

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

Approved by the Regents
July 21, 2011

ACTION REQUEST

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

Action
Requested: Authorization for the University to Purchase Research Services From Arbor
Research Collaborative for Health (University of Michigan Employee, Dr.
Robert M. Merion)

Background:

The University of Michigan, Department of Internal Medicine- Gastroenterology is seeking approval to transact with Arbor Research Collaborative for Health for analytical and data housing services. The total cost for these services is \$43,705. The department selected Arbor Research Collaborative for Health based on their cutting edge expertise in data management, linkage of complex administrative and clinical data, novel statistical modeling techniques, unique state of the art experience in performing simulation using simulation allocation models, and an excellent track record as well as their proximity to the University of Michigan. Arbor Research Collaborative for Health has been identified as a resource in the National Institute of Health grant submitted to the University of Michigan. Dr. Pratima Sharma is leading the project and has identified Dr. Robert M. Merion as her research mentor.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Robert M. Merion is a University employee as Professor of Surgery and would be party to the agreement as President of Arbor Research Collaborative for Health. 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.

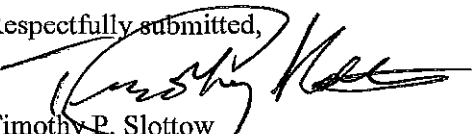
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties involved in the agreement are the Regents of the University of Michigan, University of Michigan Department of Internal Medicine - Gastroenterology and Dr. Robert M. Merion.
- ii) The agreement is to purchase analytical and data housing services from Arbor Research Collaborative for Health totaling \$43,705.
- iii) The pecuniary interest arises from the fact that Dr. Robert M. Merion, University employee as Professor of Surgery, is the President of Arbor Research Collaborative for Health.

Dr. Robert M. Merion 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 payments between the University of Michigan and Arbor Research Collaborative for Health subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President
and Chief Financial Officer

June 2011