

Contact: Andrea Anania

### CONFLICT OF INTEREST VENDORS

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

- ♦ A-1 Uniforms
- ♦ Thomas Law Office

**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.

**A-1 Uniforms** is a medical uniforms and supply retail business. Beth Cody is the owner of the business, which is located in Coralville, Iowa.

Ms. Cody's husband, Brian M. Hayes, is employed as a part-time Martial Arts Instructor for Recreational Services in the Division of Student Services at the University of Iowa. He works a total of 100 hours per semester and receives a portion of the fees charged for a non-credit class that he teaches.

The University reports that Brian Hayes does not have any authority to issue purchase orders or approve payments, nor has he been issued a University procurement card.

**Thomas Law Office** is a private-practice law office offering legal advice and representation. Chad W. Thomas is the owner of the business, which is located in Iowa City, Iowa.

Mr. Thomas has agreed to act as the supervising attorney for Student Legal Services (SLS) at the University of Iowa on an interim basis until the next one is hired. A supervising attorney is needed so that SLS can meet its obligations to College of Law interns and to students that the office represents in court.

Mr. Thomas' wife, Chris Elizabeth Martin, is employed on a 24% basis as an Adjunct Instructor in the School of Social Work in the College of Liberal Arts and Sciences at the University of Iowa.

The University reports that Ms. Martin does not have any authority to issue purchase orders or approve payments for her department, nor has she 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.