

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 make a Purchase from ArborWind, LLC
(University of Michigan Employee Jill Becker Luma, Partner)

Background:

The University of Michigan Department of Psychology seeks approval to make a purchase from ArborWind, LLC ("ArborWind") for the construction of a custom designed testing chamber required for a behavioral neuroscience experiment. ArborWind was selected because of their capability to complete the chamber within the time constraints of the research project.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Jill Becker Luma is a University employee and would be a party to the contract as a partner of ArborWind. 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 Department of Psychology and ArborWind.
- ii) The purchase is for construction and fabrication of one behavioral testing chamber at ArborWind's facilities for \$4,995.

- iii) The pecuniary interest arises from the fact that University of Michigan employee Jill Becker Luma, as Professor in the Department of Psychology, is a partner of ArborWind.

Ms. Luma has met state law requirements with the disclosure of her pecuniary interest and formal appointment arrangement 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 purchase between the University of Michigan and ArborWind, subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slotow
Executive Vice President
and Chief Financial Officer

October 2010