

**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 an agreement with Mouko, LLC (University of Michigan Employees, Justin Laby and Alex Ade, Members and Owners).

Background:

The University of Michigan School for Environment and Sustainability seeks approval to extend an agreement with Mouko, LLC for website restoration, transferring the domain to Google, and maintenance on Pantheon.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Justin Laby is a University employee as Applications Programmer Analyst Lead with the Department of Computer-Aided Engineering Network and would be party to the contract as member and owner of Mouko, LLC, and Alex Ade is a University employee as Applications Programmer Analyst Lead with the Department of Computational Medicine and Bioinformatics and would be party to the contract as member and owner of Mouko, LLC.

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 School for Environment and Sustainability and Mouko, LLC.
- ii) The agreement is for a duration of one year at a total cost not to exceed \$551. Mouko, LLC will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, Justin Laby and Alex Ade, are members and owners of Mouko, LLC.

Justin Laby and Alex 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 by the supervisors of Justin Laby and Alex Ade, 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, LLC subject to requirements, if any, that the supervisors of Justin Laby and Alex Ade 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 'G. Chatas', with a long horizontal stroke extending to the right.

Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

October 2022