The University of Michigan Regents Communication

Request for Action

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

Action Requested: Authorization for the university to transact with M3D Inc. (University of Michigan Employee, Zhong He, Director and Stockholder)

Background:

The University of Michigan Cardiac Catheterization Lab seeks approval to transact with M3D Inc. for the purchase of the Ravin Cam, a gamma camera to detect radiation leaks in protective lead shielding.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as Zhong He is employed by the University as a Professor with Nuclear Engineering and Radiological Sciences and would be a party to the transaction as director and stockholder of M3D 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 transaction are the Regents of the University of Michigan and its Cardiac Cath Lab and M3D Inc.
b) The transaction is for a one-time transaction at a total cost not to exceed $78,130.00. M3D Inc. will supply the necessary resources and personnel to fulfill this transaction. 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, Zhong He, is director and shareholder of M3D Inc.

Zhong He has 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 supervisor of Zhong He under the Nuclear Engineering and Radiological Sciences 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 M3D Inc., subject to requirements, if any, that the supervisor of Zhong He or the Nuclear Engineering and Radiological Sciences or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Robert A. Hewlett III
Executive Vice President
and Chief Financial Officer

November 2026