

**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 Arbor Research Collaborative for Health (University of Michigan Employee, Robert Merion, President).

Background:

The University of Michigan Hospital and Health Center Department of Nephrology seeks approval to enter into an agreement with Arbor Research Collaborative for Health ("Arbor Research") to design and construct a database to be used for the Nephrotic Syndrome Study Network (NEPTUNE II). Arbor Research was selected because of an ongoing collaboration with them on another project that is similar to what is needed for NEPTUNE II. Arbor Research is named in NEPTUNE as the provider of services.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Robert Merion is a University employee as Professor of Surgery in the Medical School and would be party to the agreement as President of Arbor Research.

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.

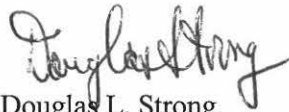
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Nephrology and Arbor Research.
- ii) The agreement is to design and construct a database to be used for the Nephrotic Syndrome Study Network (NEPTUNE II) over a three month time period at a cost of \$32,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Robert Merion is President of Arbor Research.

Robert 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 agreement between the University of Michigan and Arbor Research subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Douglas L. Strong
Interim Executive Vice President
and Chief Financial Officer

September 2014