

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and ArborSense, Inc.

Action Requested: Authorization to enter into Subcontract Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which then triggered a review by the UMOR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Committee and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Xudong Fan, Zhaohui Zhong and Research Fellow Girish Kulkarni are employees of the University of Michigan ("University"), and partial owners of ArborSense, Inc. The law permits such an Agreement provided it is disclosed to the Board of Regents ("Regents") of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Fan, a Professor of Biomedical Engineering, Dr. Zhong, an Associate Professor of Electrical Engineering and Computer Science, and Dr. Girish Kulkarni, a Research Fellow in Biomedical Engineering, all in the College of Engineering, are partial owners of a for-profit company called ArborSense, Inc. (the "Company"). The Company wishes to fund a NIH (prime) STTR Phase I project entitled: "Wearable Nanoelectronic Vapor Sensors for Transdermal Alcohol Monitoring" (ORSP #15-PAF06050) in the Department of Biomedical Engineering under the direction of Drs. Fan and Zhong. The purpose of this project is to design, fabricate, and analyze wearable sensors for alcohol.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately seven (7) months. The amount of funding support will not exceed \$74,000. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Agreement

The Agreement will support an effort by Drs. Fan and Zhong to use their expertise and University laboratories, as well as other University resources to continue to develop this type of sensor.

Recommendations:

This matter has been reviewed and approved by the UMOR Conflict of Interest Review Committee. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with ArborSense, Inc.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

May 2015