

Contact: Andrea Anania

**CONFLICT OF INTEREST VENDORS**

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

UNIVERSITY OF IOWA

- ◆ Advanced Biomedical Informatics Group, L.L.C.
- ◆ City Ballet of Iowa, L.L.C.
- ◆ Hands Up Communications, Inc.
- ◆ Iowa Business Supply, L.L.C.
- ◆ Short's Burger & Shine, L.L.C.

UNIVERSITY OF NORTHERN IOWA

- ◆ Borinquen Frame Center
- ◆ Robert Edilson

**Executive Summary:** Vendors at the Regents 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**

**Advanced Biomedical Informatics Group, L.L.C. (ABIG)** is a high-level informatics consulting service. Dr. Hans J. Johnson holds a 50% ownership interest in the business, which is located in Iowa City, Iowa.

Dr. Johnson is employed on a full-time basis as an Assistant Professor in the Department of Psychiatry (DOP), College of Medicine (COM), at the University of Iowa.

The University reports that:

- ◆ Dr. Johnson has not been issued a procurement card;
- ◆ Dr. Johnson does have the authority to issue purchase orders, but does not have the authority to approve payments for his department;
- ◆ COM DOP will solicit competitive bids whenever ABIG is involved; decisions to purchase from ABIG will be made by DOP Professor Jane Paulson, not by Dr. Johnson; and
- ◆ A conflict of interest management plan is in place with Dr. Johnson and the DOP.

**City Ballet of Iowa, L.L.C. (CBOI)** is a dance education and studio rental business. Sara Barragan holds a 50% ownership interest in the business, which is located in Iowa City, Iowa.

Sara Barragan's husband, Eloy Barragan, is employed on a full-time basis as an Assistant Professor in the Department of Dance (DOD), College of Liberal Arts and Sciences, (CLAS), at the University of Iowa.

The University reports that:

- ◆ Eloy Barragan does not have any authority to issue purchase orders or to approve payments for DOD, nor has he been issued a procurement card;
- ◆ Eloy Barragan will not participate in any discussions, decisions, business transactions, or correspondence involving CBOI and the University of Iowa; and

- ◆ CLAS DOD will solicit competitive bids whenever CBOI is involved.

**Hands Up Communications, Inc.** (HUCI) is a sign language interpreting service business. Susan Tyrrell, Partner, holds a 51% ownership interest in the business, which is located in Hiawatha, Iowa.

Susan Tyrrell is employed on a short-term basis as an instructor in the Department of Communication Sciences and Disorders (DCSD), College of Liberal Arts and Sciences (CLAS), at the University of Iowa.

The University reports that:

- ◆ Susan Tyrrell does not have any authority to issue purchase orders or to approve payments for DCSD, nor has she been issued a procurement card;
- ◆ Susan Tyrrell will not participate in any discussions, decisions, business transactions, or correspondence involving HUCI and the University of Iowa; and
- ◆ CLAS DCSD will solicit competitive bids whenever HUCI is involved.

**Iowa Business Supply, L.L.C.** (IBS) is a business product supply company. Don Born holds a 50% ownership interest in the business, which is located in Iowa City, Iowa.

Don Born's wife, Janelle Born, is employed on a 75% basis as a Research Assistant II in the Department of Surgery (DOS), College of Medicine (COM), at the University of Iowa.

The University reports that:

- ◆ Janelle Born does not have any authority to issue purchase orders or to approve payments for DOS, nor has she been issued a procurement card;
- ◆ Janelle Born will not participate in any discussions, decisions, business transactions, or correspondence involving IBS and the University of Iowa; and
- ◆ COM DOS will solicit competitive bids whenever IBS is involved.

**Short's Burger & Shine, L.L.C.** (SB&S) is a restaurant. Dan Ouverson is the managing partner and holds a 33% ownership interest in the business, which is located in Iowa City, Iowa.

Dan Ouverson's wife, Sheila Ouverson, is employed on a full-time basis as a Business Manager II in the Joint Office of Patient Financial Services (JOPFS) at the University of Iowa Hospitals and Clinics (UIHC).

The University reports that:

- ◆ Sheila Ouverson does not have any authority to issue purchase orders or to approve payments for JOPFS, nor has she been issued a procurement card;
- ◆ Sheila Ouverson will not participate in any discussions, decisions, business transactions, or correspondence involving SB&S and the University of Iowa; and
- ◆ UIHC JOPFS will solicit competitive bids whenever SB&S is involved.

**UNIVERSITY OF NORTHERN IOWA**

**Borinquen Frame Center (BFC)** provides framing and matting services. Pablo Mercado owns the business, which is located in Parkersburg, Iowa.

Pablo Mercado's wife, Marilyn Mercado, is employed on a full-time basis as the Dean of Library Services in the Rod Library at the University of Northern Iowa.

The University reports that:

- ◆ Marilyn Mercado does not have any authority to issue purchase orders or approve payments for services provided by BFC or Pablo Mercado, nor has she been issued a University procurement card;
- ◆ The Office of the Executive Vice President and Provost acknowledge awareness of Pablo Mercado/BFC's request to do business as a conflict of interest vendor and agree that Marilyn Mercado will have no influence in awarding contracts or approving payments relevant to framing and matting services; and
- ◆ Rod Library agrees to not purchase services from BFC without prior bidding, where appropriate, and review of outside experts, if necessary.

**Robert Edilson** provides freelance web design services. He is located in Marion, Iowa.

Robert Edilson's wife, Charlotte Edilson, is employed on a full-time basis as a Program Associate II in Camp Adventure Youth Services (CAYS), which is a service learning program in the School of Health, Physical Education and Leisure Services (SHPELS), Department of Education (DOE), at the University of Northern Iowa.

The University reports that:

- ◆ Charlotte Edilson does not have any authority to issue purchase orders or approve payments for services for her department, nor has she been issued a University procurement card;
- ◆ SHPELS and DOE acknowledge awareness of Robert Edilson's request to do business as a conflict of interest vendor and agree that Charlotte Edilson will have no influence in awarding contracts or approving any payments relevant to freelance web design services; and
- ◆ DOE CAYS agrees to not purchase services from Robert Edilson without prior bidding, where appropriate, and review of outside experts, if necessary.

**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 (Regents 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 Regents institution is authorized to purchase from that vendor.