

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 an agreement with ArborMetrix (University of Michigan Employee, Dr. Justin B. Dimick, Employee, Stockholder and Owner).

Background:

The University of Michigan Department of Pediatric Critical Care Consortium (PC4) and the Department of Urology (MVC) seeks approval to extend an agreement with ArborMetrix. PC4 seeks approval to expand the existing agreement to add additional software modules to the clinical outcomes registry and reporting system to improve the quality of care for children with intensive care hospitalizations for cardiovascular disease. MVC seeks approval to include new data sources and reporting frequency.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Justin B. Dimick is a University employee with the Department of Surgery (PC4) and the Department of Urology (MVC) and would be party to the contract as Employee, Stockholder and Owner 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.

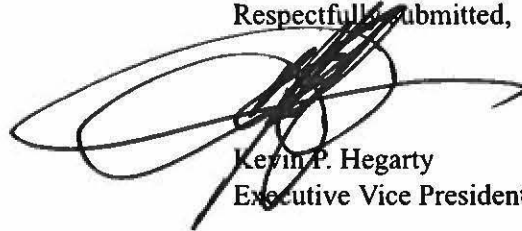
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Pediatric Critical Care Consortium (PC4), the Department of Urology (MVC) and ArborMetrix.
- ii) The agreement is for a duration of five annual subscription payments at a total cost not to exceed \$405,000. ArborMetrix will be supplying all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions were tailored to meet the particular needs of this contract and have been approved by Procurement Services after advice from the Office of General Counsel.
- iii) The pecuniary interest arises from the fact that University of Michigan employee Dr. Justin B. Dimick is an Employee, Stockholder and Owner of ArborMetrix.

Dr. Justin B. Dimick 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 by the supervisor of Dr. Justin B. Dimick, 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 the supervisor of Dr. Justin B. Dimick or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'Kevin P. Hegarty', is written over the typed name and title.

Kevin P. Hegarty
Executive Vice President and Chief Financial Officer

February 2019