

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Arborsense, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

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

This proposed agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professors Xudong Fan, Mark Ilgen and Zhaohui Zhong are employees of the University of Michigan (“University”), and partial owners of Arborsense, Inc. The law permits such an Agreement provided it is disclosed to the Board of Regents (“Regents”) of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Xudong Fan, a Professor in the Department of Biomedical Engineering, Dr. Mark Ilgen, a Professor in the Department of Psychiatry, and Dr. Zhaohui Zhong, an Associate Professor in the Department of Electrical Engineering and Computer Science – Electrical and Computer Science Division, are partial owners of a for-profit company called Arborsense, Inc. (the “Company”). The Company wishes to fund an NIH NDIA (prime) SBIR Phase I project entitled “Rapid and non-invasive device for drug detection through sweat” (ORSP #20-PAF06347) in the Department of Biomedical Engineering under the direction of Dr. Fan. The purpose of this project is aimed at developing a portable sweat-based drug screening device that will address the unmet need for a non-invasive, real-time, quantitative, point-of-use, and convenient device for rapid detection of use/abuse of multiple drugs.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately six (6) months. The amount of funding support will not exceed \$78,000. Since research projects are often amended, this agreement includes provisions for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Agreement:

The Agreement will support an effort by Dr. Fan to use his expertise and University laboratory, as well as other University resources, to continue work on a rapid and non-invasive device for drug detection.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board and the UMOR Conflict of Interest Review Committee. 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 the University's entering into this Agreement with Arborsense, Inc.

Respectfully submitted,



Rebecca Cunningham  
Vice President for Research

June 2020