

**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 AMS Electric (University of Michigan Employee, Bradley Smith, Owner).

Background:

The University of Michigan Flint Housing and Resident Life seeks approval to transact with AMS Electric to purchase a refurbished/used commercial refrigerator and freezer.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as the University employs Bradley Smith as an Electrician with Flint Facilities and Operations Department and would be a party to the contract as the owner of AMS Electric.

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 the 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.

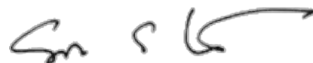
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the transaction are the Regents of the University of Michigan and its Flint Housing and Residence Life and AMS Electric.
- ii) The transaction is a one-time purchase of a refurbished/used commercial refrigerator and freezer for a total cost of \$3,500. AMS Electric will supply the necessary resources and personnel to fulfill this transaction. The remaining base contract terms and conditions are typical to those used in Procurement Services standard PO templates for other similar transactions entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Bradley Smith, is the owner of COI supplier AMS Electric.

Bradley Smith has met state law requirements by 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 Bradley Smith under the University of Michigan Flint Housing and Residence Life 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 AMS Electric subject to requirements, if any, that the supervisor of Bradley Smith or the University of Michigan Flint Housing and Residence Life or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Geoffrey S. Chatas  
Executive Vice President and Chief Financial Officer

May 2025