

SUBMITTED BY: STEPHEN M. LANIER, PH.D., VICE PRESIDENT FOR RESEARCH

**UNIVERSITY SUBCONTRACT FROM A COMPANY WHICH IS PARTIALLY OWNED BY A WAYNE STATE
UNIVERSITY EMPLOYEE**

RECOMMENDATION

The Administration recommends that the Board of Governors authorize the President or his designee to enter into a contract for laboratory services to Advanced Reproductive Technologies, LLC (ART), a Michigan limited liability company. The contract will provide laboratory services related to the procurement of clinical samples.

BACKGROUND

Advanced Reproductive Testing, LLC, registered in the State of Michigan in 2016, is a biomedical company specialized in the development of technologies for prenatal diagnosis. Dr. Randall Armant, Ph.D., a professor in the Department of Obstetrics and Gynecology at Wayne State University (WSU) and is cofounder of Advanced Reproductive Technologies, LLC. The company is the recipient of a recent Phase I Small Business Innovative Research (SBIR) grant from the National Institute of Child Health and Human Development – grant number R43HD092295 – entitled, “A Platform for Safe, Noninvasive Prenatal Genetic Testing at Five Weeks of Pregnancy,” which includes a subcontract for services to Wayne State University.

Michigan Conflict of Interest law requires specific sunshine procedures in order for a University employee, or a company owned by a University employee, to contract directly or indirectly with the University:

- (A) The employee must disclose any pecuniary interest in the contract to the Board and the disclosure must be made a matter of record in the Board’s proceedings.
- (B) The contract must be approved by a vote of not less than two-thirds of the full membership of the Board in open session.
- (C) The Board’s minutes must report:
 - (i) The name of each party involved in the contract.
 - (ii) The terms of the contract, including duration, financial consideration between the parties, facilities or services of the public entity included in the contract, and the nature and degree

of assignment of employees of the public entity for fulfillment of the contract.

- (iii) The nature of any pecuniary interest.

If the Board approves this Recommendation, the minutes will report as follows:

The Board of Governors authorized the President, or his designee, to enter into a an agreement to provide up to \$38,529 in research services to ART

- (i) The parties involved in the contract are Wayne State University and Advanced Reproductive Testing, LLC.

(ii) The contract will provide:

- (a) Scope: Services related to the preparation and transfer of materials, under the terms and conditions of a Material Transfer Agreement, from WSU to Advanced Reproductive Technologies, LLC. The materials comprise cervical specimens from pregnant patients and the corresponding newborn blood spots collected under IRB number 051812MP2F.

- (b) Duration: The research services contract will have an initial term of six months.

- (c) Financial Consideration: The amount of the contract will not exceed \$38,529 which includes F&A costs of 54%.

- (d) University Facilities to be utilized: Dr. Armant's laboratory on the second floor of the C.S. Mott Center for Human Growth and Development, Department of Obstetrics and Gynecology.

- (e) Employees assigned to the Services: Dr. Armant (PI) and Brian Kilburn (Research Assistant).

The pecuniary interest is based on Dr. Armant's current 50% ownership of ART and he will therefore have the potential to financially benefit from the commercial success of the company. Dr. Armant has executed an amended IRB to provide for the transfer of the materials and he has also entered into a Financial Conflict of Interest Management Plan.