

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

**Approved by the
Regents
February 20, 2014**

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to enter into an agreement with Newline Builders (University of Michigan Employee Frederic Bayoff, Owner)

Background:

The University of Michigan Department of Human Genetics seeks approval to enter into an agreement with Newline Builders for the fabrication and purchase of wireless respiratory sensors for patient monitoring. The products and service will support an NIH grant application. The sensors will allow the researchers to obtain new funding from federal sources because grant applications are best viewed and more likely to be approved when preliminary results are included.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Frederic Bayoff is a University employee as a Senior Programmer Analyst in the Department of Psychiatry – Health Services in the Medical School and would be party to the agreement as Owner of Newline Builders.

However, the Statute allows the University to enter into such agreements if the following conditions are met:

- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership of the approving body in open session without the vote of the public servant making the disclosure.
- c) The official body discloses the following summary information in its official minutes:
 - i) The name of each party involved in the contract.
 - ii) The terms of the purchase, including duration, financial consideration between the parties, facilities or services of the public entity included in the purchase, and the nature and degree of assignment of employees of the public entity for fulfillment of the purchase.
 - iii) The nature of any pecuniary interest.

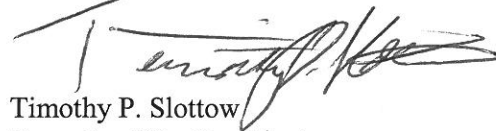
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Human Genetics and Newline Builders.
- ii) The proposed contract is for delivery of thirty (30) sensors within the calendar year of 2014 at a total cost not to exceed \$45,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Frederic Bayoff, is Owner of Newline Builders.

Frederic Bayoff has met state law requirements with the disclosure of his pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable under the Medical School's or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the agreement between the University of Michigan and Newline Builders subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

February 2014