

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
October 18, 2013

ACTION REQUEST

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

Action Requested: Authorization for the University to transact with Numed Technologies, LLC (University of Michigan Employee Robert Hower, Partner).

Background:

The University of Michigan School of Dentistry seeks approval to transact with Numed Technologies, LLC ("Numed Technologies") for PC board fabrication, circuits, wire-bonding of sensors, board design and circuit population. Numed Technologies was selected due to their expertise in custom board design, their familiarity with the project and the ability to meet short delivery lead times.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Robert Hower is a University employee as Lead Engineer in Research with the College of Engineering and would be party to the agreement as Partner of Numed Technologies.

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.

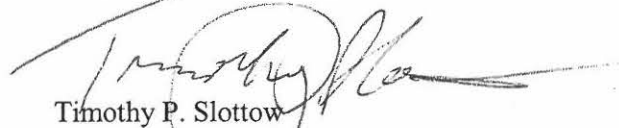
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its School of Dentistry Department and Numed Technologies.
- ii) The agreement is for PC board fabrication, circuits, wire-bonding of sensors, board design and circuit population for a onetime purchase not to exceed \$2,000.
- iii) The pecuniary interest arises from the fact that University of Michigan employee, Robert Hower, is Partner of Numed Technologies.

Robert Hower 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 Numed Technologies 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

October, 2013