

**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 transact with DASI Simulations (University of Michigan Employee, Gorav Ailawadi, Investor).

Background:

The University of Michigan cardiac procedures unit (CPU) seeks approval to transact with DASI Simulations for 3D modeling software services to further analyze the heart's anatomy in select complex patients using CT images to pre-plan for successful heart valve procedures.

The proposed contract falls under the State of Michigan Conflict of Interest Statute as Gorav Ailawadi is employed by the University as a professor and chair in the department of cardiac surgery and would be party to the contract as a seed/series A investor of DASI Simulations.

However, the Statute allows the University to enter into such contracts 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.

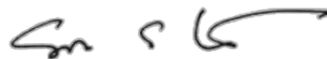
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its Department of Cardiac Surgery and DASI Simulations.
- ii) The contract is for one year of 3D modeling software services and is a budget-neutral service. DASI Simulations will supply all the necessary resources and personnel to fulfill this contract. The remaining base contract terms and conditions are typical of 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 Gorav Ailawadi, a University of Michigan employee, is a seed/series A investor in DASI Simulations.

Gorav Ailawadi 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 by the supervisor of Gorav Ailawadi 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 contract between the University of Michigan and DASI Simulations subject to requirements, if any, that the supervisor of Gorav Ailawadi or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and Chief Financial Officer

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