

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

**UNIVERSITY SUBCONTRACT FROM A COMPANY OWNED
BY A WSU 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 specializing in the development of technologies for prenatal diagnosis. Randall Armant, Ph.D., professor of Obstetrics and Gynecology at Wayne State University (WSU) 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 of the National Institutes of Health, grant number R43HD094405, "A Noninvasive Prenatal Testing Platform for Aneuploidy at Five Weeks of Gestation," 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 subcontract with Advanced Reproductive Technologies, LLC (ART) to Wayne State University.

1. The parties involved in the contract are Wayne State University and ART.
2. The contract will provide for the collection of cervical specimens from pregnant patients (n=100) and transfer of samples to ART. Each and every cervical sample to be transferred must be documented to have been collected under the revised IRB IRB051812MP2F (as amended 11/2/2017)
3. The contract will have an initial term of five months, with an estimated start date of September 22, 2018.
4. The amount of the contract will not exceed \$25,584 which includes F&A costs of 54%.
5. The university facility to be used in the performance of the contract is the C.S. Mott Center for Human Growth and Development. Dr. Armant will be receiving samples in the Department of Obstetrics and Gynecology (Room #291) C.S. Mott Center.

The pecuniary interest results from Professor 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 the amended IRB (IRB051812MP2F) to provide for the transfer of the human samples and entered into a Financial Conflict of Interest Management Plan.