

**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 enter into a contract with CubeWorks, Inc. (University of Michigan Employees, David Blaauw, Prabal Dutta, ZhiYoong Foo, Gyouho Kim, and Dennis Sylvester are partial owners and/or employees of CubeWorks, Inc.).

Background:

The University of Michigan College of Engineering through its Electrical Engineering and Computer Science department seeks approval to enter into a contract with CubeWorks, Inc. for the purpose of research activities.

The proposed contract falls under the State of Michigan Conflict of Interest Statute because David Blaauw, Professor of Electrical Engineering and Computer Science; Prabal Dutta, Adjunct Associate Professor of Electrical Engineering and Computer Science; ZhiYoong Foo, Engineer in Research of Electrical Engineering and Computer Science; Gyouho Kim, Assistant Research Scientist of Electrical Engineering and Computer Science; Dennis Sylvester, Associate Chair and Professor of Electrical Engineering and Computer Science are employees of the University and partial owners and/or employees of CubeWorks, Inc.

However, the Statute allows the University to enter into such contracts 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 contract, which disclosure shall be a matter of record in its official proceedings.
- b) The contract 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 contract, 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 contract.
  - 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 College of Engineering through its Electrical Engineering and Computer Science department and CubeWorks, Inc.
- ii) The contract is for CubeWorks, Inc. to support the development and delivery of a new battery casing technology for a three millimeter sized high temperature, high energy density battery for powering the University of Michigan's M3 based (Michigan Micro Mote) high temperature and pressure system. CubeWorks, Inc. will provide samples of the battery and collaborate with the University to incorporate the battery into the high temperature and

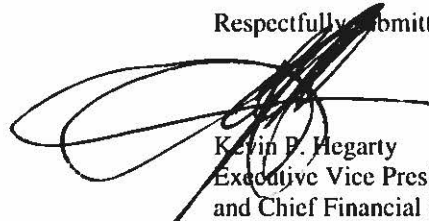
pressure system. The performance period is anticipated to be August 1, 2019 through September 30, 2020, and have an estimated value not to exceed \$100,000. The terms of the proposed contract will comply with appropriate University requirements. Since research projects are often amended, this proposed contract will include a provision for changes in time, amount, and scope.

- iii) The pecuniary interest arises from the fact that University employees David Blaauw, Prabal Dutta, ZhiYoong Foo, Gyouho Kim, and Dennis Sylvester are partial owners of CubeWorks, Inc.

The University employees listed above meet state law requirements with the disclosure of their pecuniary interest and formal appointment arrangements with the University. Requirements, if any, that may be applicable by the supervisor of these University employees under the OVPR's Conflict of Interest Committee's procedures are separately analyzed and managed.

We recommend that the Board of Regents approve the University to enter into a contract with CubeWorks, Inc., subject to requirements, if any, that the supervisor of the University employees or OVPR's Conflict of Interest Committee may impose.

Respectfully submitted,



Kevin F. Hegarty  
Executive Vice President  
and Chief Financial Officer

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