

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 a agreement with Ann Arbor Symphony Orchestra, Inc., (University of Michigan Employees, Roderick Little and Geoffrey Barnes, Volunteer Board Members and Officers)

Background:

The University of Michigan Ophthalmology and Visual Sciences Department seeks approval to enter into an agreement with Ann Arbor Symphony Orchestra, Inc. ("Ann Arbor Symphony") for sponsorship of their upcoming 2017-2018 season. The Ann Arbor Symphony was selected to bring visibility to the 5 recognized Michigan Medicine Centers –Transplant Center, Cardiovascular Center, Depression Center, Cancer Center, and Eye Center via ongoing orchestra activities during the season.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Roderick Little and Geoffrey Barnes are University employees as Professor of Biostatistics at the School of Public Health and Clinical Lecturer in Internal Medicine at the Medical School, respectively, and would be parties to the contract as Volunteer Board Members and Roderick Little is an Officer of the Ann Arbor Symphony.

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.

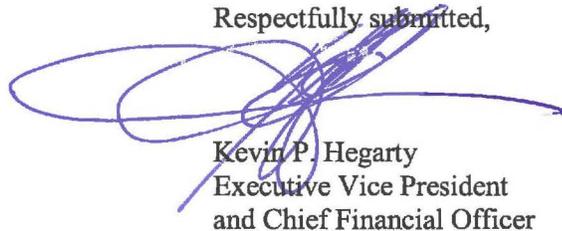
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Ophthalmology and Visual Sciences Department, and Ann Arbor Symphony.
- ii) The agreement is for a Michigan Medicine sponsorship of the upcoming orchestra season for a total cost of \$20,000. Ann Arbor Symphony will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, Roderick Little and Geoffrey Barnes, are Volunteer Board Members and Officers of Ann Arbor Symphony.

Roderick Little and Geoffrey Barnes have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisors of Roderick Little and Geoffrey Barnes 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 Ann Arbor Symphony subject to requirements, if any, that the supervisors of Roderick Little and Geoffrey Barnes or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

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