

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

Approved by the Regents
September 17, 2009

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 Studio Works Partnership (University of Michigan Employee Mary-Ann Ray, Partner)

Background:

The University of Michigan College of Architecture and Urban Planning ("TCAUP") seeks approval to enter into an agreement with Studio Works Partnership ("Studio Works") to provide rental and facilitation services for a credit course offered during the spring term in Beijing, China. Studio Works provides competitively priced classroom and studio facilities and is uniquely qualified to assist 15 students and instructors with interpreter services, coordination of local travel arrangements and facilitation of instructional and daily living needs.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Mary-Ann Ray is a University employee and would be a party to the contract as a partner of Studio Works. 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.

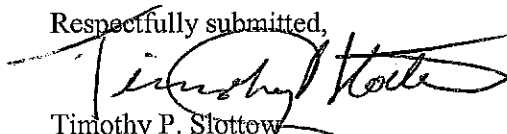
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties involved in the agreement are the Regents of the University of Michigan and TCAUP and Studio Works.
- ii) The agreement is for four years through 2012 for two months of rental fees in May and June (currently \$6,000) and 24-hour on-site services (currently \$6,000) at Studio Work's Beijing Architecture Studio Enterprise facility. The estimated total cost is not to exceed \$55,000.
- iii) The pecuniary interest arises from the fact that Mary-Ann Ray, University of Michigan employee as Clinical Professor in TCAUP, is a partner of Studio Works.

Mary-Ann Ray has met state law requirements with the disclosure of her 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 Studio Works 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

September 2009