

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents  
April 19, 2012

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 Research Collaborative  
for Health (University of Michigan Employee, Dr. Robert M Merion, President)

Background:

The University of Michigan Department of Surgery seeks approval to transact with Arbor Research Collaborative for Health (Arbor Research) for database services that are very specific to data outcomes for kidney transplants and was selected because of its current experience in statistical modeling techniques using data from the Scientific Registry of Transplant Recipients (SRTR) and the Center for Medicare and Medicaid Services to apply for a reuse data agreement (RESDAC). The department also seeks approval to transact with Arbor Research for leased office space and administrative services because University researchers are working with Arbor Research on projects for a common sponsor and co-locating the researchers is needed to maintain efficient and timely research collaboration.

The University of Michigan Department of Internal Medicine –Gastroenterology seeks approval to transact with Arbor Research for database services that are very specific to data from the SRTR database. Arbor Research was selected because of its current experience in statistical modeling techniques using data from SRTR.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Robert M. Merion is a University employee as Professor of Surgery at the Medical School, and would be a party to the contract as President of Arbor Research.

However, the Statute allows the University to enter into such agreements if the following conditions are met:

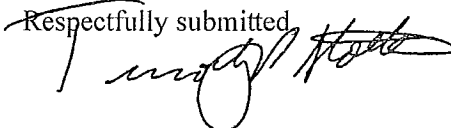
- a) The public servant promptly discloses any pecuniary interest in the contract to the official body which has power to approve the purchase, which disclosure shall be a matter of record in its official proceedings.
- b) The purchase is approved by a vote of not less than 2/3 of the full membership 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 Department of Surgery and Arbor Research.
- ii) The agreement for database services specific to data outcomes for kidney transplants is for a duration of 1 year at a cost of \$41,400. The second agreement is for sub-leased office space at a cost of \$16,934.52 per year with an annual 3% escalation until termination and administrative services for an initial term of three years at \$67,000 per year with an option for two additional years. The total cost for the leased space and administrative services agreement over five years is not to exceed \$424,908. The third agreement for database services specific to data from the SRTR is at a total cost of \$132,046.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Dr. Robert M. Merion, is President of Arbor Research.

Dr. Robert M. Merion 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 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 Research subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted  


Timothy P. Slottow  
Executive Vice President  
and Chief Financial Officer

April 2012