

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

October 23, 2008

ACTION REQUEST

Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to Enter into Purchasing Agreements with Valley View Farm (University of Michigan Employee Douglas Doop, Owner)

Background:

The University of Michigan Unit for Laboratory Animal Medicine and the Department of Pediatrics at the C.S. Mott Children's Hospital seek approval to enter into agreements with Valley View Farm to purchase, breed, house and care for sheep for use in research studies. Valley View Farm was selected because of their competitive pricing and proximal location required for access to the sheep by researchers and students.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Douglas Doop is a University employee and would be a party to the purchase as the sole proprietor of Valley View Farm. However, the Statute allows the University to make such payments 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.

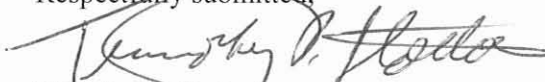
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Unit for Laboratory Animal Medicine (ULAM) and the Department of Pediatrics at the C.S. Mott Children's Hospital (Pediatrics) and Valley View Farm.
- ii) The agreement with ULAM is for the purchase of sheep for use in research at the current cost of \$320 per sheep and \$490 for time-dated pregnant sheep, plus delivery. The agreement with Pediatrics is for housing, breeding, care and maintenance of ewes at the current cost of \$1 per sheep per day. Both agreements are for five years (future pricing may increase depending on market factors) for total amounts not to exceed \$350,000 and \$150,000 respectively.
- iii) The pecuniary interest arises from the fact that Douglas Doop, University of Michigan employee as a Health Science Research Associate II in the Reproductive Sciences Program, is the sole proprietor of Valley View Farm.

Douglas Doop 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 OVP's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the payment by the University of Michigan to Valley View Farm subject to requirements, if any, that either the Medical School's or OVP's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

October 2008