

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 a contract with Studio 216 LLC (University of Michigan Employees, Sally Clegg and Abhishek Narula, Directors).

Background:

The University of Michigan Arts Initiative Department seeks approval to enter into a contract with Studio 216 LLC for a rental space.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as Sally Clegg is employed by the University as a Lecturer and Student Exhibitions Coordinator with the Stamps School of Art & Design, and Abhishek Narula is employed as Lead Software Engineer with the Robotics, College of Engineering and would be a party to the contract as directors of Studio 216 LLC.

However, the Statute allows the university to enter into such contracts 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.

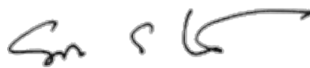
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Arts Initiative Department and Studio 216 LLC.
- ii) The contract is for one-day rental space at a total cost not to exceed \$500. Studio 216 LLC will supply 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 employees, Sally Clegg and Abhishek Narula, are directors of Studio 216 LLC.

Sally Clegg and Abhishek Narula have met state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisor of Sally Clegg and Abhishek Narula under the Arts Initiative Department or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the contract between the University of Michigan and Studio 216 LLC subject to requirements, if any, that the supervisor of Sally Clegg and Abhishek Narula or the Arts Initiative Department or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and Chief Financial Officer

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