

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 Michigan Precision Instruments,
LLC (University of Michigan Employee Toby Donajkowski, Owner)

Background:

The University of Michigan Anesthesiology Department, Medical School seeks approval to purchase components from Michigan Precision Instruments, LLC ("Michigan Precision Instruments") for a Custom Alpha and Beta pain tester prototype used for research conducted at the Chronic Pain and Fatigue Research Center. The items required are not off the shelf items and are special parts for the prototype being developed.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Toby Donajkowski is a University employee as Engineering Technician in the Mechanical Engineering Department -College of Engineering and would be party to the agreement as Owner of Michigan Precision Instruments.

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.

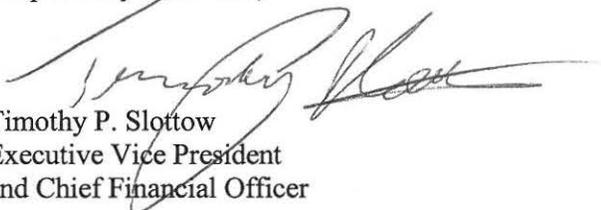
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Anesthesiology Department and Michigan Precision Instruments.
- ii) The agreement is for the purchase of components for a Custom Alpha and Beta pain tester prototype used for research conducted at the Chronic Pain and Fatigue Research Center. This is a one-time purchase at a cost of \$580.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Toby Donajkowski, is the Owner of Michigan Precision Instruments.

Toby Donajkowski 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 Michigan Precision Instruments 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 2013