

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

EXH	MOTION <i>Newman</i>
	SECOND <i>Maynard</i>
	ACT APPROVED BY THE REGENTS
NOTE:	OCT 21 2005

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

Action Requested: Authorization for the University to Approve a Payment for Ply LLC (University of Michigan Employee M. Craig Borum, Sole Proprietor)

Background:

The University of Michigan wishes to receive approval to make a payment to Ply LLC for their services in providing minor renovations to the International Institute Gallery space. Ply LLC was selected because the firm was involved in the original design of the Gallery.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as M. Craig Borum is a University employee and is a party to the purchase by virtue of his position as Sole Proprietor of Ply LLC. 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 to the contract are the Regents of the University of Michigan and Ply LLC.
- ii) The service provided was minor renovations of Gallery space at a total cost of \$1,862.01.
- iii) The pecuniary interest arises from the fact that M. Craig Borum, University of Michigan employee, is Sole Proprietor of Ply LLC.

M. Craig Borum 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 payment between the University of Michigan and Ply LLC, subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slotow  
Executive Vice President and Chief Financial Officer

October, 2005