

The University of Michigan Regents Communication

Request for Action

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

Action Requested: Authorization for the University to transact with Otto's Arcade and Club (University of Michigan Employee, Dr. Mitchell Rohde, owner)

Background:

The University of Michigan ITS Information Assurance seeks approval to transact with Otto's Arcade and Club for a team-building event.

The proposed contract falls under the State of Michigan Conflict of Interest Statute, as Dr. Mitchell Rohde, employed by the University as a Lecturer I with the Center for Entrepreneurship, would be a party to the contract as owner of Otto's Arcade and Club.

However, the Statute allows the university to enter into such contracts if the following conditions are met:

- 1) 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.
- 2) 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.
- 3) The official body discloses the following summary information in its official minutes:
 - a) The name of each party involved in the contract.
 - b) 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.
 - c) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (3) above:

- a) The parties to the contract are the Regents of the University of Michigan and ITS Information Assurance Department and Otto's Arcade and Club.
- b) The contract is for one, four-hour event at a total cost not to exceed \$950. Otto's Arcade and Club 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.
- c) The pecuniary interest arises from the fact that University of Michigan employee, Dr. Mitchell Rohde, is owner of Otto's Arcade and Club.

Dr. Mitchell Rohde 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 by the supervisor of Dr. Mitchell Rohde under the ITS Information Assurance 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 Otto's Arcade and Club, subject to requirements, if any, that the supervisor of Dr. Mitchell Rohde, the ITS Information Assurance Department, or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Robert A. Hewlett III
Interim Executive Vice President
and Chief Financial Officer

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