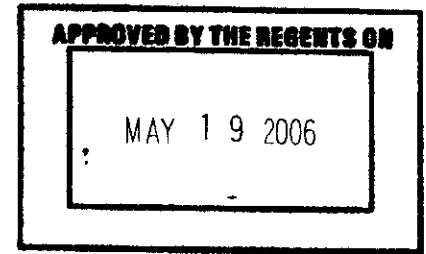


THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION



ACTION REQUEST

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

Action Requested: Authorization for the University to Process a Payment for MondoDyne (University of Michigan Employee Mike Gould, Sole Owner)

Background:

The University of Michigan's School of Education wishes to pay for faculty photographs purchased from MondoDyne. Mike Gould, Sole Owner of MondoDyne, is a University of Michigan employee. MondoDyne was chosen because of their competitive pricing, and their ability to provide on-site service for the requested length of time.

The proposed payment falls under the State of Michigan Conflict of Interest Statute as Mike Gould is a University employee and would be party to the contract by virtue of his status as Sole Owner of MondoDyne. 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 School of Education, and MondoDyne.
- ii) The product provided is faculty photographs, for a total dollar amount of \$5,800.00.
- iii) The pecuniary interest arises from the fact that Mike Gould, a University of Michigan employee, is Sole Owner of MondoDyne.

Mike Gould 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 MondoDyne, 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

May, 2006