

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents  
January 20, 2011

ACTION REQUEST

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

Action Requested: Authorization for the University to enter into an Agreement with Cornell Farms, LLC (University of Michigan Employee Marie S. Cornell, owner).

Background:

The University of Michigan, Department of Molecular & Integrative Physiology seeks approval to enter into an agreement with Cornell Farms, LLC for the housing and care of sheep used in research projects, as well as, the purchase of sheep as needed.

Cornell Farms, LLC was selected because of their immediate capacity to house the sheep, proximity to the University, and experience.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Marie S. Cornell is a University employee and would be party to the agreement as owner of Cornell Farms, 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:

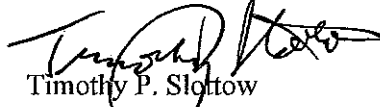
- i) The parties to the agreement are the Regents of the University of Michigan and its Department of Molecular & Integrative Physiology and Cornell Farms, LLC.

- ii) The agreement is for housing and care of sheep and the purchase of sheep as needed for a five (5) year period, not to exceed a total cost of \$200,000.
  
- iii) The pecuniary interest arises from the fact that University of Michigan employee Marie S. Cornell, as a Research Laboratory Technician Intermediate in the Department of General Surgery, is owner of Cornell Farms, LLC.

Marie S. Cornell 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 Cornell Farms, 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. Slottow  
Executive Vice President  
and Chief Financial Officer

January 2011