

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the  
Regents  
December 18, 2014

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Michigan Aerospace Corporation

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 Lennard Fisk is both an employee of the University of Michigan ("University"), and a partial owner and Board of Directors Chair of Michigan Aerospace Corporation ("MAC"). 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. Fisk, a Professor of Space Science in the Department of Atmospheric, Oceanic and Space Science, is the partial owner and Board of Directors Chair of a for-profit company called MAC (the "Company"). The University wishes to enter into a subcontract with the Company to perform a portion of the project submitted by the University to the Great Lakes Protection Fund entitled "An Intelligent Cyberinfrastructure for the Decentralized Sensing, Modeling, and Control of Urban Stormwater" (ORSP# 14-PAF05600/SUBK00002479), in the Department of Civil and Environmental Engineering under the direction of Dr. Branko Kerkez. Dr. Fisk is not involved in the performance of this project at the University or the work to be performed under the subcontract to MAC. The purpose of this project is to deploy and evaluate intelligent, real-time sensor architecture for the decentralized management and control of storm water assets.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately three (3) years. The amount of funding support for the project will not exceed \$800,000, of which, approximately \$205,000 will be funded through the subcontract. 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.

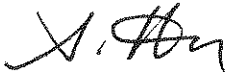
## Impact of the Agreement

The Agreement will support an effort by Dr. Kerkez to use his expertise and University laboratory, as well as other University resources, to design and deploy a sensor-enabled storm water control system, and Dr. Matthew Lewis, the PI on the subcontract to MAC, to use his expertise to analyze the collected data from the sensor network and develop and test the deep learning portal. Dr. Lewis is not affiliated with the University.

## 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 Aerospace Corporation.

Respectfully submitted,



S. Jack Hu  
Interim Vice President for Research

December 2014