

Contact: Andrea Anania

**CONFLICT OF INTEREST VENDORS**

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

UNIVERSITY OF IOWA

IOWA STATE UNIVERSITY

- ◆ Coralville Ventures
- ◆ Hodge Commercial Management
- ◆ Ramaanchar Technologies, Inc.
- ◆ Suzanne B. Anan Gallery
- ◆ Peter Krumhardt Photography

**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**

**Coralville Ventures** (CV) is a real estate rental and leasing company. Kevin Digmann is the Manager and 10% owner of the business, which is located in Iowa City, Iowa.

Mr. Digmann's wife, Cindy Digmann, is employed on a 75% basis as a Staff Nurse in the Department of Nursing Services and Patient Care, Pediatric Hematology, (DNSPC PH) at the University of Iowa Hospitals and Clinics.

The University reports that:

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

**Hodge Commercial Management** (HCM) is a real estate rental and leasing company. Kevin Digmann holds a 25% interest in the company, which is located in Iowa City, Iowa.

Mr. Digmann's wife, Cindy Digmann, is employed on a 75% basis as a Staff Nurse in the Department of Nursing Services and Patient Care, Pediatric Hematology, (DNSPC PH) at the University of Iowa Hospitals and Clinics.

The University reports that:

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

**Ramaanchar Technologies, Inc.** (RTI) provides software engineering consulting services. Raman Aravamudhan is Vice President of the business, which is located in Iowa City, Iowa.

Mr. Aravamudhan is employed on a 33% basis as an Adjunct Instructor in the Department of Computer Science (DCS), College of Liberal Arts and Sciences, at the University of Iowa.

The University reports that:

- ◆ Mr. Aravamudhan does not have any authority to issue purchase orders or approve payments for his department, nor has he been issued a procurement card;
- ◆ Mr. Aravamudhan will not participate in any discussions, decisions, business transactions, or correspondence involving RTI and the University of Iowa; and
- ◆ The DCS will solicit competitive bids whenever RTI is involved.

**Suzanne B. Aunan Gallery** (SBAG) is an artist located in Iowa City, Iowa.

Ms. Aunan is employed on a full-time basis as a Physician Assistant in the Clinical Cancer Center (CCC), Carver College of Medicine, at the University of Iowa.

The University reports that:

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

#### **IOWA STATE UNIVERSITY**

**Peter Krumhardt Photography** (PKP) provides photography services and sells photographs. Peter Krumhardt is the sole proprietor of the business, which is located in Madrid, Iowa.

Mr. Krumhardt's wife, Dr. Barbara Krumhardt, is employed on a full-time basis as a Lecturer in the Department of Genetics, Development and Cell Biology, at Iowa State University.

The University reports that:

- ◆ Dr. Krumhardt has not been issued a procurement card; and
- ◆ Dr. Krumhardt will not participate in any discussions, decisions, business transactions, or correspondence involving PKP and ISU, nor will she have any authority to make any University purchasing or payment decisions associated with PKP.

**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.