

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 Cornell Farms, LLC,
(University of Michigan Employee, Marie Cornell, Owner)

Background:

The University of Michigan Unit for Laboratory Animal Medicine (“ULAM”) Department seeks approval to enter into an agreement with Cornell Farms, LLC (“Cornell”) for the purchase, housing and delivery of sheep to be used for approved protocols and principal investigator research. Cornell was selected because of their immediate capacity to house the sheep, proximity, and experience providing sheep to the University.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Marie Cornell is a University employee as a Research Lab Specialist Lead with the Department of Surgery and would be party to the contract as the Owner of Cornell.

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.

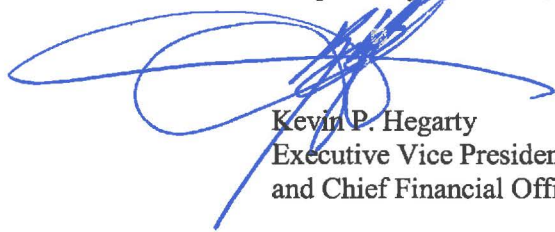
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its ULAM Department, and Cornell.
- ii) The agreement is on an as-needed basis for the purchase, housing and delivery of sheep for up to \$200,000 for three years plus a two-year extension. Cornell 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 employee, Marie Cornell, is the Owner of Cornell.

Marie Cornell has met state law requirements with the disclosure of her pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable by the supervisor of Marie Cornell 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 Cornell subject to requirements, if any, that the supervisor of Marie Cornell 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

July 2017