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 purchase from SkySpecs, LLC (University of Michigan Employee, Sam DeBruin, Owner)

Background:

The University of Michigan Civil and Environmental Engineering Department seeks approval to purchase a Robotic Wireless Interrogator/Unmanned Aerial Vehicle ("UAV") from SkySpecs, LLC ("SkySpecs"). The UAV assists in the evaluation of bridge components by flying to hard to reach locations, recording video and collecting data from wireless sensors.

The Civil and Environmental Engineering Department looked at options from five other suppliers in the market. SkySpecs was selected because their platform outperforms their competitors and has a means of adding any payload we desire which is necessary to use the UAV as a research platform. SkySpecs is also willing to open their entire software suite for the department to develop on top of their platform.

The proposed agreement falls under the State of Michigan Conflict of Interest Statute as Sam DeBruin is a University employee as a PhD Student being paid by a National Science Foundation funded fellowship with the College of Engineering and would be party to the agreement as Owner of SkySpecs.

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 Civil and Environmental Engineering Department and SkySpecs.

ii) The agreement is to purchase a UAV to assist in the evaluation of bridge components. The total cost of the UAV and associated components is $24,000.

iii) The pecuniary interest arises from the fact that University of Michigan employee, Sam DeBruin is the Owner of SkySpecs.

Sam DeBruin has met state law requirements with disclosure of his pecuniary interest and formal appointment arrangements with the University of Michigan. Requirements, if any, that may be applicable 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 SkySpecs subject to requirements, if any, that either the Medical School’s or OVPR’s Conflict of Interest Committee may impose.

Respectfully submitted,

Timothy P. Slotto
Executive Vice President
and Chief Financial Officer

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