

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

EXH	MOTION <i>Newman</i>
	REC. <i>White</i>
	APPROVED BY THE REGENTS
NOV 17 2005	

Subject: Purchase Order Agreement between the University of Michigan and Michigan Aerospace Corporation

Action Requested: Authorization to enter into the Agreement

Preamble:

A statutory conflict of interest situation was identified by DRDA while reviewing the Proposal Approval Form that then triggered a review by the Office of the Vice President for Research Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was developed by the committee and agreed to by the parties involved in this agreement.

This proposed agreement (Agreement) falls under the State of Michigan Conflict of Interest Statute because Dr. Lennard Fisk is both an employee of the University and a partial owner of Michigan Aerospace Corporation, a for-profit company. 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.

Background:

Michigan Aerospace Corporation has received a SBIR Phase II contract from the Navy for "Navy OOV Launch and Recovery." As part of this project, Michigan Aerospace will subcontract with the University of Michigan for routine testing in both the Marine Hydrodynamics Laboratories (MHL) and at full scale within the Great Lakes Basin. M-ROVER and other assets will be used in the Physical Model Basin at the Department of Naval Architecture and Marine Engineering. The Principal Investigator for the routine testing is Guy Meadows, Professor in the Department of Naval Architecture and Marine Engineering. Lennard Fisk, Professor in the Department of Atmospheric, Oceanic, and Space Sciences, is the owner of 50% of the stock of Michigan Aerospace Corporation. Professor Fisk is not involved in the project at either the University of Michigan or at Michigan Aerospace Corporation.

Nature of the Agreement:

The proposed testing for the SBIR Phase II, Michigan Aerospace project includes a purchase order from Michigan Aerospace Corporation to build and test a conceptual design of a stern-ramp deployable surface and underwater recovery vehicle that will simultaneously launch and allow for automated recovery of marine unmanned vehicles.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance is expected to be twelve months (9/1/05 through 8/31/06) and the amount payable to the University is expected to be \$164,989 dollars. Standard purchase order terms and conditions will apply. Since research agreements are often amended, the purchase order may include provisions for changes in time, amount, and scope. University of Michigan procedures for approval of these changes will be followed and additional review by the Conflict of Interest Committee will be done as appropriate.

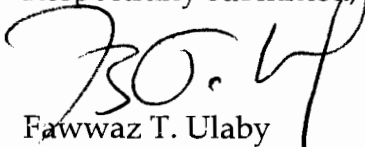
Impact of the Agreement:

The Agreement with Michigan Aerospace Corporation will allow the University of Michigan to meet the goals and objectives as submitted.

Recommendation:

This Agreement 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 proposed is in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Michigan Aerospace Corporation.

Respectfully submitted,



Fawwaz T. Ulaby  
Vice President for Research

November 2005