

**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 Institute for Social and Environmental Research-Nepal (University of Michigan Employee, Dr. Dirgha Ghimire, Director and Member of the Board of Directors)

Background:

The University of Michigan Institute for Social Research through its Population Studies Center seeks approval to enter into an agreement with the Institute for Social and Environmental Research-Nepal ("ISER-N") to provide data collection and data processing services in support of the University of Michigan research project titled, "Improving Learning: Developing Measures of Accountability and Evaluating their Association with Students' Gains in Achievement in Nepal" ("Project").

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Dirgha Ghimire is a University employee as Research Associate Professor with the Population Studies Center and a Faculty Associate for the Survey Research Center in the Institute for Social Research and would be party to the contract as Director and Member of the Board of Directors of ISER-N.

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.

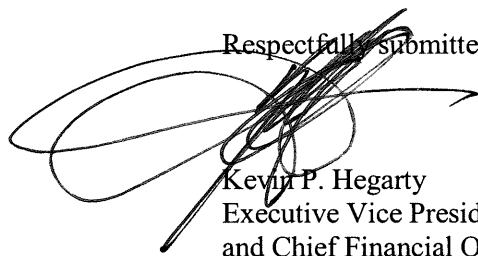
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Institute for Social Research through its Population Studies Center and ISER-N.
- ii) ISER-N will be responsible for the design, refinement, and implementation of all data collection and processing to complete the Project in Chitwan, Nepal. The Project, sponsored by the United Kingdom Department for International Development through the Economic and Social Research Council, has an estimated cost of \$241,474. ISER-N 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, Dr. Dirgha Ghimire, is a Director and Member of the Board of Directors of ISER-N.

Dr. Dirgha Ghimire 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 by the supervisor of Dr. Dirgha Ghimire 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 ISER-N subject to requirements, if any, that the supervisor of Dr. Dirgha Ghimire 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

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