

**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 make a payment to Paul E. Schneider Enterprises  
(University of Michigan Employee Denise Sombati, Owner)

Background:

The University of Michigan – Dearborn Physical Education, Recreation and Athletics Department (Athletic) seeks approval to make a payment to Paul E. Schneider Enterprises (Schneider). The Athletic's Hockey Team purchased eleven award plaques manufactured by Schneider for their annual banquet. Schneider was selected as a reputable local business with competitive pricing and reliable delivery.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Denise Sombati is a University employee and would be a party to the contract as owner of Schneider. 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 Athletic Department on the Dearborn campus and Schneider.