

**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 transact with Mouko LLC (University of
Michigan Employee, Alex Adc, Owner and Justin Laby, Board Member).

Background:

The University of Michigan Graham Sustainability Institute seeks approval to transact with Mouko LLC for website services on the administration of the Planet Blue Ambassador website program.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Alex Adc and Justin Laby are University employees as Applications Programmer/Analyst Lead in Computational Medicine and Bioinformatics, and Applications Systems Analyst/Programmer respectively in CAEN and would be parties to the agreement as Owner and Board Member respectively 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 Graham Sustainability Institute and Mouko LLC.
- ii) The agreement is for Administration of the Planet Blue Ambassador program through October 1, 2019 for a total cost of \$11,700. 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, Alex Ade and Justin Laby are Owner and Board Member respectively of Mouko LLC.

Alex Ade and Justin Laby 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 supervisor of Alex Ade and Justin Laby, 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 supervisor of Alex Ade and Justin Laby 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 P. Hegarty", is written over a large, stylized scribble that partially obscures the text below it.

Kevin P. Hegarty
Executive Vice President and Chief Financial Officer

December 2018