

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 a contract with ArborMetrix (University of Michigan Employee John Birkmeyer, MD, President/Founder) (University of Michigan Employee Justin Dimick, MD, MPH, Co-Founder)

Background:

The University of Michigan Zell Lurie Institute seeks approval to enter into a contract with ArborMetrix to provide a summer internship to a current MBA student through the Marcel Gami Internship program. ArborMetrix was selected based on the learning opportunity they could offer the student.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Drs. John Birkmeyer and Justin Dimick are University employees with the Department of Surgery, Division of General Surgery and would be party to the contract as President/Founder and Co-Founder, respectively, of ArborMetrix.

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 Zell Lurie Institute and ArborMetrix.
- ii) The agreement is to provide an MBA student with a 12-week summer internship with ArborMetrix. The Zell Lurie Institute will contribute one half of the internship salary equaling \$7,200.
- iii) The pecuniary interest arises from the fact that University of Michigan employee Dr. John Birkmeyer is President/Founder and Dr. Justin Dimick is Co-Founder of ArborMetrix.

Drs. John Birkmeyer and Justin Dimick 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 ArborMetrix 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

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