Subject: Regental Action Required Under the State of Michigan Conflict of Interest Statute

Action Requested: Authorization for the University to enter into an agreement with Akadeum Life Sciences, LLC (University of Michigan Employee, John Younger, Owner)

Background:

The University of Michigan Department of Pediatrics and Communicable Diseases at C.S. Mott Children's Hospital, Department of Epidemiology at the School of Public Health, and the Periodontics and Oral Medicine Department at the School of Dentistry, seek approval to transact with Akadeum Life Sciences, LLC ("Akadeum") for a one-time purchase of kits containing glass microbubbles coated with Streptavidin to be used for isolating living cells. Akadeum was selected because their product is new technology to separate specific cell types from disassociated tissue, harvest bacteria from dental plaque and isolate monocytes from blood that are double positive for CD14 and CD16 surface markers.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as John Younger is a University employee as a Professor with the Emergency Department at the Medical School and would be party to the agreement as Owner of Akadeum.

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 Pediatrics and Communicable Diseases, Department of Epidemiology, Periodontics and Oral Medicine Department and Akadeum.

ii) The agreement is for a one-time purchase of kits containing glass microbubbles coated with Streptavidin to be used for isolating living cells at a cost of $200 each for a total cost of $600.

iii) The pecuniary interest arises from the fact that University of Michigan employee, John Younger is the Owner of Akadeum.

John Younger 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 Akadeum subject to requirements, if any, that either the Medical School’s or OVPR’s Conflict of Interest Committee may impose.

Respectfully submitted,

Douglas L. Strong
Interim Executive Vice President
and Chief Financial Officer

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