The University of Michigan Regents Communication

Request for Action

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

Authorization for the University to transact with Noumion Inc. (University of Michigan Employees, Venkat Raman, Stockholder, Owner, and Director; Vansh Sharma, Stockholder and Owner)

Background:

The University of Michigan Department of Aerospace Engineering seeks approval to transact with Noumion Inc. for software to use in engineering design and optimization.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as Venkat Raman is employed by the University as a Professor with the Department of Aerospace Engineering and would be party to the contract as stockholder, owner, and director of Noumion Inc. and Vansh Sharma is employed by the University with the Department of Mechanical Engineering as a Graduate Student Research Assistant and would be a party to the contract as a stockholder and owner of Noumion Inc.

However, the Statute allows the university to enter into such contracts if the following conditions are met:

1) 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.
2) 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.
3) The official body discloses the following summary information in its official minutes:
   a) The name of each party involved in the contract.
   b) 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.
   c) The nature of any pecuniary interest.

The following information is provided in compliance with the statutory requirements contained in Section (3) above:

a) The parties to the contract are the Regents of the University of Michigan and its Department of Aerospace Engineering and Noumion Inc.
b) The contract is for a term of one year and not to exceed $100,000. Noumion 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.
c) The pecuniary interest arises from the fact that University of Michigan employee, Venkat Raman is a stockholder, owner, and director, and Vansh Sharma is a stockholder and owner of Noumion Inc.

Venkat Raman and Vansh Sharma 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 Venkat Raman under the Department of Aerospace Engineering and Vansh Sharma under the Department of Mechanical Engineering 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 Noumion Inc. subject to requirements, if any, that the supervisors of Venkat Raman and Vansh Sharma or the Department of Aerospace Engineering 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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