

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest
Date: April 12, 2004

Recommended Action:

Approve the following additions to the respective institution's list of approved vendors with a potential conflict of interest:

UNIVERSITY OF IOWA

- Claudia McGehee dba Claudia McGehee Illustration
- Gail L. Mitchell dba Sound Foundation
- PreventCVD LLC

IOWA STATE UNIVERSITY

- Buster's Design Team
 - CanterBrooke Equestrian Center
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Executive Summary:

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

UNIVERSITY OF IOWA

Claudia McGehee dba Claudia McGehee Illustration

Nature of Business	Claudia McGehee provides illustration services. Claudia McGehee is the sole proprietor of the company, which is located in Iowa City, Iowa. The University requests that the company be added to the list of approved vendors.
Employee Relationship	Claudia McGehee's husband, Daniel V. McGehee, is the full-time Director of Human Factors Research for the Public Policy Center at the University of Iowa.
Purchasing Authority	The University reports that: <ul style="list-style-type: none">• Mr. McGehee has no purchase order or payment approval responsibilities or authority;• Mr. McGehee has a University procurement card. Procurement card transactions are reviewed by the department administrator monthly; and• The Public Policy Center has not and will not enter into any business transactions involving Claudia McGehee Illustration.

Gail L. Mitchell dba Sound Foundation

- Nature of Business Sound Foundation provides sound equipment, installation, and service. Gail L. Mitchell is the owner of the company, which is located in Iowa City, Iowa. The University requests that the company be added to the list of approved vendors.
- Employee Relationship Gail Mitchell is the spouse of Margaret Mitchell who is employed as a full-time secretary in the Safety and Security Department at the University of Iowa Hospitals and Clinics.
- Purchasing Authority The University reports that:
- Mrs. Mitchell has no purchase order or payment approval authority;
 - Mrs. Mitchell has a University credit card. Vouchers are reviewed and signed by the department manager monthly; and
 - The Safety and Security Department has not and will not enter into any business transactions involving Sound Foundation.

PreventCVD LLC

- Nature of Business Dr. Jennifer G. Robinson, MD, MPH, owns PreventCVD LLC, a company that developed a series of clinical tools to support medical practice and that provides pocket risk chart pamphlets. The company is located in Coralville, Iowa. The University requests that the company be added to the list of approved vendors.
- Employee Relationship Dr. Robinson is a full-time Associate Professor in the Department of Epidemiology and the Program Director of the Lipid Research Clinic at the University of Iowa.
- Purchasing Authority The University reports that:
- Dr. Robinson has order and payment approval responsibilities as they relate to her projects. She does not have signature authority. All purchase requests are reviewed and approved by the department administrator or the department head;
 - Educational lectures are part of Dr. Robinson normal job duties. Dr. Robinson has been providing pamphlets free of charge at her lectures and to other University personnel for educational efforts; and
 - It wishes to reimburse Dr. Robinson for the cost of copying the pamphlets that she distributes as part of her normal job duties. She would be required to submit original receipts for copying charges only.

IOWA STATE UNIVERSITY

Buster's Design Team

Nature of Business Buster's Design Team provides custom individual/team portraits, which are graphically designed and are printed on canvas. Ruth Crowe owns the company, which is located in Ames, Iowa.

ISU requests approval for her to provide services to all Regent institutions and that she be added to the list of approved vendors.

Employee Relationship Ms. Crowe is a full-time softball coach in the Athletic Department at Iowa State University.

Purchasing Authority The University reports that:

- The Athletic Department is aware of Ms. Crowe's business and her intentions to provide custom individual/team portrait services;
- Ms. Crowe's supervisor will monitor her activities to ensure that her portrait service business will remain separate from her normal job duties;
- All purchases will have the approval of the business office, the athletic director responsible for the sport, and the compliance office, if necessary;
- Ms. Crowe will not participate in any evaluation or award decisions relative to her providing goods or services to ISU.

CanterBrooke Equestrian Center

Nature of Business CanterBrooke Equestrian Center provides equestrian facilities and services. Dana McCullough is the owner of the company, which is located in Ames Iowa. Dana McCullough's husband, Russel McCullough, is a 10 percent partner in the business.

ISU requests approval for her to provide services to all Regent institutions and that she be added to the list of approved vendors.

Employee Relationship Dana McCullough's husband, Russel McCullough, is a part-time temporary lecturer in the Economics Department at Iowa State University.

Purchasing Authority The University reports that Mr. McCullough will not participate in any evaluation or award decisions relative to Mrs. McCullough providing goods or services to ISU.

Background:

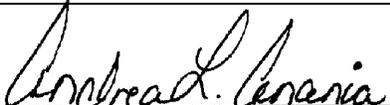
Requirements

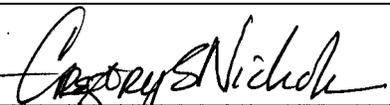
The Iowa Code [68B]:

- 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.
- Requires that a summary of institutional expenditures with approved conflict of interest vendors will be included in the annual purchasing report presented to the Board in November.


Andrea L. Anania

Approved: 
Gregory S. Nichols