

THE UNIVERSITY OF MICHIGAN ANEXH  
REGENTS COMMUNICATION

ACTION REQUEST

MOTION	<i>Newman</i>
SPEC	<i>White</i>
ACTION APPROVED BY THE REGENTS	

NOTE: NOV 17 2005

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

Action

Requested: Authorization for the University to Enter into a Contract with Gladwin Center (University of Michigan Employee Thomas Gladwin, Owner)

Background:

The University of Michigan's Procurement Department wishes approval for payments to Gladwin Center for use of their conference facility for University departments. Thomas Gladwin, a Professor in the School of Business Administration, is the owner of Gladwin Center. Gladwin Center was chosen because of its availability and size of the facilities, as well as for its economical rates.

The proposed payment falls under the State of Michigan Conflict of Interest Statute as Thomas Gladwin is a University employee and would be a party to the contract by virtue of his ownership of Gladwin Center. 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 Procurement Department, and Gladwin Center.
- ii) The service provided is a facility rental for one year with a one year extension option, for a total dollar amount of \$3,000.00.
- iii) The pecuniary interest arises from the fact that Thomas Gladwin, a University of Michigan employee, is the sole owner of Gladwin Center.

Thomas Gladwin 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 contract between the University of Michigan and Gladwin Center, subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slotto  
Executive Vice President and Chief Financial Officer

November 2005