

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Master Research Agreement between the University of Michigan and Xiaoju Science and Technology (Hong Kong) Limited

Action Requested: Authorization to enter into Project Authorizations pursuant to the Master Research Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing a Proposal Approval Form which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Board and agreed to by the parties involved.

The Master Research Agreement (“Agreement”) was entered into effective on January 19, 2017. At that point in time there was no known statutory conflict of interest. From the commencement of the agreement to the date of this action request, Xiaoju Science and Technology (Hong Kong) Limited (“DiDi”) has funded \$1,007,522 to the University of Michigan (“University”). The Agreement falls under the State of Michigan Conflict of Interest Statute because Professor Jieping Ye is an employee of the University, and the Vice President of Research for DiDi. The law permits such an Agreement provided it is disclosed to the Board of Regents (“Regents”) of the University and approved in advance by a 2/3 vote.

Background:

Dr. Jieping Ye, an Associate Professor of Computational Medicine and Bioinformatics in the Medical School, is the Vice President of Research of a for-profit company called DiDi (the “Company”). The Company provides one of the largest ride sharing services in the industry. The Company wishes to support research projects at the University related to research and development of ride sharing and autonomous fleet technologies. The role of Dr. Ye will be described in a project statement for each project and shall be subject to an approved conflict of interest management plan.

Agreement Terms:

The Agreement terms cover standard procedures for performance of projects as well as provisions implementing University and federal policies related to intellectual property and publication. The Agreement covers an initial three (3) year period ending December 31, 2019, with total anticipated funding from the Company to the University of not less than \$300,000 per year, or not less than \$900,000 over the term of the agreement.

The University will use standard sponsored project accounting procedures to determine the cost of each project under this Agreement. Budgets will be reviewed and approved by authorized representatives of the applicable department(s) and school(s)/college(s) where projects will be performed. The Agreement will allow the University and the Company to specify projects that the University will conduct under the terms of the Agreement. Since sponsored projects are often amended, the Agreement will include provisions for changes in the time and scope of each supported project. University procedures for approval of each project will be followed and additional conflict of interest review will be done on a project-by-project basis.

Impact of the Agreement:

This Master Agreement will facilitate research and testing that will assist the University in developing and commercializing technology in energy storage, autonomous vehicles, and ride sharing platform management and consumer adoption.

Recommendations:

These matters will be reviewed and approved by the Medical School Conflict of Interest Board and a plan will be developed to manage the potential conflict of interest risks associated with each project that will be implemented under the terms of the Master Agreement prior to the University's approval of any individual project. In light of this disclosure 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 Project Authorizations pursuant to this Agreement with Xiaoju Science and Technology (Hong Kong) Limited.

Respectfully submitted,



S. Jack Hu
Vice President for Research

July 2018