

**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 Arcascope, Inc. (University of Michigan Employee, Olivia Walch, Stockholder, Owner, and Employee; University of Michigan Employee, Daniel Forger, Stockholder, Owner, and Director).

Background:

The University of Michigan Department of Neurology seeks approval to transact with Arcascope, Inc. for the purchase of their Sleep Data Analysis Suite.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as Olivia Walch is employed by the University as an Adjunct Investigator with the Department of Neurology and would be a party to the contract as a Stockholder, Owner, and Employee of Arcascope, Inc. Daniel Forger is employed by the University as a Mathematics Professor with the College of Literature, Science and the Arts and would be a party to the contract as a Stockholder, Owner, and Director of Arcascope, Inc.

However, the Statute allows the university to enter into such contracts 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 Neurology and Arcascope, Inc.
- ii) The contract is for a duration of two years and will cost \$18,000. Arcascope, Inc. will supply the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical to those used in Procurement Services standard templates for other similar contracts entered into by the Regents.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Olivia Walch is a Stockholder, Owner, and Employee of Arcascope, Inc. and Daniel Forger is a Stockholder, Owner, and Director of Arcascope, Inc.

Olivia Walch and Daniel Forger 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 by the supervisor of Olivia Walch or Daniel Forger under the Department of Neurology or OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the contract between the University of Michigan and Arcascope, Inc. subject to requirements, if any, that the supervisor of Olivia Walch, Daniel Forger, or the Department of Neurology or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Robert A. Hewlett III  
Interim Executive Vice President  
and Chief Financial Officer

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