

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Approval of Vendors with a Potential Conflict of Interest
Date: October 6, 2003

Recommended Action:

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

UNIVERSITY OF IOWA

- Big Bluestem
- Thomas R. Aprile

IOWA STATE UNIVERSITY

- ECO Instruments, Inc.
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Executive Summary:

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

UNIVERSITY OF IOWA

Big Blustem

Nature of Business: Big Blustem provides web site development and software training services. The company is located in Iowa City, Iowa. Erik Pauls is the sole proprietor of the company. He would like to provide goods and services to the University.

Employee Relationship: Erik Pauls' wife, Elizabeth Pauls, is employed full time as the Director of the Office of the State Archaeologist (OSA) at the University of Iowa.

Purchasing Authority: The University reports that the OSA will not purchase goods or services from Mr. Pauls and that Mrs. Pauls does not have any order or payment authority responsibilities outside the OSA.

Thomas R. Aprile

Nature of Business: Thomas Aprile sells sculptures and paintings. He is the sole proprietor of the company, which is located in Iowa City, Iowa. He would like to provide goods and services to the University.

Employee Relationship: Thomas Aprile is a full-time Associate Professor in the Art and Art History Department at the University of Iowa.

Three pieces of Mr. Aprile's artwork were chosen by a committee for the Art in State Buildings Program. This committee consists of 15 members, including employees from the University of Iowa and individuals from the surrounding area.

Purchasing Authority The University reports that:

- Mr. Aprile was not involved in the review or selection of the artwork chosen for purchase;
- Mr. Aprile will not have any influence in purchasing decisions relative to his company providing goods and services to the University in the future;
- The Art and Art History Department will not purchase goods or services from Mr. Aprile; and
- Purchases from Thomas Aprile would not be used for Mr. Aprile's curricula or class projects.

IOWA STATE UNIVERSITY

ECO Instruments, Inc.

Nature of Business: ECO Instruments, Inc. produces/sells water quality monitoring instruments. The company is located in Ames, Iowa. William Robertson is the owner of the company. Mr. Robertson would like to provide services to all Regent institutions.

Employee Relationship: William Robertson is a full-time laboratory supervisor in the Biomedical Sciences Department in the College of Veterinary Medicine at Iowa State University.

Purchasing Authority: The University reports that Mr. Robertson will not participate in any evaluation or award decisions relative to his business providing goods or services to Iowa State University.

Background:

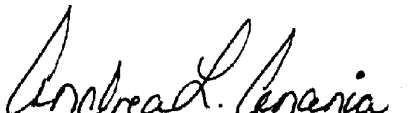
Requirements

The Iowa Code [68B]:

- Does not alleviate the requirement for institutions to obtain competitive bids and provide public notice.
- 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.
- Requires all regulatory agencies to adopt rules specifying the method by which employees may obtain agency consent for exception.

The Iowa Administrative Code [681—8.9]:

- 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.
- 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.
- 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.


Andrea L. Anania

Approved: 
Gregory S. Nichols