

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

July 21, 2006

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 Robert J. Heller (University of Michigan Employee)

Background:

The University of Michigan's Language Resource Center wishes to pay for a refurbished vending machine purchased from Robert J. Heller. Robert J. Heller is a University of Michigan employee. Robert J. Heller was chosen because he was able to provide the particular vending machine model needed at the most competitive price.

The proposed payment falls under the State of Michigan Conflict of Interest Statute as Robert J. Heller is a University employee and would be party to the contract. 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.

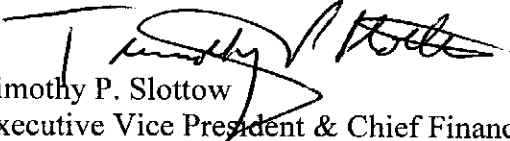
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Language Resource Center, and Robert J. Heller.
- ii) The product provided is a refurbished vending machine, for a total dollar amount of \$500.00.
- iii) The pecuniary interest arises from the fact that Robert J. Heller is a University of Michigan employee, and is receiving payment for the product being provided.

Robert J. Heller 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 Robert J. Heller, 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 & Chief Financial Officer

July 2006