

**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 Rats, LLC (University of Michigan Employee, Janet Wolforth, Owner)

Background:

The University of Michigan Department of Psychology seeks approval to transact with Rats, LLC ("Rats") to purchase one ICE Box flushing device, one induction chamber and accessories. These products were recommended during an inspection by the Department of Occupational Safety & Environmental Health to reduce human exposure to isoflurane (anesthetic) during surgeries.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Janet Wolforth is a University employee as Research Laboratory Tech Senior with the Department of Cardiac Surgery and would be a party to the contract as Owner of Rats.

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 Psychology and Rats.
- ii) The agreement is for a one time purchase of one ICE Box flushing device, one induction chamber and accessories at a total cost of \$380.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Janet Wolforth, is the Owner of Rats.

Janet Wolforth 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 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 Rats subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin P. Hegarty', is written over a circular stamp or seal that is mostly obscured by the ink.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

April 2016