

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

ACTION REQUEST

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

Action Requested: Authorization for the University to transact with Civionics, LLC (University of Michigan Employee Jerome P. Lynch, Owner)

Background:

The University of Michigan Civil and Environmental Engineering Department seeks approval to transact with Civionics, LLC ("Civionics") to purchase twelve custom +/- 6g tri-axial accelerometer modules to be used in a research project with MDOT. Due to the uniqueness of the design which requires a miniaturization and waterproof setup, no other sources could be identified to provide the modules.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Jerome P. Lynch is a University employee as an Associate Professor with the Civil and Environmental Engineering Department in the College of Engineering and would be party to the contract as an Owner of Civionics.

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.

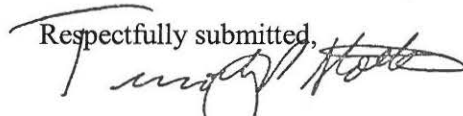
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Civil and Environmental Engineering Department and Civionics.
- ii) This agreement is for twelve custom +/- 6g tri-axial accelerometer modules at a total cost of \$1,911.48.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Jerome P. Lynch, is the Owner of Civionics.

Jerome P. Lynch 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 Civionics 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 2013