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 Extend a Contract with QE Tools, LLC (University of Michigan Employee Patrick Hammett, Owner).

Background:

The University of Michigan College of Engineering Interdisciplinary and Professional Engineering ("InterPro") seeks approval to extend the current contract with QE Tools, LLC, for its software add-in tool for use with its Six Sigma Green Belt training programs. QE Tools software provides data analysis tools and problem solving templates specifically used in Six Sigma Green Belt projects. QE Tools, LLC was selected because of the functionality, competitive pricing and support of its software.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Patrick Hammett is a University employee as Assistant Research Scientist in the Transportation Research Institute and would be party to the agreement as Owner of QE Tools, LLC.

However, the Statute allows the University to enter into such agreements 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 College of Engineering Interdisciplinary and Professional Engineering and QE Tools, LLC.

ii) The agreement is for the purchase of QE Tools add-in software for use with Six Sigma Green Belt online training programs. The cost is per licensed user and is not to exceed a total of $80,000 through March 2015.

iii) The pecuniary interest arises from the fact that University of Michigan employee, Patrick Hammett, is Owner of QE Tools, LLC.

Patrick Hammett 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 QE Tools, 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

April 2012