

**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 purchase from Diversified Solutions
(University of Michigan Employee, Gregory Lambert, Owner)

Background:

The University of Michigan Athletics Department seeks approval to purchase tennis instruction services from Diversified Solutions. The vendor would provide two hours of instruction at the Varsity Tennis Center. The Athletic Department operates a private membership program at the facility and will host a membership appreciation event in which they would like Diversified Solutions to participate. Diversified Solutions is one of nine local instructors invited to provide the instruction.

The proposed transaction falls under the State of Michigan Conflict of Interest Statute as Gregory Lambert is a University employee as an Intermediate Supervisor at the UMHS Material Services Department and would be a party to the contract as the Owner of Diversified Solutions.

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.

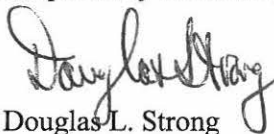
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Athletics Department and Diversified Solutions.
- ii) The agreement is for two hours of instruction at the Varsity Tennis Center where the Athletics Department operates a private membership program and will host a membership appreciation event. The total cost of the instruction is \$75.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Gregory Lambert is the Owner of Diversified Solutions.

Gregory Lambert 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 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 Diversified Solutions subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Douglas L. Strong
Interim Executive Vice President
and Chief Financial Officer

September 2014