

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents

April 17, 2008

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 License Agreement with Cielo MedSolutions LLC (University of Michigan Employees Dr. Lee Green, Dr. Michael Klinkman, Dr. Donald Nease, Jr. and James D. Price, Members)

Background:

The University of Michigan School of Nursing seeks approval to purchase a software license, implementation and one year maintenance support from Cielo MedSolutions LLC (Cielo). The software, Cielo Clinic, is a clinical quality management system. This software program is licensed to Cielo by an agreement through the U-M Office of Technology Transfer.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Lee Green, Dr. Michael Klinkman, 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 its School of Nursing and Cielo.

- ii) The software license agreement is for one year of Cielo Clinic, implementation and training for a total cost of \$5,840.
- iii) The pecuniary interest arises from the fact that Dr. Lee Green, Dr. Michael Klinkman, Dr. Donald Nease, Jr. and James D. Price, University of Michigan employees as Professor, Associate Professor and Associate Professor in the Department of Family Medicine and Lecturer II in the Ross School of Business, respectively, are members of Cielo.

Dr. Lee Green, Dr. Michael Klinkman, 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

April 2008