

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

EXH	MOTION <i>Deitch</i>
	SECOND <i>Newman</i>
	ACTION APPROVED BY THE REGENT
NOTE:	JUL 21 2005

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 Purchasing Contract with Valley View Farm (University of Michigan Employee Douglas Doop, Sole Owner)

Background:

The University of Michigan Health System's Department of Pediatric Endocrinology wishes to enter into a contract with Valley View Farm to provide breeding needs and board and maintenance for sheep that are to be used in medical research projects. Douglas Doop, a Research Associate with a 100% appointment, is the sole owner of Valley View Farm. Valley View Farm was chosen to provide these services because of their proximity, facility requirements, and their familiarity with the research protocols used in the study.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Douglas Doop is a University employee and would be a party to the contract by virtue of his sole ownership of Valley View Farm. 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.

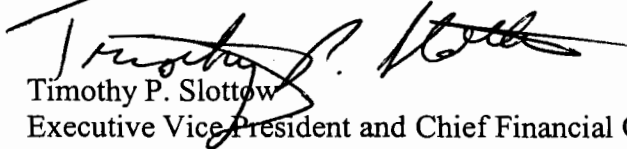
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Pediatric Endocrinology, and Valley View Farm.
- ii) The service to be provided is boarding and breeding of sheep for the purpose of medical research, for the period beginning September 1, 2005 and ending August 31, 2008, for a total dollar amount of \$70,000.00.
- iii) The pecuniary interest arises from the fact that Douglas Doop, a University of Michigan employee, is the sole owner of Valley View Farm.

Douglas Doop 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 OVP'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 Valley View Farm, subject to requirements, if any, that either the Medical School's or OVP's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and Chief Financial Officer

July, 2005