

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

Approved by the Regents
September 19, 2013

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 Mouko, LLC (University of Michigan Employees Justin Laby and Alexander Ade, Owners)

Background:

The University of Michigan Program for the Environment (a joint program of LS&A and SNRE) seeks approval to enter into an agreement with Mouko, LLC (“Mouko”) for three inter-related web design projects. The agreement is to perform web design and development, training and related tasks for a website to be used by a University course, “ENVIRON 211: Social Sciences and Environmental Problems”.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Justin Laby is a University employee as Senior Helpdesk Support Services Specialist in the College of Engineering Computer Aided Engineering Network and Alexander Ade is a University employee as Applications Programmer Analyst Lead in the Center for Computational Medicine and Bioinformatics and would be parties to the agreement as Owners of Mouko.

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.

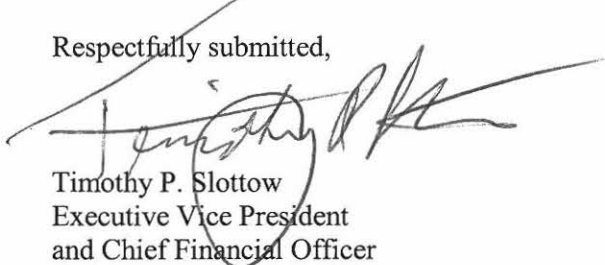
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Program for Environment and Mouko.
- ii) The agreement is for web design and development, training and related tasks for at an estimated cost of \$2,592. Additional work will be billed at a rate of \$90 per hour for a total cost not to exceed \$5,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, Justin Laby and Alexander Ade are owners of Mouko.

Justin Laby and Alexander Ade 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 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 Mouko subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

September 2013