

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

ACTION REQUEST

Approved by the Regents

October 25, 2007

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

Action Requested: Authorization for the University to Approve a Purchase from GoSo, LLC (University of Michigan Employee Anastasios John Hart, Partner)

Background:

The University of Michigan Department of Mechanical Engineering seeks approval to purchase a Sabre Tube Furnace from GoSo, LLC. GoSo, LLC was selected because they are the only vendor able to provide the furnace with the necessary capabilities at a reasonable cost.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Professor Anastasios John Hart is a University employee and would be a party to the contract by virtue of his role as Partner of GoSo, 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 Department of Engineering and GoSo, LLC.

- ii) The purchase is one Saber Tube Furnace with Control Kit, used to perform chemical vapor deposition reactions on a resistively heated platform. The cost of the furnace is \$12,509.
- iii) The pecuniary interest arises from the fact that Professor Anastasios John Hart, a University of Michigan employee, is a Partner of GoSo, LLC.

Professor Anastasios John Hart has met state law requirements with the disclosure of his pecuniary interest and his 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 GoSo, 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