

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest
Date: May 6, 2002

Recommended Action:

Approve the addition of Liberty Country Living to the University of Iowa'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.

Liberty Country Living

Nature of Business	Liberty Country Living is a community-based, alternative living and adult day care facility for persons with dementia. The facility is located in Iowa City, Iowa. There are no similar facilities in Johnson County or contiguous counties. There are only three such facilities in the state.
Employee Relationship	Meridean Maas, Professor, and Janet Specht, Assistant Professor, both are faculty in the College of Nursing at the University of Iowa, and both own and operate Liberty Country Living. Kathleen Fleming, another College of Nursing employee, has a half time faculty practice assignment at Liberty Country Living.
Nature of Potential Conflict	<p>Liberty Country Living serves as a practicum site for students and practitioners from all health disciplines to learn and observe how an alternative environment is supportive and helpful to persons with dementia. There is no charge to participating students and practitioners for clinical or observational experiences at the facility.</p> <p>The University of Iowa has received a grant from the United States Public Health Service for Geriatric Study. The University reports that Meridean Mass and Janet Specht are investigators on the grant. The professors report that the grant is to be administered by the Geriatric Education Center of the University, which has no administrative connection to the College of Nursing. For federal disclosure compliance purposes, the University reports that Professor Maas has disclosed her interest in Liberty Country Living.</p> <p>Liberty Country Living is listed as a clinical facility in the grant budget, which outlines that \$5,499 will be paid to Liberty Country Living over a three-year period to cover teaching materials; travel around the state to inform people about community-based, alternative living; and possibly recruit students and practitioners.</p>
Purchasing Authority	Dr. Specht states that Drs. Specht and Maas and Ms. Fleming do not influence those who will use Liberty Country Living as a practicum site nor will any of them gain financially when Liberty Country Living is used as a practicum site.

Background:

Requirements

The Iowa Code:

- Does not alleviate the requirement for institutions to obtain competitive bids and provide public notice [§68B.3].
- 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 [§68B.4].
- Requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception [§68B.4(4)].

The Regent Policy Manual:

- 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 [§10.09.A].
- 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 [§10.09.B].
- 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 [§10.09.E].


Pamela M. Elliott

Approved: 
Gregory S. Nichols