

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

**Approved by the
Regents
March 19, 2015**

ACTION REQUEST

Subject: Regental Action Required Under the State of
Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to transact with Metronome Systems LLC.
(University of Michigan Employee, Branko Kerkez, Partner)

Background:

The University of Michigan School of Natural Resources seeks approval to transact with Metronome Systems LLC ("Metronome") for a wireless sensor network system. The system will be used for data storage and real-time sensor data processing for a new research project at the University of Michigan Biostation.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Branko Kerkez is a University employee as Assistant Professor in Civil and Environmental Engineering and would be party to the agreement as Partner of Metronome.

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.

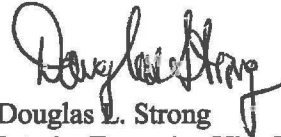
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its School of Natural Resources and Metronome.
- ii) The agreement is for a wireless sensor network consisting of 10 sensor nodes, 10 wireless repeater nodes, 1 embedded network manager, 10 temperature and humidity sensors and 10 high-efficiency solar charge controllers valued at \$12,445.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Branko Kerkez, is a Partner of Metronome.

Branko Kerkez 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 Metronome subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Douglas L. Strong
Interim Executive Vice President
and Chief Financial Officer

March 2015