

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Optofluidic Bioassay, 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 agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Xudong Fan is an employee of the University of Michigan (“University”), and a partial owner of Optofluidic Bioassay, 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. Fan, an associate professor of biomedical engineering, is the partial owner of a for-profit company called Optofluidic Bioassay, Inc. (the “Company”). The Company wishes to fund a NIH (prime sponsor) SBIR Phase I project entitled: “Optofluidic Laser Based ELISA for Detecting Biomarkers in Biofluids” (ORSP# 14-PAF05815) in the Department of Biomedical Engineering under the direction of Dr. Fan. The purpose of this project is to fabricate and characterize an optofluidic laser array and analyze experimental data.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$30,581. Since research projects are often amended, this agreement includes provisions for changes in time, amount, and scope of the project. 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. Fan to use his expertise and University laboratory, as well as other University resources to further design, analyze and develop the potential clinical applications of the device.

Recommendations:

This matter has been reviewed and approved by 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 Optofluidic Bioassay, Inc.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

May 2014