

**CONSULTANCY PROCEDURE**

CONTENTS

Item	Page No.
1.0 Preamble	1
2.0 Areas	1
3.0 Need for Consultancy	2
4.0 Consultancy Centre	2
5.0 Initiation of Projects	3
6.0 Norms	3
7.0 Responsibilities of the Coordinator	4
8.0 Costing of the Project	4
8.1 Expenditure Norms	4
8.2 Advance Payment	4
8.3 Liability	5
9.0 Completion of the Project	5
10.0 Disbursement Norms	5
10.1 Comparison of Disbursement Norms	5
10.2 More categories Suggested	6
11.0 Suggested Norms for disbursement	6
11.1 Table of Disbursement Norms	8
12.0 Utilisation	8

\*\*      \*\*      \*\*

## Consultancy

### **1.0 Preamble:**

There is potential for the faculty of all disciplines of Engg. colleges to contribute their services in many ways to the industry by way of consultancy. To gain confidence of industry, it is necessary to identify the special competence areas of each dept. and market them effectively. Considering the pace of industrial growth of India, if handled with due competence, consultancy has huge potential for expansion. It can become a very important activity in the college. For the management of the same, it is necessary to lay down guidelines and procedures, in respect of areas offered, personnel responsible, fee charged, disbursement, obligations etc.

The existing norms in the College for Consultancy were formulated a decade back by Civil Engg. Dept. keeping the Routine Testing jobs in view. In the recent past, the scope of work undertaken by CED has widened significantly. Other departments like Mechanical, IT and ECE have also carried out some assignments of different nature. There is now a need to specify the procedures to be followed more comprehensively covering more possible areas. During the last 2 years, some procedures were proposed based on the practices at major technical institutes. Members of management have suggested collecting information about norms from sister colleges as well.

The following material is presented after comparing the practices prevailing at other institutes. It is intended to serve as an initial document of procedures to be followed in our college. These may be modified in future as per the need.

### **2.0 Areas:** Possible areas for Consultancy by departments of the college include -

- i) Product Design, Development
- ii) Process Development
- iii) Functional testing
- iv) Structural design- buildings and others
- v) Civil works Supervision/ Execution
- vi) Feasibility studies
- vii) Technology assessment/ Audit
- viii) Software Development
- ix) System Integration etc.

### **3.0 Need for Consultancy:**

Consultancy opens up the much-needed industry-interaction with its associated benefits, and others:

- i. Staff become aware of the current/ State-of- art practices in the discipline
- ii. Staff get an opportunity to apply and reinforce their theoretical knowledge.
- iii. Industry benefits from the expert knowledge or special equipment and skills that depts. have.
- iv. The resulting revenues also help departments create better facilities and expertise in select areas leading to development of centres of excellence.
- v. Teaching will be a less routine activity, and the quality of instruction to students improves.
- vi. The monetary incentive makes teaching more attractive as a profession.
- vii. Monitoring agencies like AICTE, APSCHE and OU view CA as a measure of performance of faculty and the college.

### **4.0 Consultancy Centre:**

There is need to create a central facility called Consultancy Centre (CC). The Centre will be headed by a Director (DCC) with the rank of a Professor to be nominated by management. Management may also nominate the Principal to be the director of the Centre.

The Director will be responsible for running the CC. His duties include:

- i. Help in initiating the process
- ii. Identifying investigators after discussion with HoDs
- iii. Help in drafting the agreements with clients
- iv. Maintaining the full correspondence relating to each project
- v. Preparation of status report of all on-going projects
- vi. Ensuring payments are made in time
- vii. Providing investigators with the necessary drafting, typing, conveyance facilities
- viii. Recruitment of external experts and staff
- ix. Track the schedules and help timely completion
- x. Develop the activities of the centre
- xi. Co-ordinate with investigators, Hods, Principal and Management.

## 5.0 Initiation of Projects:

Consultancy proposals may be initiated by requests from clients, or by discussion of consultants with clients.

- i. When the college receives consultancy proposals, a dept. is identified based on the nature of the work. The Director will appoint the project Co-ordinator (or a group if necessary) after consultation with the HoD, and information to Principal. If the client has preference for a particular consultant, the work may be normally assigned to that person.
- ii. The Co-ordinator will submit the proposals to Consultancy Centre (CC) through HoD giving all the details of
  - (a) Nature and scope of work
  - (b) whether the same can be attended to within the resources of the College
  - (c) External expertise or equipment needed, if any, and
  - (d) Estimates of related expenses for the execution of the work. After approval by HoD and DCC, the proposal is sent to Principal and to Management, as necessary. On accepting the offer, the project is initiated after assigning a number.
- iii. A separate file, with all related correspondence, should be maintained in CC for each assignment.
- iv. A separate register should be maintained in CC with brief details of the Consultancy assignments, dates of start, issue of Certificates of completion etc.

## 6.0 Norms:

- i. Consultancy Assignments (CA) should not interfere with regular instruction, research or other activity assigned to the staff member. Services of permanent employees may be used if their primary functions at the college are not affected.
- ii. A maximum of 40 days per year may be permitted as OD for working outside college on CA, not exceeding 1 day per week. Staff may be permitted to work for one day/ week on non-working days.
- iii. Travel out of campus on C.A should be with the permission of HOD.
- iv. Projects costing more than Rs.10,000 only may be taken up, except for routine testing, for which rates will be as fixed, subject to a minimum value of Rs.2500/-.
- v. Appointment of outside staff for consultancy may be made with the approval of Director/ Principal.

### **7.0 Responsibilities of the Coordinator:**

The Co-ordinator will be responsible for

- Formulating the proposal including planning the work, identifying the equipment, personnel, costing the project, etc.
- Co-ordination and execution
- Handling all communications
- Preparation of interim and final or other reports to clients or to management
- Making reports of expenditure and recommendations for disbursement
- Ensuring that the agreements etc. are signed by the Coordinator(s), Director and Principal, and (Secretary if necessary). Information in all cases has to be given to the Secretary, MES.

### **8.0 Costing of the project**

Co-ordinator, while estimating the total cost of consultancy to be born by the vendor, has to consider the following aspects:

- i) payments to outside consultants or staff
- ii) cost of special equipment to be purchased
- iii) consumables, special accessories or labour
- iv) any amounts to be paid to other depts. For use of specific equipment, computer facilities
- v) contingencies like TA & DA, drafting, typing, telephone, entertainment, postage etc.
- vi) various taxes
- vii) disbursement as per norms

Costing for Testing Jobs should be as per standard rates set by the dept, for the work. Otherwise, the same has to be done in consultation with HoD.

### **8.1 Expenditure Norms;**

1. Hospitality - 5% of the gross project cost. For excess expense, permission of Principal/ Director has to be taken.
2. Outside consultants- 10% maximum. For excess amounts, due justification has to be given and approval of Principal/ Director taken.
3. TA and DA have to be calculated as extra expenditure in the estimate by the co-ordinator.

**8.2 Advance Payment:** The sponsor will have to pay upto 50% of the consultancy project cost. For specific cases, investigator may propose different amounts, which have to be approved by the HoD and the Director.

**8.3 Liability:** In case of any legal dispute and where investigator/college is held responsible, the liability is to the maximum extent of the amount charged less the expenditure incurred till the sponsor asks the work to be stopped or till completion if the work is already completed. The expenditure includes the amounts paid to external consultants but not the disbursements within the college.

### **9.0 Completion of the project:**

Projects have to be completed within the stipulated time, unless extension is granted. On completion, necessary certificates or completion reports, duly signed by the Co-ordinator, Head of the dept. and the Director of the centre, have to be given to the clients. The file will be closed on getting the final payments and disbursements with relevant records duly submitted to A/c dept.

### **10.0 Disbursement Norms**

The net fee available from consultancy is distributed to faculty/ staff, dept. and college. The quantum of distribution depends on the type of work handled. Consultancy works are generally treated under two categories in various technical institutes.

**Type A:** Routine Testing: Testing of components or equipment involving extensive use of College equipment and personnel, followed by certification.

**Type B:** Work involving Expert advice on Design and Development - typically offering designs for building, equipment, electronic or electrical circuits, offering solution for process optimisation, new processes and / or participation in development etc.

#### **10.1 Comparison of Disbursement Norms:**

The norms for distribution of consultancy fee paid by clients in different institutes are tabulated below for comparison.

Note: The ratios such as 20:80, appearing in the table below, refer to College : Staff. In other cases, it is as elaborated in the last column.

Institute	Type A (Testing)	Type B (Expert Advice)	Remarks
MVSR	50:50		50 is split as 10:50:25:15 for Head: Teacher: Tech: Attender
OUCE	60:40	35:65	40 is split as 10:5:75:10 for Dir: HoD: Team: Min. staff& others
IIT, K	1/3:1/3:1/3	20:80	Staff (excluding faculty) : Dept.A/c : R&D fund
IIT,B	20:30:50		Faculty : Staff : Instt.
CBIT	45:55	20:80	Of 55, 10 is for Admin. Staff
Vasavi CE	15:35:50	15:20:65	College: Dept. :Team

### 10.2 More categories suggested:

Though Consultancy is generally divided into 2 categories, considering the different types of Civil works being taken up by the staff of the college, it is necessary to introduce more categories, as given below.

**Type C:** Complete execution responsibility involving Estimation, Design, Material Procurement, Supervision, Accounting, and Billing

**Type D:** Supervision of Civil works, including billing and quality Certification, when the total work is contracted to other contractors.

**Type E:** Civil Designs and Analysis- in which design with analysis and drawings are given. Drawings costs to be extra.

**Type F:** Preparation of estimates. The relevant basis for estimation is also to be provided to clients.

**Type G:** Visits to sites or offices for the purpose of Assessment or Evaluation.

On-site testing: Jobs involving on-site testing are to be treated as Type A, except that conveyance, transport of equipment, stay etc, would be charged extra.

### **11.0 Suggested Norms for Disbursement**

The net amount payable will be calculated after subtracting all of the actual expenses, like tax, conveyance, payments to external consultants

or staff employed for the work, Consumables, Drafting, Stationery etc. These aspects have to be considered while costing the project.

Type A: (Routine Testing):

Net fee to be shared as 50:50 to College: Staff

In the Dept. share, 5% is for HoD, 20% for Lab. Incharge (faculty) and 15% for Technician and 10% for Attender.

Type B: (Involving expert advice, development) :

Type C: (Complete responsibility):

For complete execution of civil works

- 6% of the estimated project cost

Type D: (Supervision):

For Supervision of Civil works

- 1.5 % of the estimated project cost

If offered for certain functions only, the charges would be as –

Type E: (Civil and Structural Design)

For carrying out designs,

- 1.0% + Drawings charges

For Types B, C, D and E, the College: Staff share is 25: 75.

Of the staff share, Investigator(s) get 70%, and HoD gets 5%.

Of the College share, the distribution is 10% to College, 10% to Dept. Development Fund (DDF), 2% to Principal, 4% to DCC, 2% to Admin. Staff.

Type F: (Estimation)

The charges for preparation of estimates will be

Rs.1000/- for 2 - 10 lakhs project cost

Rs.2000/- for 10 - 20 lakhs project cost

Rs.3000/- for 20 - 50 lakhs project cost

However, CC may quote different amounts depending upon the nature of the work.

The distribution is 25:75 for College : Staff.

Investigator gets 70% and HoD gets 5%.

The college share is distributed as 12%, 10%, and 3% to College, DDF and Admin. staff.

Type G: Visits for Assessment etc.

Charges will be Rs.1,000/- per visit within the city.

Fee distribution for College: Staff is 20:80.

Of the staff share, 75% is to the investigator, 5% to HoD, and the College and DDF get 10% each.

### 11.1 Table of Disbursement Norms

A consolidated table given below provides a consolidated statement of the disbursement details as percentage of the net consultancy fee received, for the various types of activities described above.

Type	Description	Coll: Staff	Division of staff share		Division of College share				
			I/c Or Group	HoD	College	Principal	Dir CC	DDF	Admn. staff
A	Testing	50:50	45	5	32	2	4	10	2
B	Expert Advice	25:75	70	5	7	2	4	10	2
C	Compl. Exe	25:75	70	5	7	2	4	10	2
D	Supervision	25:75	70	5	7	2	4	10	2
E	Str. Design	25:75	70	5	7	2	4	10	2
F	Estimates	25:75	70	5	12			10	3
G	Visits	20:80	75	5	10			10	

For Type A (Testing), Technician gets 15% and Attender gets 10%.

### 12.0 Utilisation:

Funds generated by the Dept. may be used with the authorisation of Principal for:

1. Maintenance or purchase of equipment, books
2. Staff amenities
3. Conduct of seminars, workshops, and lectures
4. Facilities in Consultancy Centre.

On approval, the above procedures will be adopted for Consultancy projects undertaken by Depts., including the on-going projects.

Dr.P.A.Sastry  
Dean (Acad)

28.12.2005

Note to Hon. Secretary

Sub: Consultancy Norms for the college – reg.

Please find enclosed the procedure and norms for Consultancy assignments undertaken by faculty of various depts. The procedure has been drafted after going through the current practices at other institutes, like IIts and also our OU sister colleges.

We may adopt the procedures as outlined once the same are approved by Management.

Dr.P.A.Sastry  
Dean (Acad)

Copy to:  
Chairman  
Principal