

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

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 Court Innovations. (University of Michigan Employee, James Jondall Prescott, Director and Part Owner)

Background:

The University of Michigan Law School seeks approval to enter into an agreement with Court Innovations to complete Phase 2 of the Online Court Project. The Online Court Project was initiated by a Third Century Global Challenge Grant issued from the Provost's Office in 2013 providing funding for Phase 1 which was the pilot for the current project.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as James Jondall Prescott is a University employee as Professor of Law in the Law School and would be party to the agreement as a Director and part Owner of Court Innovations.

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.

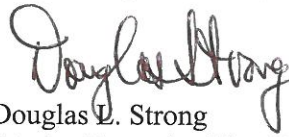
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Law School and Court Innovations.
- ii) The agreement will provide for completion of Phase 2 of the Online Court Project which will further enhance the database and online technology as well as court use and adoption throughout the state of Michigan. The agreement is for two years and is valued at \$2.1M
- iii) The pecuniary interest arises from the fact that University of Michigan employee, James Jondall Prescott, is the Director and part Owner of Court Innovations

James Jondall Prescott 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 Court Innovations subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Douglas L. Strong
Interim Executive Vice President
and Chief Financial Officer

July 2014