

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

|       |                                |
|-------|--------------------------------|
| EXH   | MOTION <i>Deitch</i>           |
|       | SECOND <i>Latini</i>           |
|       | ACTION APPROVED BY THE REGENTS |
| NOTE: | FEB 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 Purchasing Contract with Lovango Records, LLC (University of Michigan Employee John Latini, Band Member)

Background:

The University of Michigan Health System's Department of Plastic Surgery wishes to enter into a contract with Lovango Records, LLC to provide musical performances for three years for their annual holiday party. John Latini, a LAN Administrator with a 100% appointment, is a Band Member with Lovango Records, LLC. Lovango Records, LLC was chosen to provide these performances because the Department has contracted for their services in the past and prefers their musical style.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as John Latini is a University employee and would be a party to the contract by virtue of his Band Membership with Lovango Records, LLC. 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.

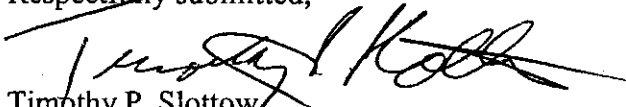
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Plastic Surgery, and Lovango Records, LLC.
- ii) The service to be provided is annual musical performances for three years of \$4,500.00.
- iii) The pecuniary interest arises from the fact that John Latini, a University of Michigan employee, is a Band Member with Lovango Records, LLC.

John Latini 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 Lovango Records, 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

February, 2005