

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

**Approved by the Regents
April 19, 2012**

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 RBL Group
(University of Michigan Employee David Ulrich, Owner, RBL Group)

Background:

The University of Michigan Stephen M. Ross School of Business seeks approval to enter into an agreement with RBL Group to sponsor the Human Resources Competency Study (HRCS). The sponsorship of the 2012 HRCS is a marketing tool for the Business School's popular Human Resource programs as well as assisting in promoting the Executive Education programs. Many participants in the study also enroll in the Advanced Human Resource Executive Program (AHREP), directed by David Ulrich. RBL Group was selected as David Ulrich is a widely recognized Human Resource expert and the HRCS, conducted by his consulting company, is the largest global study on Human Resource professionals.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as David Ulrich is a University employee as Professor of Business Administration with the Stephen M. Ross School of Business and would be a party to the contract as Owner of RBL Group.

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.

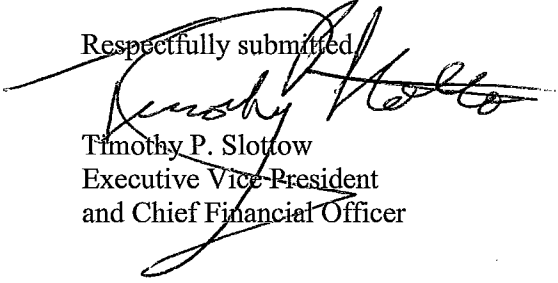
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Stephen M. Ross School of Business and RBL Group.
- ii) The agreement is to sponsor the Human Resources Competency Study (HRCS) conducted by the RBL Group. The sponsorship of the 2012 HRCS is a marketing tool for the Business School's popular Human Resource programs as well as assisting in promoting the Executive Education programs. The cost of the sponsorship of the study is \$85,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, David Ulrich, is the Owner of RBL Group.

David Ulrich 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 RBL Group subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slotow
Executive Vice-President
and Chief Financial Officer

April 2012