

ACTION REQUEST

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

Action Requested: Authorization to enter into 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 OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with any conflict of interest was developed and approved by the Committee and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Hao Chen is both an employee of the University of Michigan ("University"), is in a leadership role, and a partial owner of Biocrede, 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. Chen, a Research Investigator in the Department of Biomedical Engineering, College of Engineering, is in a leadership role, and is a partial owner of a for-profit company called Biocrede, Inc. (the "Company"). The Company wishes to fund an NIH (prime) SBIR Phase I project entitled "Advanced Nitric Oxide (NO) Release Bacteriacidal Urinary Catheters" (ORSP# 13-PAF02874) in the Department of Chemistry, College of Literature, Science and the Arts, under the direction of Dr. Mark Meyerhoff. The purpose of this project is to support the Company in developing a novel urinary tract silicone Foley catheter with the option of continuous release NO, or control activated NO release, to enhance anti-microbial properties that reduce the risk of infections currently experienced by patients using such catheters. An additional benefit could be systemic cost savings due to reduced length of hospital stays.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately twelve (12) months. The amount of funding support from the Company will not exceed \$56,545. Since research projects are often amended, these agreements include provisions for changes in time, amount, and scope of each supported project. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

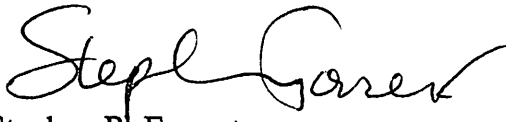
Impact of the Agreement

The Agreement will support an effort by Dr. Meyerhoff to use his expertise and University laboratory, as well as other University resources to further develop and optimize novel polymeric (silicone) formulations for NO release.

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 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 Biocrede, Inc.

Respectfully submitted,

A handwritten signature in black ink that reads "Stephen R. Forrest". The signature is written in a cursive, flowing style.

Stephen R. Forrest
Vice President for Research

September 2013