

**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 The Dispute Resolution Centers of Michigan, Inc. (University of Michigan Employee, Laurita Thomas, Officer)

Background:

The University of Michigan Department of Community Programs and Services seeks approval to transact with The Dispute Resolution Centers of Michigan, Inc. ("DRC of Michigan") for facilitation meetings with the staff and management of Regional Alliance for Healthy Schools ("RAHS"). The RAHS program was in a state of conflict due to several issues within the department stemming from leadership changes and staff turnover.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Laurita Thomas is a University employee as an Associate Vice President for Human Resources and would be party to the agreement as an Officer of DRC of Michigan.

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 Department of Community Programs and Services and DRC of Michigan.
- ii) The agreement is for DRC of Michigan to conduct staff meetings with RAHS personnel on three occasions for mediation and dispute resolution at a cost of \$50 per hour for a total cost of \$1,200. DRC of Michigan will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Laurita Thomas, would be party to the agreement as an Officer of DRC of Michigan.

Laurita Thomas 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 by the supervisor of Laurita Thomas 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 DRC Of Michigan subject to requirements, if any, that the supervisor of Laurita Thomas or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

September 2016