

**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 enter into an agreement with Jazz Pie Music (University of Michigan Employees, Christopher Smith and Roderick McDonald, Members).

Background:

The University of Michigan Law School Office of Development and Alumni Relations seeks approval to transact with Jazz Pie Music for musical performances for Law School events.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Christopher Smith is a University employee as Inventory Control Clerk Intermediate with the University of Michigan Health System Department of Pathology Hematology Unit; Roderick McDonald is a University employee as Research Associate I with the University of Michigan Health System Department of Internal Medicine Pulmonary Critical Care and would be parties to the agreement as Members of Jazz Pie Music.

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 Law School Office of Development and Alumni Relations and Jazz Pie Music.
- ii) The agreement is for a duration of three years at a total cost not to exceed \$3,300. Jazz Pie Music 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, Christopher Smith and Roderick McDonald are Members of Jazz Pie Music.

Christopher Smith and Roderick McDonald 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 supervisor of Christopher Smith and Roderick McDonald, 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 Jazz Pie Music subject to requirements, if any, that the supervisor of Christopher Smith and Roderick McDonald 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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