

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

EXH

MOTION

McGowan
Newman

APPROVED BY THE REGENTS

DEC 15 2005

ACTION REQUEST

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

Action Requested: Authorization for the University to Enter into a Contract with Picocal, Inc. (University of Michigan Employees Angelo Gaitas, Shareholder and President and Yogesh Gianchandani, Shareholder)

Background:

The University of Michigan's College of Engineering wishes to purchase scanning thermal probes from Picocal, Inc. Angelo Gaitas, a shareholder and president of Picocal, Inc., and Yogesh Gianchandani, a shareholder of Picocal, Inc., are both University of Michigan employees. Picocal, Inc. was chosen because it is the only vendor who offers this product, which can measure temperature with nanoscale spatial resolution.

The proposed payment falls under the State of Michigan Conflict of Interest Statute as Angelo Gaitas and Yogesh Gianchandani are University employees and would be parties to the contract by virtue of their status as president and shareholders of Picocal, 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.

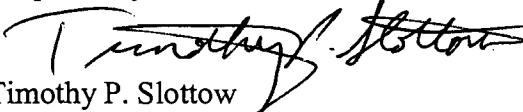
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its College of Engineering, and Picocal, Inc..
- ii) The product provided is scanning thermal probes, for a total dollar amount of \$1,950.00.
- iii) The pecuniary interest arises from the fact that Angelo Gaitas and Yogesh Gianchandani, both University of Michigan employees, are president and shareholders of Picocal, Inc..

Angelo Gaitas and Yogesh Gianchandani have met state law requirements with the disclosure of their pecuniary interest, and their 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 Picocal, 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. Slottow
Executive Vice President and Chief Financial Officer

December, 2005