

Approved by the
Regents
March 19, 2015

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 agreement with QE Tools, LLC.
(University of Michigan Employee, Patrick Hammett, Owner)

Background:

The University of Michigan College of Engineering seeks approval to enter into an agreement with QE Tools, LLC. ("QE Tools") for the purchase of an Excel-based add-in tool for Six Sigma Green Belt Training Courses. QE Tools was selected because they are the licensed owner of the base software previously purchased by the University.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Patrick Hammett is a University employee as Lecturer III and Adjunct Assistant Professor with the College of Engineering's Integrative Systems and Design Department and would be party to the contract as Owner of QE Tools.

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.

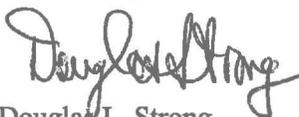
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its College of Engineering and QE Tools.
- ii) The agreement is for software licensing in an amount not to exceed \$80,000 for a duration of thirty-six months.
- iii) The pecuniary interest arises from the fact that University of Michigan employee Patrick Hammett would be party to the contract as Owner of QE Tools.

Patrick Hammett has met state law requirements with the disclosure of his pecuniary interest and 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 agreement between the University of Michigan and QE Tools, subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Douglas L. Strong
Interim Executive Vice President
and Chief Financial Officer

March 2015