

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

EXH	MOTION <i>Newman</i>
	SPEC <i>White</i>
	AC APPROVED BY THE REGENTS
NOTE:	NOV 17 2005

Subject: Subcontract Agreement between the University of Michigan and Industrial Optical Measurement Systems, LLC

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 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 Stephen Segall, Ph.D. is both an employee of the University and the founder and owner of Industrial Optical Measurement Systems, LLC ("IOMS"), 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:

Dr. Stephen Segall, a Senior Research Associate Engineer in the Department of Mechanical Engineering of the College of Engineering, is both an employee of the University and the founder and owner of IOMS. IOMS wishes to have the University participate as a subcontractor under a Small Business Technology Transfer grant related to a technology developed within the University's Engineering Research Center for Reconfigurable Manufacturing.

Nature of the Project:

IOMS has applied for and received funding from the National Science Foundation (NSF). This proposed project will constitute a subcontract to the University to provide services under the grant to IOMS. Dr. Yoram Koren, Professor of Mechanical Engineering, will serve as the Principal Investigator on the subcontract at the University and Dr. Segall will serve as a co-investigator for the University on this grant from NSF under the direction of Dr. Koren. Dr. Segall will only participate in this project in his capacity as a University employee.

Agreement Terms:

The terms of the Agreement conform to University policy. The project at the University is to be conducted over an initial one (1) year period at an estimated total cost of \$30,000. 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 OVPR Conflict of Interest Review Committee will be done as appropriate.

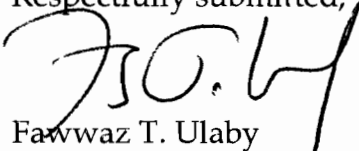
Impact of the Agreement:

The Agreement enables research to be performed to refine a promising technology for automated inspection of cylinder bores. The proposed research plan involves the creation, refinement and testing of prototype that uses laser light scattering data to quickly and accurately analyze the surface quality of machined cylinders. The effort under this Agreement will advance a technology developed within the Engineering Research Center for Reconfigurable Manufacturing at the University.

Recommendation:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee and by the Associate Dean for Research in 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 entering into this Agreement with Industrial Optical Measurement Systems, LLC.

Respectfully submitted,


Fawwaz T. Ulaby
Vice President for Research

November 2005