

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and FlexSys, 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 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 subcontract agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Sridhar Kota is an employee of the University of Michigan (“University”), and a partial owner of FlexSys, 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. Sridhar Kota, a Professor in the Department of Mechanical Engineering, is a partial owner of a for-profit company called FlexSys, Inc. (the “Company”). The Company wishes to fund a Department of Defense (prime) SBIR Phase II project entitled, “Personal Negative Pressure Isolation Systems for Treating Covid-19 Patients and Protecting Frontline Workers” (ORSP #20-PAF08990) in the Department of Emergency Medicine under the direction of Dr. Benjamin Bassin. The purpose of this project is to develop a mass-produced portable isolation system which allows for the provision of advanced respiratory therapies in patients infected with droplet or airborne spread pathogens.

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 \$298,116. 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. Bassin to use his expertise and University laboratories, as well as other University resources, to clinically validate the feasibility of utilizing a novel portable personal negative pressure helmet capable of isolating a patient while undergoing testing or receiving intensive respiratory therapies such as heated high-flow nasal cannula (HHFNC), non-invasive ventilation (NIV), or nebulizer therapies.

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 FlexSys, Inc.

Respectfully submitted,



Rebecca Cunningham  
Vice President for Research

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