

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents  
July 21, 2011

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Edington Associates, LLC

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 which then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflict of interest was then developed by the Committee and agreed to by the parties involved.

The proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Dee Edington is both an employee of the University of Michigan ("University") and the owner of Edington Associates, LLC. 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. Edington, a professor in the Division of Kinesiology, is the owner of a for-profit company called Edington Associates, LLC (the "Company"). The Company was formed recently to engage the Health Management Research Center to provide various services, including consulting, data acquisition and analysis related to assessing health risks in various populations and the means of reducing such risks.

Nature of the Agreement:

The Company wishes to enter into a contract with the University to enable Dr. Louis Yen in the Health Management Research Center to provide such services to the Company.

Agreement Terms:

The terms of the Agreement will conform to University policy. The period of performance for the project is one (1) year. The amount of funding support is \$30,000.

Impact of the Agreement:

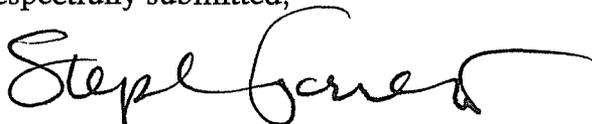
The Agreement will support personnel in the Health Management Research Center to use the expertise of the Center to provide services to the Company and retain

information obtained in the course of performance of these services to validate and update the algorithms that enable the analyses to remain viable.

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 Edington Associates, LLC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Stephen R. Forrest  
Vice President for Research

July 2011