

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

June 19, 2008

ACTION REQUEST

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

Action
Requested: Authorization for the University to make Payment to Studio Works Partnership
(University of Michigan Employee Mary-Ann Ray, Partner)

Background:

The University of Michigan College of Architecture and Urban Planning (TCAUP) seeks approval to make payment to Studio Works Partnership (Studio Works) for rental fees and on-site services required for a credit course offering in Beijing, China from May through June, 2008. Studio Works provides a uniquely qualified facility and staff to assist the 15 students and instructors with classroom facilities, interpreter services, coordination of local travel arrangements and facilitation of instructional and daily living needs.

The proposed payment falls under the State of Michigan Conflict of Interest Statute as Mary-Ann Ray is a University employee and would be a party to the contract as a partner of Studio Works. 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.

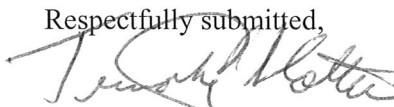
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties involved in the transaction are the Regents of the University of Michigan and its College of Architecture and Urban Planning and Studio Works.
- ii) The payment is for two months of rental fee (\$6,000) and on-site, 24-hour services (\$6,000) from May through June, 2008 at Studio Work's B.A.S.E. (Beijing Architecture Studio Enterprise) facility. The total cost in rental and service fees is \$12,000.
- iii) The pecuniary interest arises from the fact that Mary-Ann Ray, University of Michigan employee as Professor in Practice within TCAUP, is a partner of Studio Works.

Mary-Ann Ray has met state law requirements with the disclosure of her 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 Studio Works 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

June 2008