

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

February 18, 2010

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Quantis Eointesys-Life Cycle Systems

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. This 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.

The proposed Research Agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Olivier Jolliet is both an employee of the University of Michigan ("University") and a shareholder, member of the Scientific Advisory Board and Consultant to Quantis Eointesys-Life Cycle Systems. 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:

Dr. Olivier Jolliet, Associate Professor of Environmental Health Sciences, School of Public Health, will be the Principal Investigator for the project that is funded by the Dairy Management Inc. ("DMI"). DMI is a nonprofit organization funded by United States dairy producers to educate consumers about dairy products. DMI wishes to fund a research project at the University with a subcontract to Quantis Eointesys-Life Cycle Systems.

Nature of the Agreement:

This proposed project will be between DMI and the Regents of the University of Michigan to fund a research project at UM with a subcontract from the University to Quantis Eointesys-Life Cycle Systems. Professor Olivier Jolliet will be the Principal Investigator for the project. The Agreement is to be funded over a two-year (2) period with the total costs not to exceed six hundred thousand dollars. The Agreement includes a provision for extensions of the time period and scope of work. 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 enables research to be performed to conduct a life cycle assessment (LCA) and environmental impact of the dairy fluid milk supply chain in the United States.

Pecuniary Interest:

The pecuniary interest of Dr. Olivier Jolliet arise from being a shareholder, member of the Scientific Advisory Board and Consultant to Quantis Ecointesys-Life Cycle 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 Subcontract Agreement with Quantis Ecointesys-Life Cycle Systems.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

February 2010