

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendor with a Potential Conflict of Interest
Date: February 12, 2001

Recommended Action:

Approve the addition of Terry Pickett and Associates to Iowa State University's list of approved vendors with a potential conflict of interest.

Executive Summary:

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

Iowa State University requests that Terry Pickett and Associates, a sole proprietorship, be authorized to conduct business with Regent institutions. The Ames-based company specializes in team building, leadership development, and project management training and development.

Mr. Pickett's wife, Margaret S. Pickett, serves as the University's Assistant Vice President for Business and Finance and Controller. The University has indicated that Terry Pickett and Associates will not do business with any units directly reporting to Margaret Pickett and that she will play no roll in any selection process.

The University states that Warren Madden, ISU's Vice President for Business and Finance, would approve services provided to other University units in advance should any departments request to utilize Mr. Pickett's services. In the case of Vice President Madden's absence, if the need for action should arise, review and approvals would be referred to the President of the University. The University also indicated that its Purchasing Department has been specifically instructed regarding institutional approvals on this matter.

This authorization would mean that Terry Pickett and Associates would be able to be considered with other potential qualified vendors. Because of the size of the Ames community and the limited number of business opportunities, the University has stated that the ability of spouses to effectively compete and engage in business in the area is an important part of the University recruitment and retention initiatives.


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.


Pamela M. Elliott

Approved: 
Frank J. Stork