

**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 agreement with Avicenna Medical Systems, Inc. (University of Michigan Employees Frank Pelosi, M.D., Erdwing Coronado and Khaled El-Safty, Owners)

Background:

The University of Michigan Health System seeks approval to enter into an agreement with Avicenna Medical Systems, Inc. ("Avicenna") to modify AviTracks Cardiology Electrophysiology Reporting Software ("EPRS") to successfully integrate with installed Epic software. The EPRS interface to Epic will be used to transfer patient reporting between the applications.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Frank Pelosi, M.D., Erdwing Coronado and Khaled El-Safty are University employees as Associate Professor of Internal Medicine, MCIT Manager and MCIT Programmer, respectively, and would be parties to the contract as Owners of Avicenna.

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.

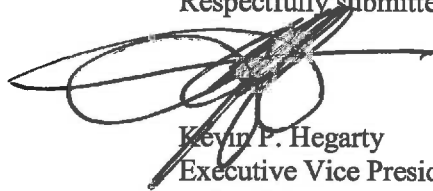
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Health System and Avicenna.
- ii) The agreement is for programming and project management services for a total cost of \$6,200.
- iii) The pecuniary interest arises from the fact that University of Michigan employees Frank Pelosi, M.D., Erdwing Coronado and Khaled El-Safty would be parties to the contract as Owners of Avicenna.

Frank Pelosi, M.D., Erdwing Coronado and Khaled El-Safty 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 Avicenna subject to requirements, if any, that either 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 a circular stamp or seal. The signature is fluid and cursive.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

September 2015