

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 Arbor Biosciences (University
of Michigan Employee, Erdogan Gulari, Partner)

Background:

The University of Michigan Dearborn Natural Sciences Department seeks approval to transact with Arbor Biosciences for a quantity of one myBaits-1 48 Rxn. This product consists of customized bait probes that allow for targeted DNA sequencing of specific gene regions in an organism.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Erdogan Gulari is a University employee as Professor of Chemical Engineering with the College of Engineering and would be party to the contract as Partner of Arbor Biosciences.

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 Dearborn Natural Sciences Department and Arbor Biosciences.
- ii) The agreement is for a one-time purchase of a quantity of one myBaits-1 48 Rxn which consists of customized bait probes at a cost of \$6,010. Arbor Biosciences 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 employee, Erdogan Gulari, is a Partner of Arbor Biosciences.

Erdogan Gulari 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 by the supervisor of Erdogan Gulari 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 Arbor Biosciences subject to requirements, if any, that the supervisor of Erdogan Gulari 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 the typed name and title.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

March 2018