

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
March 18, 2010

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 Either Epic Proportions (University of Michigan Employee James T. McRae, Owner)

Background:

The University of Michigan Institute for Social Research Program for Research on Black Americans ("PRBA") seeks approval to purchase video production services from Either Epic Proportions ("Epic") for videos on depression awareness among African American men. Epic was selected because of lower bid, experience and availability.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as James T. McRae is a University employee and would be a party to the contract as the owner of Epic. 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:

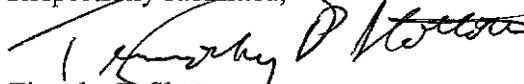
- i) The parties involved in the agreement are the Regents of the University of Michigan, PRBA and Epic.

- ii) The agreement is for production services of three separate videos, each targeting specific age groups and three to four minutes in duration, for a total cost of \$4,500.
- iii) The pecuniary interest arises from the fact that James T. McRae, a University employee as Digital Media Coordinator at the U-M Alumni Association, is the owner of Epic.

Mr. McRae has met state law requirements with the disclosure of his 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 Either Epic Proportions 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

March 2010