

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Michigan Aerospace Corporation

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by DRDA while reviewing the Proposal Approval Form that then triggered a review of the project 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.

The proposed research 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 part owner of Michigan Aerospace Corporation. 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 (Regents).

Background:

Michigan Aerospace Corporation has received a Small Business Innovation Research Phase I contract from NASA for "Mobile Autonomous UAV Launch and Retrieval System." As part of this project, Michigan Aerospace will subcontract with the University of Michigan for the testing and transition to production of a reliable and cost-effective universal interface between various types of unmanned aerial vehicles and a mobile ground platform. The Principal Investigator for the project is Dr. Ella Atkins, Associate Professor in the Department of Aerospace Engineering. Dr. 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 Company has applied for and received an award from NASA under the Small Business Innovation Research (SBIR) Program for the purpose of supporting research Phase I entitled "Mobile Autonomous UAV Launch and Retrieval System (MAULAR)." The Company wishes to enter into an Agreement with the University to enable Dr. Atkins to assist in the performance of this funded research.

Agreement Terms:

The total subcontract to the University will be \$27,200 for the period January 14, 2007 through November 15, 2007. Since research agreements are often amended, the Agreement includes provisions for changes in time, amount, and scope. University 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 will support the effort by Dr. Atkins to concentrate on reliable and cost effective universal interface between various types of unmanned aerial vehicles and a mobile ground platform.

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 Michigan Aerospace Corporation.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

October 2006