

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

October 25, 2007

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 Ply, LLC (University of Michigan Employees Craig Borum and Karl Daubmann, Members)

Background:

The University of Michigan's A. Alfred Taubman College of Architecture and Urban Planning wishes to receive approval to make payment to Ply, LLC. The department wishes to make this payment for unique lighting fixtures. Ply, LLC was chosen to provide the lighting fixtures as the lights had been designed by University faculty, and use of these lights would highlight the talents of faculty members to alumni and other university guests.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Craig Borum and Karl Daubmann are University employees and are parties to the purchase by virtue of their positions as members of Ply, LLC. However, the Statute allows the University to enter into such contracts 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.

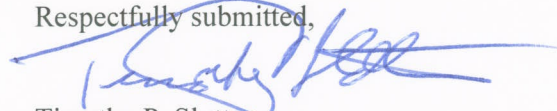
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its A. Alfred Taubman College of Architecture and Urban Planning and Ply, LLC.
- ii) The product provided is unique lighting fixtures. The cost for the product is \$1,100.00.
- iii) The pecuniary interest arises from the fact that Craig Borum and Karl Daubmann, University of Michigan employees, are Members of Ply, LLC.

Craig Borum and Karl Daubmann have met state law requirements with the disclosure of their pecuniary interest, and their 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 payment between the University of Michigan and Ply, LLC, 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

October 2007