

Contact: Andrea Anania

CONFLICT OF INTEREST VENDOR

Action Requested: Consider approval of a potential conflict of interest vendor, Michael Perrone.

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.

Michael Perrone is an artist from New York, New York, that is employed on a full-time basis for the 2006-2007 academic year as a Visiting Assistant Professor in the Art and Art History Department, College of Liberal Arts and Sciences, at the University of Iowa.

The Art in State Buildings Program Committee, consisting of University employees and individuals from the surrounding area, has selected three of Mr. Perrone's original paintings to purchase. If approved, the paintings will be displayed in the Pomerantz Family Pavilion at UIHC.

The University reports that:

- ◆ Mr. Perrone was not involved in the review or selection of the artwork chosen for purchase;
- ◆ The paintings were created on his own private time and without funding or assistance from the University; and
- ◆ Michael Perrone does not have any authority to issue purchase orders or approve payments for his department, nor has he been issued a University procurement card.

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 \$1,000 or a fiscal year's cumulative purchases exceed \$2,000.

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