

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Approval of Vendors with a Potential Conflict of Interest  
**Date:** April 9, 2001

**Recommended Action:**

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

- University of Iowa – ACCESS NOW
- Iowa State University – Herbert Lewis Kruse Blunck Architecture

**Executive Summary:**

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

The University of Iowa requests that ACCESS NOW, a company that markets the "Pakkie" be added to its approved vendor list. The Pakkie is a product that allows for the transfer of individuals with less effort by the medical staff and the patient, and with considerably less patient discomfort. The product was originally designed for the airline industry to transfer people with special needs from an aisle chair into a plane seat.

ACCESS NOW, a targeted small business, is owned and operated by Judy Hoit who is employed half time at the Hospital School as a receptionist. The University indicates that Ms. Hoit will not be involved in the decision making process for acquiring the Pakkie.

Iowa State University requests to add Herbert Lewis Kruse Blunck Architecture (HLKB), an architectural firm, to its approved vendor list. Calvin F. Lewis is a stockholder of HLKB and is active in the firm. Mr. Lewis is also the Chair of the Department of Architecture, College of Design, at Iowa State University. The University states that Mr. Lewis will not participate in any evaluation or award decisions relative to the services provided by Herbert Lewis Kruse Blunck Architecture.

A summary of institutional expenditures with approved conflict of interest vendors is included in the annual purchasing report presented to the Board in November.

**Background:**

Iowa Code §68B.4 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. The Iowa Code requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception.

The Board's adopted rules are incorporated in the Board of Regents Procedural Guide §10.09. Board authorization is required 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.

The Board's authorization of a vendor with a potential conflict of interest does not alleviate the requirement to obtain competitive bids and provide public notice as prescribed in Iowa Code §68B.3.

Board rules preclude individuals with potential conflicts from being directly involved in the purchasing decisions or authorizing of any such contracts as well as making material changes to such contracts.

**Analysis:**

UNIVERSITY OF IOWA

The University of Iowa wishes to add ACCESS NOW, owned and operated by employee Judy Hoit, to its list of approved vendors with a potential conflict of interest. ACCESS NOW, located in Iowa City, Iowa, markets the "Pakkie," a product that allows for the easy transfer of individuals.

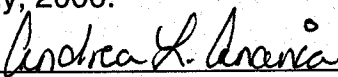
Judy Hoit is employed half time as a receptionist at the Hospital School. The University reports that Ms. Hoit is completely removed from the ordering process.

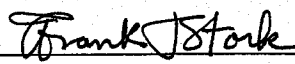
IOWA STATE UNIVERSITY

Iowa State University wishes to add Herbert Lewis Kruse Blunck Architecture (HLKB), an architectural firm, to its approved vendor list.

Calvin F. Lewis is a stockholder of HLKB and is active in the firm. Mr. Lewis is also the Chair of the Department of Architecture, College of Design, at Iowa State University. ISU states that Mr. Lewis will not participate in any evaluation or award decisions relative to the services provided by Herbert Lewis Kruse Blunck Architecture.

As required by the Regent Procedural Guide, the University utilizes an Architectural Selection Committee. The Committee is comprised of seven individuals in the areas of finance and facilities planning and management as well as representatives affected by proposed building projects. The seven permanent members of the committee do not report to Mr. Lewis. No new buildings or major renovations are included in the five-year plan for the Department of Architecture (FY 2002 – FY 2006) as presented to the Board in July, 2000.

  
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Andrea L. Anania

Approved:   
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Frank J. Stork