

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

July 21, 2006

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Omni Sciences Inc.

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 proposed agreement which 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 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 Dr. Mohammed N. Islam, Professor, Department of Electrical Engineering and Computer Sciences (EECS), is sole owner of a for profit company, Omni Sciences Inc. (hereinafter "Company"). The Company wishes to enter into a research agreement. 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. Mohammed N. Islam, Professor, Department of Electrical Engineering and Computer Sciences (EECS), is sole owner of the Company. The Company wishes to fund a research agreement in the Department of Electrical Engineering and Computer Sciences under the direction of Dr. Fred Terry, Associate Professor of EECS. Dr. Islam will not participate in the project in his capacity as a University employee.

Nature of the Agreement:

This proposed project will be a subcontract between the Company and the Regents of the University of Michigan (UM) to perform research under a prime contract between the Company and the Army Research Office under the Small Business Technology Transfer Program Phase II.

Agreement Terms:

The terms of the proposed Agreement conform to University policy. Dr. Terry will be the Principal Investigator for the project at the University to be conducted over a 24 month period at an estimated total cost of \$255,007. The subcontract

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 conducted as appropriate.

Impact of the Agreement:

The agreement enables follow-on research to be performed promoting understanding and application of mid-infrared fibers for homeland security as well as industrial and analytical chemistry applications. It also provides for collaboration between the College of Engineering and a Michigan start-up company.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee and by the Associate Dean for Research of the College of Engineering. 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 Omni Sciences, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest", with a long horizontal flourish extending to the right.

Stephen R. Forrest
Vice President for Research

July 2006