

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 Arbor Research Collaborative for Health (University of Michigan Employees, Dr. Paula Lantz and Dr. Marianne Udow-Phillips, Members of the Board of Directors)

Background:

The University of Michigan Department of Obstetrics and Gynecology seeks approval to transact with Arbor Research Collaborative for Health (“Arbor Research”) for consulting services regarding healthcare in Ethiopia.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Paula Lantz is a University employee as Associate Dean for Academic Affairs and Professor of Public Policy in the Gerald R. Ford School of Public Policy and a Professor of Health Management and Policy in the School of Public Health and Dr. Marianne Udow-Phillips is a University of Michigan employee as Executive Director Healthcare Joint Venture and Intermittent Lecturer in Health Management in the School of Public Health and would be parties to the contract as paid Members of the Board of Directors of Arbor Research.

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.

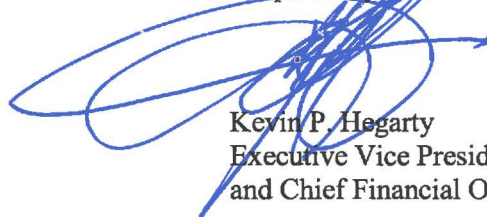
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Obstetrics and Gynecology and Arbor Research.
- ii) The agreement is for 30 hours of consultation at a total cost of \$9,760. Arbor Research will be supplying all 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, Dr. Paula Lantz and Dr. Marianne Udow-Phillips would be parties to the agreement as Members of the Board of Directors of Arbor Research.

Dr. Paula Lantz and Dr. Marianne Udow-Phillips 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 supervisors of Dr. Paul Lantz and Dr. Marianne Udow-Phillips 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 Arbor Research subject to requirements, if any, that the supervisors of Dr. Paula Lantz and Dr. Marianne Udow-Phillips or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

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