

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
February 15, 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 Equilibrium (University of Michigan Employee Michael Udow, President)

Background:

The University of Michigan's Symphony Orchestra wishes to receive approval to pay for the rental of bass chimes. Michael Udow, a University of Michigan Employee, is the President of Equilibrium. Equilibrium was chosen to provide these chimes because they are one of the few sources for bass chimes, their pricing was competitive, and the sound quality of their chimes is excellent.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Michael Udow is a University employee and would be a party to the contract by virtue of his role as President of Equilibrium. 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.

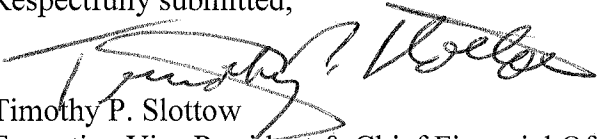
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Symphony Orchestra and Equilibrium.
- ii) The service provided is rental of bass chimes. The cost for the service is \$300.00.
- iii) The pecuniary interest arises from the fact that Michael Udow, a University of Michigan employee, is the President of Equilibrium.

Michael Udow 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 Equilibrium, 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 & Chief Financial Officer

February 2007