

Contact: Andrea Anania

CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA

- ◆ Nate's ~ fine desserts

IOWA STATE UNIVERSITY

- ◆ Catalyst Counseling, P.L.C.
- ◆ Shiara (Middle Eastern Dance Artist)

IOWA SCHOOL FOR THE DEAF

- ◆ Watson Custom Graphics

BOARD

- ◆ Wahlert Enterprises, LLC

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

NATE'S ~ FINE DESSERTS is a home-based, baked goods business. Nathan J. Furler is the sole proprietor of the business, which is located in North Liberty, Iowa. His life partner, Jason F. Rausch, is employed on a 25% basis as a Graduate Teaching Assistant in the College of Liberal Arts and Sciences, School of Music, at the University of Iowa.

The University reports that Mr. Rausch does not have any authority to issue purchase orders or approve payments for his department, nor has he been issued a procurement card.

CATALYST COUNSELING, P.L.C. provides psychological assessments and psychotherapy. Suzanne Zilber, Ph.D. is the sole owner of the business, which is located in Ames, Iowa. Her husband, Julian Adin Mann III is employed full time as a B-base Associate Professor in the Mechanical Engineering Department in the College of Engineering at Iowa State University.

The University reports that Mr. Mann will not participate in any evaluation or award decisions relative to Catalyst Counseling, P.L.C. providing goods or services to Iowa State University.

SHIARA provides performances and instruction in Middle Eastern music and dance. Lisa Rich-McKelvey is the sole owner of the business, which is located in Ames, Iowa.

Ms. Rich-McKelvey is employed full time as an Information Support Technician in Information Technology Services, Classroom Services Department, at Iowa State University.

The University reports that Ms. Rich-McKelvey will not participate in any evaluation or award decisions relative to Shiara providing goods or services to Iowa State University.

Watson Custom Graphics produces custom tee-shirts and designs and audio/video presentations. Phillip Watson is the owner of the company, which is located in Council Bluffs, Iowa. His mother, Jeanette Watson is employed full time as the Curriculum Coordinator for the Iowa School for the Deaf.

The School reports that Ms. Watson will not participate in any evaluation or award decisions relative to Watson Custom Graphics providing goods or services to the Iowa School for the Deaf.

Wahlert Enterprises, LLC is a private business located in Waukee, Iowa, that provides flight services. A partner in the business, Howard Wahlert, is the spouse of Teresa Wahlert, a member of the Board of Regents.

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.