

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 enter into an agreement with ArborMetrix (University of Michigan Employee, Dr. Justin Dimick, Co-Founder and Part Owner)

Background:

The University of Michigan Extracorporeal Life Support Organization (“ELSO”) seeks approval to enter into an agreement with ArborMetrix to provide a platform that replicates existing ELSO registry measures, and includes real-time risk and reliability adjustments to appropriately access Extracorporeal Membrane Oxygenation (“ECMO”) care provided by member hospitals.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Dr. Justin Dimick is a University employee as Assistant Professor with the Department of Surgery, Division of General Surgery and would be party to the contract as Co-Founder and Part Owner of ArborMetrix.

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

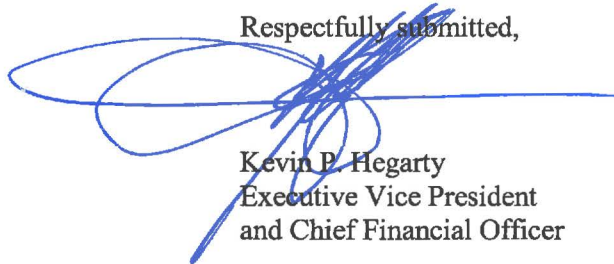
The following information is provided in compliance with the statutory requirements contained in Section (c) above:

- i) The parties to the contract are the Regents of the University of Michigan and its ELSO and ArborMetrix.
- ii) The agreement will provide the University with an ECMO registry that includes real-time risk and reliability adjustments for a total cost of \$250,000. The remaining base contract terms and conditions are typical to 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 University of Michigan employee, Dr. Justin Dimick, is Co-Founder and Part Owner of ArborMetrix.

Dr. Justin Dimick 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 Dr. Justin Dimick 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 ArborMetrix subject to requirements, if any, that the supervisor of Dr. Justin Dimick or the Medical School's or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Kevin P. Hegarty
Executive Vice President
and Chief Financial Officer

July 2017