

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest
Date: January 10, 2000

Recommended Action:

Approve the request from Iowa State University to add Global Geo Services, Inc. and Stotts Farm 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 approval to add Global Geo Services, Inc. and Stotts Farm to its list of approved vendors with a potential conflict of interest.

Global Geo Services, Inc., owned by Larry R. Stotts, offers aerial photography services. Stotts Farm, jointly owned by Larry R. Stotts and Barbara Stotts as husband and wife, provides fertilizer application services.

Barbara Stotts is a Systems Analyst for ISU's Administrative Data Processing (ADP).

The University has stated that Ms. Stotts will not participate in any evaluation or award decisions relative to Global Geo Services, Inc. and Stotts Farm. In addition, ADP management has provided assurances that Ms. Stotts does not have access, influence, or control over the software programs, systems, or processes related to the services in question.

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