

**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 Freshstart Clubhouse, Inc. (University of Michigan Employees, Apoorva Belle, Abigail Kunk, and Elizabeth Evans, Board Members).

Background:

The University of Michigan Medicine - Community Health Services seeks approval to enter into an agreement with Freshstart Clubhouse, Inc. for community health needs assessment and plan implementation.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Apoorva Belle is a University employee as Project Manager with the Department of Emergency Medicine and would be party to the contract as board member of Freshstart Clubhouse, Inc., Abigail Kunk is a University employee as Respiratory Therapist Technician with the Department of CW Respiratory Therapy and would be party to the contract as board member of Freshstart Clubhouse, Inc., and Elizabeth Evans is a Research Area Specialist with the School of Social Work and would be party to the contract as board member of Freshstart Clubhouse, Inc.

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.

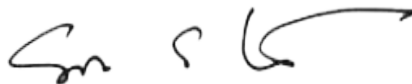
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Community Health Services and Freshstart Clubhouse, Inc.
- ii) The agreement is for a duration of three years at a total cost not to exceed \$744,810. Freshstart Clubhouse, Inc. will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions were tailored to meet the particular needs of this contract and have been approved by Procurement Services after advice from the Office of General Counsel.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, Apoorva Belle, Abigail Kunk, and Elizabeth Evans, are board members of Freshstart Clubhouse, Inc.

Apoorva Belle, Abigail Kunk, and Elizabeth Evans have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisors of Apoorva Belle, Abigail Kunk, and Elizabeth Evans, 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 Freshstart Clubhouse, Inc. subject to requirements, if any, that the supervisors of Apoorva Belle, Abigail Kunk, and Elizabeth Evans or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Geoffrey S. Chatas  
Executive Vice President and Chief Financial Officer

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