for her department, nor has she been issued a procurement card;
- ◆ Lori Paris will not participate in any discussions, decisions, business transactions, or correspondence involving TTG and the University of Iowa; and
- ◆ AD will solicit competitive bids whenever TTG is involved.

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 (Regents 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 Regents institution is authorized to purchase from that vendor.