

**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 a contract with May Mobility, Inc. (University of Michigan Employee, Edwin Olson, Partial Owner).

Background:

The University of Michigan Department of Computer Science and Engineering (EECS – CSE Division) seeks approval to enter into a contract for the purchase of a low-speed electric automated vehicle called a MayMover from May Mobility, Inc., which is needed to fulfill a contract between the University of Michigan and the United States Postal Service.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as Edwin Olson is a University employee as an Associate Professor in the EECS - CSE Division and would be a party to the contract as Partial Owner of May Mobility, Inc.

However, the Statute allows the University to enter into such contracts 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.

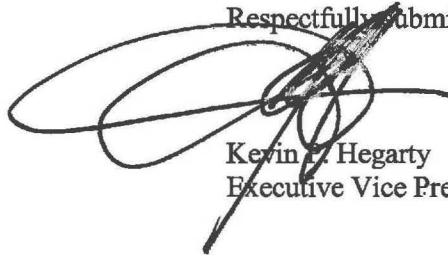
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its EECS – CSE Division and May Mobility, Inc.
- ii) The contract is for the purchase of a low-speed electric automated vehicle called a MayMover from May Mobility, Inc., at a cost not to exceed \$81,000. May Mobility, Inc. 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, Edwin Olson, is a Partial Owner of May Mobility, Inc.

Edwin Olson 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 Edwin Olson, 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 contract between the University of Michigan and May Mobility, Inc. subject to requirements, if any, that the supervisor of Edwin Olson or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin J. Hegarty', is written over the typed name and title. The signature is stylized with loops and a long horizontal stroke.

Kevin J. Hegarty
Executive Vice President and Chief Financial Officer

September 2017