

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

MOTION	Newman
SECOND	Meynard
ACTION APPROVED BY THE REGENTS	

ACTION REQUEST

NOTE: MAR 17 2005

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

Action Requested: Authorization for the University to Enter Into a Purchasing Contract with Therapeutic Systems Research Labs, Inc. (University of Michigan Employee Gordon Amidon, Sole Owner)

Background:

The University of Michigan's Department of Internal Medicine wishes to enter into a contract with Therapeutic Systems Research Labs, Inc. to provide a nanoemulsion preparation. Gordon Amidon is a Sole Owner of Therapeutic Systems Research Labs, Inc. Therapeutic Systems Research Labs, Inc. was chosen because of their expertise in formulation and ability to coordinate the production process with the department.

The proposed purchase falls under the State of Michigan Conflict of Interest Statute as Gordon Amidon is a University employee and would be a party to the contract by virtue of his Sole Ownership of Therapeutic Systems Research Labs, Inc. However, the Statute allows University employees to participate in such purchases, 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 Plastic Surgery, and Therapeutic Systems Research Labs, Inc.
- ii) The service to be provided is a nanoemulsion preparation at a total cost of \$15,000.
- iii) The pecuniary interest arises from the fact that Gordon Amidon, a University of Michigan employee, is a Sole Owner of Therapeutic Systems Research Labs, Inc.

Gordon Amidon has met state law requirements with the disclosure of his pecuniary interest, and his 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 contract between the University of Michigan and Therapeutic Systems Research Labs, Inc., subject to requirements, if any, that either the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Timothy P. Slotow

Executive Vice President and Chief Financial Officer

March 2005