

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

**UNIVERSITY CONTRACT FOR RESEARCH AND SERVICES
FROM REPELA TECH, LLC.,
A COMPANY OWNED BY A COLLEGE OF ENGINEERING FACULTY MEMBER**

RECOMMENDATION

The Administration recommends that the Board of Governors authorize the President or his designee to enter into a contract for research and laboratory services from Repela Tech, LLC. The contract will provide for services related to the evaluation of marine antifouling coatings.

BACKGROUND

Repela Tech, LLC, (“Repela”) is a start-up company developing novel materials, including antifouling marine coatings. The company was founded in 2017 by Dr. Zhiqiang Cao, professor in the Department of Chemical Engineering in the College of Engineering at Wayne State University, to commercialize technology described in WSU Tech ID 16-1370, “Durable and Ultrarobust Antifouling Polymer” (WSU Inventors: Zhiqiang Cao and Wei Wang) and Provisional Patent Application No. 62/515,704 and PCT/US2018/036291 (the “Technology”). Repela was the recent recipient of an award from the National Science Foundation, “STTR Phase II: The Next Generation of Environmentally Friendly Coatings for Marine Antifouling,” which includes a sub-award to Wayne State University. Wayne State University’s prior work with Repela on the Phase I STTR of this project has been completed.

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 an agreement to provide up to \$300,000 in research services for REPELA TECH, LLC.

(i) The parties involved in the contract are Wayne State University and REPELA TECH, LLC.

(ii) The contract will provide:

- (a) Scope: Preparing various primer and top coat formulations, examining coating stability after wear challenges, examining coating antifouling performance, and conducting composition and performance tests for prototype quality control.
- (b) Duration: The contract will be for twenty-four months.
- (c) Financial Consideration: The amount of the contract will not exceed \$300,000 including 25% F&A costs.
- (d) University Facilities to be utilized: The research will be performed in the College of Engineering Building (COE) at Wayne State University.
- (e) Employees Assigned to the Services: Ershuai Zhang, Ph.D. and two (2) graduate research assistants (TBN).
- (f) Dr. Cao's pecuniary interest consists of a current interest of approximately 40% ownership in Repela. Dr. Cao will therefore have the potential to financially benefit from the commercial success of the company.