

**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 AlertWatch, Inc. (University of Michigan Employees, Jenny Mace, Founder and Stockholder; Kevin Tremper, PhD, MD, Founder, President, Director, and Stockholder; James Bagian, Stockholder; Theodore Tremper, Employee and Stockholder).

Background:

The University of Michigan Department of Anesthesiology seeks approval to enter into an agreement with AlertWatch, Inc. for use of the Airstrip patient monitoring application. The Airstrip product monitors patients and notifies providers regarding out-of-tolerance conditions in real-time.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Jenny Mace is a University employee as Faculty Staff Specialist with the Department of Anesthesiology and would be party to the contract as founder and stockholder of AlertWatch, Inc., Kevin Tremper, PhD, MD, is a University employee as Professor with the Department of Anesthesiology and would be party to the contract as founder, president, director, and stockholder of AlertWatch, Inc., James Bagian is a University employee as Research Professor with the Department of Anesthesiology and would be party to the contract as stockholder of AlertWatch, Inc., and Theodore Tremper is a University employee as App Programmer/Analyst Associate with the Department of Anesthesiology and would be party to the contract as employee and stockholder of AlertWatch, Inc.

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 Anesthesiology and AlertWatch, Inc.
- ii) The agreement is for the duration of three years at a total cost not to exceed \$900,000. AlertWatch, Inc. 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, Jenny Mace is founder and stockholder of AlertWatch, Inc.; Kevin Tremper, PhD, MD, is founder, president, director, and stockholder of AlertWatch, Inc.; James Bagian is stockholder of AlertWatch, Inc.; and Theodore Tremper is employee and stockholder of AlertWatch, Inc.

Jenny Mace, Kevin Tremper, PhD, MD, James Bagian, and Theodore Tremper, 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 Jenny Mace, Kevin Tremper, PhD, MD, James Bagian, and Theodore Tremper, 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 AlertWatch, Inc. subject to requirements, if any, that the supervisors of Jenny Mace, Kevin Tremper, PhD, MD, James Bagian, and Theodore Tremper, or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and Chief Financial Officer

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