THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Biodiscovery, LLC

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the Proposal Approval Form. This then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was developed and approved by the Committee and agreed to by the parties involved.

This proposed Subcontract Agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Erdogan Gulari and Dr. Jean Marie Rouillard are both employees of the University of Michigan ("University") and co-founders of a for-profit company Biodiscovery, LLC. The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. Erdogan Gulari, Associate Dean for Research and Graduate Education and Professor of Chemical Engineering, College of Engineering, is a Co-Founder of Company, and will act as Principal Investigator for the work to be done at the University, and Project Director for the work to be performed by Biodiscovery, LLC ("Company") under an NIH funded project. Dr. Jean Marie Rouillard, Research Investigator in Chemical Engineering, is also a Co-Founder of Company and will act as Co-Investigator for Company under the Proposed Project.

Nature of the Agreement:

The proposed project will be a subcontract between the Company and the University of Michigan to perform research under a prime contract between the Company and the NIH.
Agreement Terms:

Under the Proposed Project, total funding of $320,469 is anticipated to cover a period of twenty-four (24) months. The terms of the proposed Agreement will conform to University policy. In the event of an amendment, University procedures for approval of these changes will be followed and additional review by the Conflict of Interest Review Committee will be done as appropriate.

Impact of the Agreement:

The proposed Agreement will enable the University to participate in important follow-on research in the area of low-cost microarray synthesis. It also provides for continuing collaboration between the College of Engineering and a Michigan start-up company.

Pecuniary Interest:

The pecuniary interests of Drs. Erdogan Gulari and Jean Marie Rouillard arise from their ownership interests in Biodiscovery, LLC.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. In light of this disclosure and our finding that the agreement conforms to standard University practices, I recommend that the Board of Regents approve of the University entering into this Subcontract Agreement with Biodiscovery, LLC.

Respectfully submitted,

Stephen R. Forrest
Vice President for Research

March 2010