

Contact: Andrea Anania

CONFLICT OF INTEREST VENDORS

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

UNIVERSITY OF IOWA

- ◆ William Burkett / BMR Burkett Medical Repair Services, Inc.

UNIVERSITY OF NORTHERN IOWA

- ◆ Curtis D. Witte
- ◆ Konrad Sadkowski
- ◆ Thinking With Numbers, Inc.

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.

BMR Burkett Medical Repair Services, Inc. is a medical repair service. William Burkett owns the business, which is located in Iowa City, Iowa.

Mr. Burkett's wife, Lois Burkett, is employed on a 50% basis as an Administrative Assistant II in the Academic Advising Center at the University of Iowa.

The University reports that:

- ◆ Ms. Burkett has authority to issue purchase orders and approve payments for the Academic Advising Center; the Center will not enter into any transactions with BMR Burkett Medical Repair Services, Inc.; and
- ◆ Ms. Burkett has been issued a University procurement card; Patricia Folsom, Assistant Provost, Enrollment Services, reviews and approves Ms. Burkett's procurement card purchases.

Curtis D. Witte performs wood and cabinet refinishing services. He is the sole proprietor of the business, which is located in Waterloo, Iowa.

Mr. Witte's wife, Stephanie Witte, is employed on a full-time basis as a Botanical Center / Preserves Horticulturist in the College of Natural Sciences, Department of Biology, at the University of Northern Iowa.

The University reports that:

- ◆ Ms. Witte does not have any authority to issue purchase orders or approve payments for her department, nor has she been issued a University procurement card; and
- ◆ The Department of Biology will not purchase services from Curtis D. Witte.

Konrad Sadkowski rents storage facilities. Mr. Sadkowski is the owner of the business, which is located in Cedar Falls.

Mr. Sadkowski is employed on a full-time basis as an Assistant Professor in the College of Social and Behavioral Sciences, Department of History, at the University of Northern Iowa.

The University reports that:

- ◆ Mr. Sadkowski does not have any authority to issue purchase orders or approve payments for his department, nor has he been issued a University procurement card;
- ◆ The Department of History acknowledges awareness of Mr. Sadkowski's business and will permit it as long as business is conducted outside the workplace and on the employee's own time; and
- ◆ The Department of History will not rent facilities from Mr. Sadkowski.

Thinking With Numbers, Inc. creates and distributes teaching materials to math educators. Edward Rathmell and Larry Leutzinger own the company, which is located in Cedar Falls, Iowa.

Edward Rathmell is employed on a full-time basis as a Professor and Larry Leutzinger is employed on a full-time basis as an Associate Professor in the College of Natural Sciences, Department of Mathematics, at the University of Northern Iowa.

The University reports that:

- ◆ Messrs. Rathmell and Leutzinger do not have any authority to issue purchase orders or approve payments for their department, nor have they been issued University procurement cards;
- ◆ The Department of Mathematics acknowledges awareness of Messrs. Rathmell's and Leutzinger's business and will permit it as long as business is conducted outside the workplace and on the employees' own time; and
- ◆ The Department of Mathematics will not purchase services from Thinking With Numbers, Inc. without prior bidding and review of outside experts identifying the products as the most appropriate; Messrs. Rathmell and Leutzinger will not participate in any evaluation or award decisions with regard to such purchases.

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.