THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
January 22, 2009

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Li, Fischer, Lepech & Associates

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the Proposal Approval Form that then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts 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 Victor C. Li is an employee of the University of Michigan ("University") and founder/owner of Li, Fischer, Lepech & Associates ("LFL"). The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Professor Victor C. Li and two other members founded LFL in 2006. Professor Li occupies the roles of Professor in the departments of Civil Engineering, Civil and Environmental Engineering, and Materials Science and Engineering, in the College of Engineering, as well as founder and an owner in LFL. The University has received funding from the National Institute of Standards and Technology and desires to fund a project in the department of Civil & Environmental Engineering with Assistant Professor Jerome Lynch, of the department of Civil and Environmental Engineering acting as the Principal Investigator. Dr. Li will serve as a co-investigator on the project.

Nature of the Agreement :

The University applied for funding from the NIST Technology Innovation Program ("TIP") in response to the solicitation entitled: "Advanced Sensing Technologies for the Infrastructure: Roads, Highways, Bridges and Water." Under the program, the University would act as the lead administrator for a joint venture between: UM, LFL (MI), Monarch Antenna, Inc. (MI), Prospect Solutions, LLC (NY), SC Solutions, Inc. (CA), and Weidlinger Associates, Inc. (NY) (collectively the "Joint Venture Team"). The title of the Joint Venture Team's proposal is "Cyber-enabled Wireless Monitoring Systems for the Protection of Deteriorating National Infrastructure Systems." The goal of the project is to demonstrate a comprehensive structure monitoring system

assembled from transformative sensor technologies to prevent future catastrophe from occurring with the aging fleet of infrastructure systems.

NIST wishes to enter into an agreement with the University to enable Professors Lynch and Li to assist in the performance of this funded research.

Agreement Terms:

The terms of the Agreement will conform to University policy regarding publication and intellectual property. The period of performance for the project will be four (4) years and the amount of funding support from NIST will be $5,866,847. The University will cost-share $5,271,005 in a combination of direct and indirect costs. The other Joint Venture members will also contribute cost-sharing. University procedures for approval of any 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 Professors Lynch and Li to demonstrate a comprehensive structure monitoring system assembled from transformative sensor technologies to prevent future catastrophe from occurring with the aging fleet of infrastructure systems.

Recommendation:

This matter has been reviewed and approved by the OVPR conflict of Interest Review Committee. In light of the disclosure made in this document and our finding that the agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with the National Institute of Standards and Technology and Li, Fischer, Lepech & Associates.

Respectfully submitted,

Stephen R. Forrest
Vice President for Research

January 2009