

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 enter into an agreement with The RBL Group
Inc. (University of Michigan Employee, Dave Ulrich, Partner)

Background:

The University of Michigan Stephen M. Ross School of Business Executive Education (“Ross”) seeks approval to enter into an agreement with The RBL Group Inc. (“RBL”) to collaborate on the Human Resources Competency Study and Conference. This collaborative effort is the largest global study to define what it means to be an effective HR professional and how to build an effective HR department. RBL conducts the research and RBL and Ross Executive Education jointly host a conference to share the results.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dave Ulrich is a University employee as the Rensis Likert Collegiate Professor of Business Administration in the Ross School of Business and would be party to the agreement as a Partner of RBL.

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.

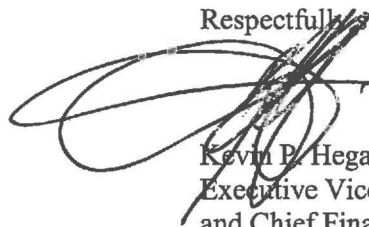
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Ross School of Business and RBL.
- ii) The agreement is to collaborate on the Human Resources Competency Study and Conference at a cost of \$100,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Dave Ulrich, is a Partner at RBL.

Dave Ulrich 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 RBL subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin P. Hegarty', is written over the typed name and title below.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

April 2016