

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

Approved by the Regents
September 18, 2008

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 Use Agreement with and Make a
Payment to Michigan Information Technology Center (University of Michigan
Employees John L. King, Douglas E. Van Houweling, Donald J. Welch, and
Barbara S. Nanzig, Board Members; and Betty J. Burke, Facilities Manager)

Background:

The University of Michigan requests authorization to enter into a three year Conference Center Use Agreement with Michigan Information Technology Center (MITC) and its Health System Human Resources seeks approval to make a payment to MITC for a prior facility rental. John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig are all members of the Board of Directors of MITC. Betty J. Burke is Facilities and Special Projects Manager for MITC, additionally disclosed here as the signer of the use agreement on behalf of MITC. MITC was chosen because of facility quality, amenities, availability and appropriate technology resources.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig are University employees and would be a party to the contract by virtue of their position as Board Members of MITC. 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.

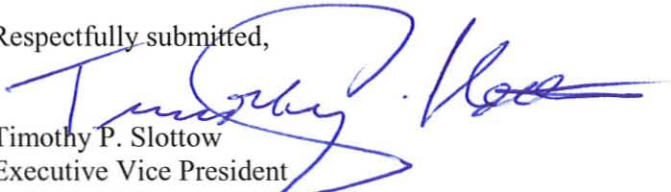
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Health System Human Resources and Michigan Information Technology Center.
- ii) The use agreement details facility use and rental by any University of Michigan department for a three year contract period July 1, 2008 through June 30, 2011 with a contract total not to exceed \$750,000. Health System Human Resources seeks approval to pay \$12,856.53 to MITC for a prior facility rental from February 21, 2008 through February 27, 2008.
- iii) The pecuniary interest arises from the fact that John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig, University of Michigan employees, are members of the Board of Directors of Michigan Information Technology Center.

John L. King, Douglas E. Van Houweling, Donald J. Welch, and Barbara S. Nanzig have met state law requirements with the disclosure of their pecuniary interest, and their 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 use agreement and payment between the University of Michigan and Michigan Information Technology Center, 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

September 2008