

**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 FreezerNanny LP (University of Michigan Employees, Manhong Dai, Tom Dixon, Fan Meng, Ph.D., and Ruth Freedman, Co-Owners)

Background:

The University of Michigan Dental School Clinical Research Department seeks approval to transact with FreezerNanny LP ("FreezerNanny"). Since August 2015, three University of Michigan Departments have sought approval to transact with FreezerNanny LP ("FreezerNanny") for wireless monitoring devices, probes and service for ultra-low freezers. Due to the frequency of orders and in anticipation of future demand for this product and monitoring services from multiple University departments, approval of a product purchase agreement is being sought between the Regents of the University of Michigan and FreezerNanny.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Manhong Dai, Tom Dixon, Fan Meng, Ph.D., and Ruth Freedman are University employees as Data Architect Lead, Facilities Coordinator, Research Professor, and Department Administrator, respectively, with Molecular & Behavioral Neuroscience Institute and Department of Psychiatry and would be parties to the contract as Co-Owners of FreezerNanny.

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 Dental School Clinical Research Center, University Departments and FreezerNanny.
- ii) The agreement is for a 2 year Product Purchase Agreement for wireless monitoring devices, probes and service for ultra-low freezers at a total cost not to exceed \$21,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employees, Manhong Dai, Tom Dixon, Fan Meng, Ph.D., and Ruth Freedman are Co-Owners of FreezerNanny.

Manhong Dai, Tom Dixon, Fan Meng, Ph.D., and Ruth Freedman 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 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 FreezerNanny subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Kevin R. Hegarty  
Executive Vice President  
and Chief Financial Officer

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