

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

Approved by the Regents
September 22, 2006

ACTION REQUEST

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

Action
Requested: Authorization for the University to Approve a Payment for Legacy Press
(University of Michigan Employee Cathleen Baker, Sole Owner)

Background:

The University of Michigan's University Library wishes to receive approval to make a payment to Legacy Press. The department wishes to make this payment for a hand-made book of engravings. Cathleen Baker, a University of Michigan Employee, is the Sole Owner of Legacy Press. Legacy Press was chosen to provide this product because it is the only book that contains most of the images cut by John DePol, an engraver of particular interest to the University Library.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Cathleen Baker is a University employee and would be a party to the contract by virtue of her Sole-Ownership of Legacy Press. However, the Statute allows University employees to participate in such purchases, 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.

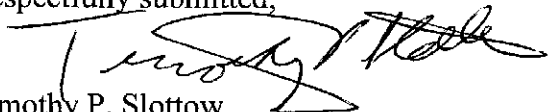
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its University Library, and Legacy Press.
- ii) The product is a book of engravings for a total dollar amount of \$295.00.
- iii) The pecuniary interest arises from the fact that Cathleen Baker, a University of Michigan employee, is a Sole Owner of Legacy Press.

Cathleen Baker has met state law requirements with the disclosure of her pecuniary interest, and her 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 contract between the University of Michigan and Legacy Press, 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 & Chief Financial Officer

September 2006