FCR 12

Office of the President April 25, 2025

Members, Board of Trustees:

APPROVAL OF LAND LEASE (UK RESEARCH AND EDUCATION CENTER AT PRINCETON)

<u>Recommendation</u>: that the Board of Trustees approve an exception to Kentucky Revised Statutes (KRS) 164.131(7) and Governing Regulation XIV, *Ethical Principles and Code of Conduct*, pursuant to KRS 164.367, to permit the University to enter into a lease with employee Chris Rodgers under Request for Proposal (RFP) #RE-0219-25 until December 31, 2025.

<u>Background</u>: Dr. William A. ("Andy") Bailey, Ph.D. an Extension Professor in the Martin-Gatton College of Agriculture, Food and Environment, has administrative responsibility for the Dark Tobacco Extension Program, which focuses on the agronomic aspects of dark tobacco production, tobacco pesticide screening, crop management and tobacco curing ("Project"). This research takes place on approximately ten acres at the University of Kentucky Research and Education Center in Princeton, Kentucky. Due to the intermittent nature of the work and a shortage of reliable farm labor contractors in the region, the Project has had great difficulty procuring labor to assist with the harvest of the tobacco plots.

In 2024, the University Procurement Services Office issued a Request for Proposal (# RE-0202-24) to lease the land to a bidder who would grow the specified crops and provide labor for all stages of the crop production in return for the marketable tobacco produced from the research trials. The only proposal submitted was from Chris Rodgers, a University employee who owns his own tobacco farm near Princeton but also works on the Project. He disclosed the conflict of interest in his proposal. KRS 164.131(7) prohibits an employee from having an interest in a contract with the university unless approved by the Board. KRS 164.367 allows the university to establish a procedure whereby the Board may approve an employee having an interest in a contract with the university. Governing Regulation, Part XIV.B.14, *Financial Advantage*, provides that procedure. Pursuant to the procedure, the Ethics Committee evaluated five criteria and recommended to the President that the Board approve the exception but also recommended issuing a new RFP after one year. The Board approved this exception at its December 5, 2023 meeting.

Consistent with the prior recommendation, the University Procurement Services Office issued a new Request for Proposal (#RE-0219-25) in early 2025. Again, the only proposal submitted was from Chris Rodgers, and he disclosed the conflict of interest in his proposal. Following consultation with the chair of the Ethics Committee,

for the same reasons provide at the December 5, 2023 meeting, it is recommended that the Board approve the exception and permit a new lease to run from May 15, 2025 until December 31, 2025. A new RFP will be issued for lease or labor needed after 2025.