

ACTION REQUEST

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

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 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 Professor Nickolas Vlahopoulos is an employee of the University of Michigan ("University"), and Chief Technical Officer of Michigan Engineering Services, LLC ("MES"). 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. Nickolas Vlahopoulos, a Professor in the Department of Naval Architecture and Marine Engineering, College of Engineering, is the Chief Technical Officer of a for-profit company called MES (the "Company"). The Company wishes to fund a NASA (prime) STTR Phase I project entitled "Fusion of modeling and simulation credibility in multidisciplinary design" (ORSP# 15-PAF04806) in the Department of Naval Architecture and Marine Engineering under the direction of Dr. David Singer. The purpose of this project is to conduct the case study for the design of the thermal protection system of an Apollo type vehicle.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$30,000. Since research projects are often amended, this agreement includes provisions for changes in time 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 Dr. David Singer to use his expertise and University laboratory, as well as other University resources to conduct the case study for the design of the thermal protection system of an Apollo type vehicle.

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 the University's entering into this Agreement with Michigan Engineering Services, LLC.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. Jack Hu".

S. Jack Hu
Interim Vice President for Research

October 2015