

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 make a Payment to
Jazz Pie Music (University of Michigan Employees Roderick McDonald,
Christopher Smith and James Dapogny, Band Members)

Background:

The University of Michigan Law School's Office of Development and Alumni Relations ("LSODAR") seeks approval to make a payment to Jazz Pie Music ("JPM") for musical performances provided during LSODAR reunion events. The department chose JPM because of the quality of their past performances and reasonable cost.

The proposed payment falls under the State of Michigan Conflict of Interest Statute as Roderick McDonald, Christopher Smith and James Dapogny are University employees and would be parties to the contract as band members of JPM. 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:

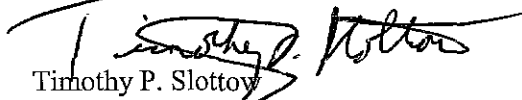
- i) The parties involved in the agreement for payment are the Regents of the University of Michigan and its Law School's Office of Development and Alumni Relations and Jazz Pie Music.

- ii) The service provided will be musical entertainment during tailgate events on October 16, 2010 and similarly in 2011 and 2012 for one and a half hours each event. The total payment for the service in 2010 is \$900, not to exceed a total of \$3,000 through 2012.
- iii) The pecuniary interest arises from the fact that Roderick McDonald, Christopher Smith and James Dapogny are University of Michigan employees as Research Laboratory Specialist Associate, Patient Care Technical Assistant and Professor Emeritus, respectively, and are band members of JPM.

Mr. McDonald, Mr. Smith and Mr. Dapogny have met state law requirements with the disclosure of their 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 payments between the University of Michigan and JPM subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottoy
Executive Vice President
and Chief Financial Officer

September 2010