

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

Approved by the Regents
September 17, 2009

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
Cielo MedSolutions LLC (University of Michigan Employees
Dr. Donald Nease, Jr. and James D. Price, Members)

Background:

The University of Michigan Health System ("UMHS") seeks approval to enter into an agreement with Cielo MedSolutions LLC ("Cielo"). Cielo provides support and software license agreements for Cielo Clinic, a clinical quality management system. The Cielo Clinic software program is licensed to Cielo by an agreement through the U-M Office of Technology Transfer. Cielo Clinic is used by several departments within UMHS. This agreement with Cielo would provide for future software installations, maintenance and upgrade to existing software licenses, development and modifications to the software for research and connectivity purposes and operation of Cielo servers.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Donald Nease, Jr. and James D. Price are University employees and would be a party to the contract as members of Cielo. 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.

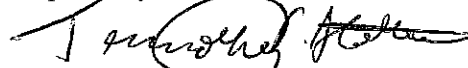
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and UMHS and Cielo.
- ii) The scope of the agreement is to provide the technical support, modifications and overall maintenance of the Cielo Clinic software package and related technologies through 2012 and not to exceed a total of \$975,000.
- iii) The pecuniary interest arises from the fact that Dr. Donald Nease, Jr. and James D. Price, University of Michigan employees as Associate Professor in the Department of Family Medicine and Lecturer II in the Ross School of Business, respectively, are members of Cielo.

Dr. Donald Nease, Jr. and James D. Price 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 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 Cielo 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

September 2009