

**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 FreezerNanny (University of Michigan Employees, Manhong Dai, Tom Dixon, Fan Meng, and Ruth Freedman, Partners)

Background:

The University of Michigan Molecular & Behavioral Neuroscience Institute seeks approval to transact with FreezerNanny for wireless monitoring devices, probes, and service for ultra-low freezers. Due to the frequency of orders and in anticipation of future demand for this product and monitoring services from multiple university departments, approval for an agreement with a three-year term is being sought between the Regents of the University of Michigan and FreezerNanny.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Manhong Dai, Data Architect Lead, Tom Dixon, Facilities Coordinator, Fan Meng, Research Associate Professor, and Ruth Freedman, Administrative Director, are university employees in the Molecular and Behavioral Neuroscience Institute and would be parties to the contract as Partners of FreezerNanny.

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.

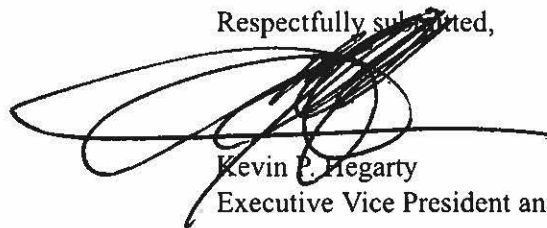
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Molecular & Behavioral Neuroscience Institute and FreezerNanny.
- ii) The agreement is for the purchase of wireless monitoring devices, probes, and service for ultra-low freezers for three years with a total cost of \$35,000. FreezerNanny will be supplying all 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 employees Manhong Dai, Tom Dixon, Fan Meng, and Ruth Freedman are Partners of FreezerNanny.

Manhong Dai, Tom Dixon, Fan Meng, and Ruth Freedman 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 supervisors of Manhong Dai, Tom Dixon, Fan Meng, and Ruth Freedman, 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 FreezerNanny subject to requirements, if any, that the supervisors of Manhong Dai, Tom Dixon, Fan Meng, and Ruth Freedman, or 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 horizontal line. The signature is somewhat stylized and overlaps the line.

Kevin P. Hegarty
Executive Vice President and Chief Financial Officer

June 2018