

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Service Agreement between the University of Michigan and Edington Associates, LLC

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed by the Committee and agreed to by the parties involved.

This proposed service agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Dee Edington is an employee of the University of Michigan ("University") and the owner of Edington Associates, LLC (EA). The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. Edington, a Professor in the Division of Kinesiology, is the owner of a for-profit company called Edington Associates, LLC (the "Company"). The Company was formed recently to provide consulting services designed to assist clients in establishing and maintaining a healthy and productive workforce and workplace. Dr. Edington entered into a three-year retirement furlough program beginning September 1, 2011.

Nature of the Agreement:

The Company wishes to enter into a Service Agreement with the University for the purpose of providing survey materials, health risk appraisal processing and measurement and evaluation services.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is initially one (1) year and the amount of funding support is \$30,000. These services may be continued for additional periods of performance and associated funding obligations that are memorialized in addenda to the Service Agreement upon mutual agreement of the parties. University procedures for approval of these changes will be followed and additional review by the Conflict of Interest Committee will be done as appropriate.

Impact of the Agreement:

The Agreement will support an effort by the Health Management Research Center to use its expertise and robust database and analysis tools to facilitate analyses of employee populations and workplace environments to identify and recommend measures that can improve the health and productivity in the workplace.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. In light of this disclosure and our finding that the agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Edington Associates, LLC.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stephen R. Forrest".

Stephen R. Forrest
Vice President for Research

September 2012