

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

**Approved by the Regents
June 17, 2010**

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 Thayer Street Ventures (University of Michigan Employee Mark G. Pavach, Partner)

Background:

The University of Michigan Office of New Student Programs (“ONSP”) seeks approval to enter into an agreement with Thayer Street Ventures (“TSV”) to provide beverage break service during parent orientation sessions. TSV was selected based on competitive bidding and their unique service.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Mark G. Pavach is a University employee and would be a party to the contract as a partner of TSV. 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 involved in the agreement for payment are the Regents of the University of Michigan, ONSP and TSV.
- ii) The agreement is for TSV to provide beverage break service for \$1.15 per person. TSV’s service includes set-up and clean-up of the break service,

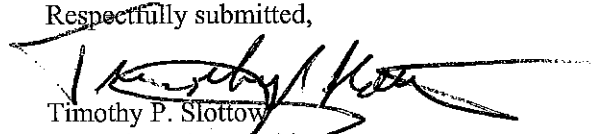
including pick up of unused beverages. The three year agreement is not to exceed a total dollar amount of \$15,000.

- iii) The pecuniary interest arises from the fact that Mark G. Pavach, University of Michigan Health System employee as a Registered Nurse, is Partner of TSV.

Mr. Pavach 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 payments between the University of Michigan and Thayer Street Ventures subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

June 2010