

**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 agreement with Mountain Pass
Solutions (University of Michigan Employee Debra Komorowski, Stockholder,
Owner, Partner, Employee and Consultant)

Background:

The University of Michigan College of Engineering seeks approval to enter into an agreement with Mountain Pass Solutions ("MPS") for consulting software training services for staff and faculty. University already owns proprietary software from MPS and the College of Engineering needs to purchase consulting and training services to assist in the implementation and use of the software.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Debra Komorowski is a University employee as Director of Faculty Affairs with the Medical School and would be a party to the contract as Stockholder, Owner, Partner, Employee and Consultant of MPS.

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 College of Engineering and MPS.
- ii) The agreement is for consulting software training services for approximately 96 hours at a total cost of \$9,600.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Debra Komorowski, is a Stockholder, Owner, Partner, Employee and Consultant of MPS.

Debra Komorowski has met state law requirements with the disclosure of her 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 MPS subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Kevin P. Hegarty', is written over the printed name.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

December 2015