

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest
Date: January 31, 2000

Recommended Action:

Approve the request from Iowa State University to add Dr. Linda M. Thompson to the 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 to add Dr. Linda M. Thompson to its list of approved vendors with a potential conflict of interest.

Iowa State University wishes to purchase portable veterinary radiographic equipment.

Dr. Linda Thompson recently left private practice and is now an employee of the Iowa State University Veterinary Teaching Hospital. Iowa State University wishes to accept a bid from Dr. Thompson, who has this equipment left from her private practice. This is expected to be the only transaction, of this kind, with Dr. Thompson.

ISU Purchasing will take bids, seeking other sources of used equipment, and also evaluate against the price for a new unit. Dr. Thompson will play no role in the decision making process regarding the acquisition of the equipment.

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 decisions to purchase, or from authorizing any such contracts, as well as making material changes to such contracts.

Pamela M. Elliott

Approved: _____
Frank J. Stork