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 contract with QE Tools, LLC (University of Michigan Employee, Patrick Hammett, Owner).

Background:

The University of Michigan College of Engineering-Nexus seeks approval to extend an agreement with QE Tools, LLC for the MS Excel-based add-in tools. The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Patrick Hammett is a University employee as Associate Chair of Masters Education with the Division of Integrative Systems + Design and would be party to the contract as owner of QE Tools, LLC.

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 College of Engineering-Nexus and QE Tools, LLC.

ii) The agreement is for a duration of three and a half years at a total cost not to exceed $80,000. QE Tools, LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions were tailored to meet the particular needs of this contract and have been approved by Procurement Services after advice from the Office of General Counsel.

iii) The pecuniary interest arises from the fact that University of Michigan employee, Patrick Hammett, is owner of QE Tools, LLC.

Patrick Hammett 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 Patrick Hammett, 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 QE Tools, LLC subject to requirements, if any, that the supervisor of Patrick Hammett or the Medical School’s or OVPR’s Conflict of Interest Committee may impose.

Respectfully submitted,

Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

July 2023