



HINDUSTAN

INSTITUTE OF TECHNOLOGY & SCIENCE
(DEEMED TO BE UNIVERSITY)

Consultancy Guidelines for Industrial Consultancy

1.0 INTRODUCTION

The Hindustan Institute of Technology & Science (HITS) has been interacting with industries, research organisations and governmental agencies for taking up consultancy and sponsored research projects. These are either referred to the Institute or are sanctioned based on specific project proposals submitted by the faculty members. Such projects pose considerable scientific, technological and academic challenge to the faculty and students of our Institute. Further the academic programmes of the Institute are strengthened by such active interaction with the industries.

These projects and assignments require a great amount of scientific and technical input from the faculty and staff of the Institute. They have given an opportunity for the Institute staff to work on live problems of immediate relevance to the country. The students can also be trained to tackle such practical problems. Equally important is the fact that the knowledge and expertise of the Institute staff are available for solving some of the pressing technological problems facing the industry and the nation. These interactions of the Institute are implemented and coordinated by the office of Department of Research.

The projects or assignments coordinated by the Department of Research are divided into two types:

Sponsored Research Projects

These are R & D projects sponsored by Government agencies, industries or other institutions with a view to generate new knowledge, to develop a new technological process or to create new products. Considerable amount of studies and research/development work may have to be put in by the investigators to solve the problem and as such these projects are considered as R & D projects. These are long term assignments in emerging areas and in highly specialised fields of Science and Technology.

Industrial Consultancy Projects

Projects that can be executed and problems that can be solved readily, utilising the professional knowledge and expertise of the staff are classified as consultancy assignments. The Institute facilities may be used for research work, theoretical analysis or experimentation required for generating sufficient information and data for this problem solving operation, but these assignments are heavily dependent on the existing know-how

and skill of the staff concerned. These are mostly related to the application of an already known technology.

The procedures to be followed for undertaking such projects, the administrative controls exercised and the remunerations and incentives given to the staff for undertaking such inter institutional projects are described here.

2.0 INDUSTRIAL CONSULTANCY

2.1 Scope of Consultancy Services offered

2.1.1 Consultancy Services may be offered to Industries, Service Sector, Govt. Departments and other National and International agencies in niche areas of expertise available in the Institute.

2.1.2 The service offered shall be along the lines of 'Professional Services' and will hence carry with them obligations and ethical requirements associated with such services as indicated in the standard terms and conditions (Annexure I).

2.1.3 Consultancy services offered may cover a variety of activities such as Feasibility Studies; Technology Assessments; Assessment of Designs and / or Current Manufacturing Process; Material, Energy, Environmental and Manpower Audits; Product Design; Process Development, Software Development; General Troubleshooting, Retrofitting Exercises, Intensive efforts for transfer of highly focused skills and expertise to select groups in specific organizations, vision and strategy statement and so on.

2.1.4 Testing & Evaluation services are to be normally offered in selected specialized areas. In order to meet the needs of certain Governmental and related agencies, and special clients (with long term association with the Institute) routine testing services may be offered, but to a limited extent.

2.1.5 Standardization and Calibration services may be offered in areas in which facilities are available or can be augmented. Such services should normally be backed by periodic Calibration / Standardization of laboratory equipment used for such purposes.

2.1.6 Jobs which are too complex to handle, by virtue of certain constraints inherent in any academic and research environment - such as execution of certain types of works, should not normally be taken up irrespective of the availability of expertise and perceived needs of the clients.

2.1.7 All Consultancy and related Jobs need to be structured and executed in the spirit of promoting HITS-Industry Interactions, as a vehicle for augmenting (current) levels of excellence in teaching and research, for proper placement of HITS graduates (PhDs / M.Techs /B.Techs) and in the process, generating funds.

2.2 Project Category

2.2.1 Each project shall be undertaken either under Standard Terms and Conditions (included in Annexure I), or Specific research agreement or Memorandum of Understanding describing the details of contract.

In the former case, the work is taken up in good faith between the consultant and the client, the obligations and responsibilities of both parties being limited by the standard terms and conditions. A copy of the Standard Terms and Conditions is attached as Annexure I.

The latter case refers to projects that usually involve non-disclosure agreements, detailed negotiations of contract terms and signing of contracts in the form of agreement or MOU covering various aspects such as deliverables, milestones, payment schedules, role and responsibilities of the parties, non-disclosure of confidential information, disputes resolution, liability, IPR matters, arbitration, and applicable law. These projects involve significant amount of effort and time associated with the negotiation and implementation of the research contracts.

2.2.2 Consultancy and related services offered will be divided mainly into two categories:

Category E: Expert Advice and Development Projects:- This type of project will be Expertise intensive and based on the expertise of the Consultant .

Category T: Testing Projects:- This type of project will be Infrastructure intensive and will be based on extensive usage of the institute infrastructure.

2.3 Eligibility for Undertaking Consultation

Consultancy and related assignments can be taken up by full time faculty and Core Research Scientists and Engineers of Departments / Centres / Schools.

Any other employee of the Institute may take up consultancy work with prior approval of the Vice-Chancellor. All employees undertaking consultancy shall hereinafter be referred to as Consultant.

2.4 Conflict of Interest

Consultants shall disclose to the Director, Research in writing, the existence of (i) any relationship between him / her and the client funding the consultancy project or any vendor to whom payments are made from the project funds, in the form of involvement of any immediate relatives or (ii) any scope for potential disproportionate self-gain. Director, Research will review such cases and decide appropriately, with the advice of a committee, to ensure that no actual conflict of interest exists and that such an involvement by the consultant does not adversely affect the consultant's objectivity, integrity, or commitment to the Institute and to the profession.

Consultants may not use the Institute name or the fact that they are affiliated with the Institute, in a manner that

- (i) suggests that the Institute approves or disapproves of a product or service provided by a profit, non-profit or governmental entity or

- (ii) suggests that the Institute has performed research or issued research findings when it has not done so, or misleadingly states the results of Institute research or
- (iii) May be interpreted to communicate the official position of the Institute on any issue of public interest.

2.5 General Consultancy Rules

Consultancy work taken up by Consultants is subject to the following limits:

- 2.5.1 The time spent on consultancy and related assignments shall be limited to the equivalent of 52 working days in a year, preferably at the rate of one working day per week. In addition, Consultants may be permitted to utilize, on an average one non-working day per week.
- 2.5.2 Consultancy assignments may be taken up and implemented, within the constraints indicated above, provided they do not have any adverse impact on the ongoing academic, research and related activities. Further, such assignments need to be carefully scheduled in the light of ongoing commitments. If required, a clear indication of the earliest date on which the assignment can commence may be clearly spelt out in the proposal form.
- 2.5.3 The services of permanent employees of the Institute may be utilized for the execution of the consultancy projects provided it does not affect their primary functions and responsibilities to the Institute.
- 2.5.4 Students who are willing to work on consultancy projects may be permitted as per Institute norms to do so provided it does not affect their academic commitments and performance. Such work by students may be compensated by suitable honoraria.

2.6 Consultancy Rules: Related Travel

- 2.6.1 Travel out of the campus on account of consultancy activities should be undertaken with intimation to the Head of the Department / Centre / School. In case of Heads of these entities, intimations should be sent to the Vice-Chancellor.
- 2.6.2 Outstation travel on Consultancy Assignments may be undertaken normally with the prior approval of the Head of the Department / Centre / School, or, the Vice-chancellor (in the case of Heads of Department / Centre / Schools). It is, however, anticipated that such approvals will be given within two working days in order to ensure that prior commitments to clients are honoured. In emergencies, prior intimation and subsequent sanction could be considered acceptable.

2.7 Consultancy Rules: Consultancy Project Execution

Consultancy projects are normally initiated by requests / enquiries from the industry directly to the Institute or by discussion between the industry and the Consultants.

- 2.7.1 When the enquiry is directly received by the Institute, the work will be assigned to specific consultants or groups of consultants depending on their expertise, and existing commitments, by the Director, Research.

- 2.7.2 In the event of a client preferring the services of a specific consultant, the assignment may normally be assigned to the identified person, provided the requirements in respect of 2.5.1 and 2.5.2 are satisfied.
- 2.7.3 All acceptance letters will be sent by the Director, Research.
- 2.7.4 Consultancy project proposals (prepared in response to a client's request) are to be approved by the Director, Research who may examine the scope of the work and cost estimates. It is essential to discuss proposed work plans with a client vis-a-vis the scope, in order to obtain clarity before the consultant prepares the cost estimates.

A form (as shown in Annexure -II) is also to be filled in giving the details of the infrastructural facilities to be provided by the Institute. The proposal together with the details of infrastructure required from the Department duly forwarded / approved by the Head of the Department(s) / Centre(s) is to be submitted to the Director, Research. The Director after the scrutiny of the project proposal and the Institute's commitments with respect to the infrastructure facilities, issues on behalf of the Vice-Chancellor, a Certificate for the Institute's willingness to extend support for the project utilizing the Institute's facilities.

- 2.7.5 In extreme emergencies, a consultant may take up an assignment with intimation to the Director, Research, and then seek approval. It would, however, be necessary to ensure that the task involved is not a major one entailing total charges not more than Rs.50,000/- or, two days of faculty time, and payments are made immediately, well before submission of any formal report.
- 2.7.6 The charges, once finalized, will not be negotiable. However, if the scope is altered, a fresh estimate may be considered.
- 2.7.7 The minimum charges applicable in respect of consultancy jobs will be Rs.10,000/- excluding any applicable tax.
- 2.7.8 It is desirable that Preliminary Diagnostic Discussions / Site Visits, leading to the generation of consultancy proposals may be charged at a minimum rate of Rs.5,000/- (or US\$200 or equivalent in the case of international assignments) per day or part thereof, in addition to travel and incidental expenses as applicable. As an industry friendly move, the consultant may decide to absorb such charges for potentially large projects, into the final project cost.
- 2.7.9 Consultant should be aware of the potential for the generation of Intellectual Property during the execution of projects. The Intellectual Property Policy of the Institute will govern all decision and actions concerning the generation, handling, protection and commercialization of the Intellectual Property.
- 2.7.10 The services of external consultants (especially retired Faculty / Research Scientists / Research Engineers) may be utilised to a limited extent in order to provide comprehensive services to clients. Such external consultants will be entitled to a lump sum consultant fees which may be fixed after taking into account essential expenditure directly related to the assignment. Normal deductions by way of

Institutional charges, and mandatory taxes will, however, be made. The consultant fees payable to External Consultants may not, normally, exceed 40% of the total project cost.

2.8 Consultancy Rules: Related Payment schedule

- 2.8.1 The charges for any assignment are normally payable in advance. However, exceptions may be made in respect of assignments involving charges exceeding Rs.1,00,000/- and with implementation periods exceeding 3 months.
- 2.8.2 In the case of large assignments, a payment schedule linked to milestones can be worked out. Such a payment schedule should ensure that (i) advance payment is received for every segment of work, and (ii) the number of installments is reasonable and consistent with ease of implementation. The number of installments may not exceed four for a project implemented over a one-year period, and, this number needs to be scaled down accordingly for shorter duration projects.

2.9 Costing of Consultancy Projects

The consultancy project costing is based on the following component charges (shown in Annexure-III):

- 2.9.1 **Consultancy Fees (CF):** There are no rigid norms for calculating the Consultancy fee. This depends upon several factors such as time spent, the importance of the advice and the experience of the faculty etc. For External Consultants, *the CF is limited to 20% of the project cost for Category T (testing projects) jobs*. The guidelines for calculating the consultancy charges are shown in Annexure-IIIA.
- 2.9.2 **Charges for Personnel engaged in Technical Services (CPTS):** This refers to the charges payable to the permanent employees of the Institute for their effort in the execution of the project. *The CPTS is limited to 30% of the project cost for Category T (testing projects) jobs*.
- 2.9.3 **Project Staff Salaries (PSS):** This refers to the salaries payable to temporary staff employed specifically for the project. The project shall also provide for 10% of PSS as House Rent Allowance (HRA).
- 2.9.4 **Operational Expenses (OE):** These include expenses incurred on consumables, contingencies, travel and daily allowance, honoraria for students and all other expenses related to the consultancy project. These also include **Equipment Utilisation Charges (EUC)** for the usage of institute equipment for all consultancy projects.
- 2.9.5 **Capital Equipment (CE):** This will include charges for the purchase of specific equipment for implementation of consultancy projects.

- 2.9.6 **Overheads (OH):** Overheads will be charged at the rate of 20% of CF, CPTS, PSS, OE and CE (see 2.9.1, 2.9.2, 2.9.3, 2.9.4 and 2.9.5 above) as applicable.
- 2.9.7 Contract Negotiation / Legal Expenses may be levied for projects involving contract negotiations.
- 2.9.8 Service tax and other taxes as applicable shall be provided for in the project cost. The details of the costing are given in Annexure IV. A sample costing is provided in Annexure IV.1.

2.10 Disbursement

The distribution of total money received from client will be as follows::

2.10.1 Consultancy work without use of Institute facilities:

Total money received from client = X1

Service tax = X2

Total Contracted amount, T = X1-X2

Total Expenditure on the project = E

Remaining amount, Y = T-E

Institute share = 0.20 Y

RDF = 0.10 Y

Savings, S = 0.70 Y

Amount S to be distributed to Investigators, technical and other staff on the recommendation of PI.

2.10.2 Consultancy work involving use of Institute facilities:

Total money received from client = X1

Service tax = X2

Total Contracted amount, T = X1-X2

Total Expenditure on the project = E

Remaining amount, Y = T-E

Institute share = 0.60 Y

RDF = 0.10 Y

Savings, S = 0.30 Y

Amount S to be distributed to Investigators, technical and other staff on the recommendation of PI.

2.10.3 In the case of short duration jobs entailing full advance payment, full disbursement to be made upon completion of the job and receipt of (i) a completion certificate from the project leader and (ii) the project completion report.

In the case of long duration jobs entailing advance payment of instalments linked to milestones, partial disbursements may be made; such disbursements will be linked to the phase-wise CPTS Charges and Consultant Fees as per estimates to be provided by the project leader and the phase-wise completion certificate.

A sample disbursement for consultancy project is provided in Annexure IV.2 and IV.3.

2.11 Research Development Fund (RDF)

The funds available in the RDF may be used to support the ongoing research, equipment maintenance, laboratory development etc. with the approval of Director (Research).

2.12 Review and other Related Matter of Consultancy Projects

It is essential to provide an effective framework to ensure smooth implementation of consultancy projects in the context of Educational, R&D and related activities. Also, Office of Research should be in possession of basic information in respect of consultancy activities to meet various proactive as well as reactive needs. To meet these requirements, the implementation needs to be within the framework given below:

2.12.1 Proposals for large sized consultancy assignments may be reviewed by a small standing committee, comprising a segment of the Research Advisory Committee.

2.12.2 A short report on every consultancy project, upon completion shall be submitted to the Director (Research) by the Consultant. The reports shall be preserved as 'Classified Documents' for a period of typically five years, to be destroyed thereafter.

2.13 Other Matters

2.13.1 Earnings for Technology Transfer, Revenue Sharing and Royalty will be governed by the Intellectual Property Policy of the Institute.

2.13.2 Notwithstanding the above, and keeping in mind the best interests of the Institute, consultancy may be taken up in exceptional cases, not covered by the above rules, with prior approval of the Vice-Chancellor.

Annexure I

STANDARD TERMS AND CONDITIONS

1. **DECLARATION:** All work undertaken by HITS as part of the project will be in good faith and based on material / data / other relevant information given by the Client requesting for the work.
2. **CONFIDENTIALITY:** Due care will be taken by HITS to maintain confidentiality and discretion regarding confidential information received from the Client, including but not limited to results, reports and identity of the client.
3. **REPORTS:** Any test or other consultancy report given by HITS will be based on work performed according to available standards and / or open domain literature. In any event, this report may not be construed as a legal document, certificate or endorsement and may not be used for marketing of the products or processes, without prior consent from HITS. The institute reserves the right to retain one copy of the report and use the results of the project for its internal teaching and research purposes.
4. **WORK PERFORMANCE:** Every effort will be made to complete the specified work according to the planned time schedule. However, HITS will not be held responsible for delays caused beyond its reasonable control.
5. **CONFLICT OF INTEREST:** HITS may take up work for other clients also in the same area, provided, to the best of the institute's knowledge, there is no conflict of interest in undertaking such projects.
6. **PAYMENT:** The payment of consultation charges to HITS are to be made in advance and in full before the start of the project, through a demand draft / crossed valid cheque drawn in favour of The Registrar, HITS and sent to the Consultant or the address overleaf. The charges will also include any applicable tax as prescribed by the Government of India from time to time.
7. **TERMINATION:** The project work may be terminated by either party by giving the other party a notice period of 30 days. However, both parties will meet any residual obligations in connection with the project.
8. **LIABILITY:** HITS shall not be held liable for any loss, damage, delay or failure of performance, resulting directly or indirectly from any cause, which is beyond its reasonable control (Force Majeure). The liability of HITS shall be limited to the funds received for the project.
9. **INTELLECTUAL PROPERTY RIGHTS:** All rights pertaining to any intellectual property generated / created / invented in the due course of the project, will be the joint property of HITS and the Client. Terms and conditions regarding transferring / assigning / selling these rights to the client shall be governed by a separate written and agreed to document if required.
10. **RESOLUTION OF DISPUTES:** Any disputes arising out of the project shall be amicably settled by both the organizations. Any unsettled disputes may be subject to resolution as per the Indian Arbitration and Conciliation Act 1996.

Annexure – II

Clearance Form

Principal Investigator to whom correspondence will be sent. **Students cannot be the first PI.**

Name (and title):		School or Unit:		
Project type				
(Please select one [x]) sponsored: []		Consultancy: []		
Project details				
Project Title:				
Proposed commencement date:		Proposed completion date:		
Sponsored only:	Funding Body (e.g. DST etc.):			
	Scheme (e.g. Research and Development Grants):			
	Administering organisation: HITS [] Other [] <i>Please specify:</i>			
Consultancies	Client name:			
	Contact name:		Position:	
	Address:		State:	Pincode:
	Email:		Phone:	
	Who will be supplying the contract? HITS [] Client [] To be determined []			

Other HITS researchers who have intellectual carriage and responsibility for this project

Name 2:	School or Unit:
Name 3:	School or Unit:
Name 4:	School or Unit:
Name 5:	School or Unit:
Name 6:	School or Unit:
Student/s involved	
(Please select one [x]) No: [] Yes: [] Name:	
Type of involvement: Unpaid [] Paid as casual from Research funds [] Scholarship paid from Research funds []	
Honorary/ies involved	
(Please select one [x]) No: [] Yes: [] Name:	
Type of involvement: Unpaid [] Paid from Project funds []	

Equipment Utilisation Cost			
Sl. No.	Equipment to be utilised	Utilisation Cost (Rs.)#	
		Cost per hr based on formula*	Estimated no. of hrs. to be used
			EUC Total
Grand total			

Note:

only required for Consultancy Project. For sponsored project only specify the equipment to be provided by the Institute and the estimated no. of hrs. to be used.

*EUC – formula

$$\frac{EUC}{hr} = \frac{\text{Market value of the equipment}}{\text{Life span (estimated in hr.)}} + \frac{\text{operating cost}}{hr}$$

Financial information	
Direct project costs	
Indirect project costs	
+	
PI/School/Institute/Centre bonus (consultancies only):	+
Total project cost payable by the funding body (excl GST) =	
In-kind contribution (if applicable)	
HITS cash contribution (if applicable)	
Third party payments	
Are any project funds to be paid/sub-contracted to a third party? No: <input type="checkbox"/> Yes <input type="checkbox"/> Name: _____ Amount: _____	
Credit split <i>This will determine how block funding will be distributed between multiple Schools/Institutes/Centres</i>	
Organisational Unit 1:	% split:
Organisational Unit 2:	% split:
Organisational Unit 3:	% split:

Intellectual property	
The project results will be owned by (if known):	<input type="checkbox"/> HITS
	<input type="checkbox"/> Funding body. Does HITS wish to have the right to use the project results for teaching, research publications or other purposes? Yes <input type="checkbox"/> No <input type="checkbox"/>
	<input type="checkbox"/> HITS & funding body
The project utilises background/existing IP developed by:	HITS: No <input type="checkbox"/> Yes <input type="checkbox"/> * *Does HITS have a licence to use it? Yes <input type="checkbox"/> No <input type="checkbox"/>
	Funding body No <input type="checkbox"/> Yes <input type="checkbox"/> * *Does HITS have a licence to use it? Yes <input type="checkbox"/> No <input type="checkbox"/>
	A third party No <input type="checkbox"/> Yes <input type="checkbox"/> * *Does HITS have a licence to use it? Yes <input type="checkbox"/> No <input type="checkbox"/>

Location
Will any of the project work be conducted on premises/land owned by a third party? Yes <input type="checkbox"/> No <input type="checkbox"/>

Principal Investigator (PI) endorsement	
Has a Risk Assessment been undertaken?	Yes <input type="checkbox"/> No <input type="checkbox"/>
I am satisfied that the risks identified within this project will be appropriately managed.	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is the project covered by HITS insurance?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Is there, or could there be a potential conflict of interest? (Attach further detail)	Yes <input type="checkbox"/> Please specify below: No <input type="checkbox"/> Unsure <input type="checkbox"/>
PI SIGNATURE & NAME	DATE

Head of School (HOS)/Dean endorsement

I agree:

- that all project costs (direct and indirect) and all HITS cash and in-kind contributions have been correctly included
- to fund any shortfall in the project costs if the project costing is insufficient (consultancies/research contracts only)
- that the project can be accommodated within the general facilities in my School and sufficient working and office space will be available for staff
- I am prepared to have the project carried out in my School under the circumstances set out by the researcher/s
- I have noted the amount of time that the investigator/s will be devoting to the project and agree that it is appropriate to existing workloads
- I am satisfied that the project is adequately insured by the HITS insurance policy.
- I am satisfied that the Risk Assessment identified within this project will be appropriately managed during the course of the project
- I am aware of the Conflict of Interest policy and my responsibility in the process

HOD SIGNATURE AND NAME		DATE	
IF THE HOD IS THE PRINCIPAL INVESTIGATOR, ENDORSEMENT MUST BE MADE BY THE DEAN:			
DEAN SIGNATURE AND NAME		DATE	

Please scan and email this completed form and supporting documentation (application/proposal, budget) to:



Office of Research: Hindustan University, Padur.

HINDUSTAN
INSTITUTE OF TECHNOLOGY & SCIENCE
(DEEMED TO BE UNIVERSITY)

Annexure III

Costing of Consultancy Project

1. Consultancy Fees (CF)*
2. Charges for Personnel engaged in Technical Services (CPTS)**
(For permanent employees of the Institute)
3. Project Staff Salaries (PSS)
(For temporary staff employed in the project)
4. House Rent Allowance (HRA)
(Provision shall be made for 10% of PSS as HRA)
5. Operational Expenses (OE)
(All other expenses related to the consultancy project which includes TA, DA)
6. Capital Equipment (CE)
(Expenses towards purchase of capital equipment for the consultancy project)
7. Overheads (OH)
(Charged at 20% of CF+CPTS+PSS+OE+CE)
8. Contract Negotiations / Legal expenses (CNL)
(For projects involving contracts, agreements and MOUs, negotiation charges may be appropriately included by Director, Research)
9. Net Project Cost (items 1 + 2 + 3 + 4 + 5 + 6 + 7 + 8)
10. Service Tax and other Taxes (as applicable)
11. Total Project Cost (9 + 10)

One should include TA, DA for the visits to be made during the consultancy period in the operational expenses. A sample of the particulars to be considered is given below.

S.No	Particulars	No. of Visits	Days	Charges/Day	Total
1.	Travel				
2.	Accommodation				
3.	Food				
				Total	

**The Consultancy Fee for External Consultant will be limited to 20% of Net Project Cost in case of Category T (Testing) projects.*

*** CPTS will be limited to 30% of Net Project Cost in case of Category T (Testing) projects.*

Annexure IIIA

Guidelines for calculation of Consultancy Charges

There is no fixed rule for fixing the Consultancy charges. It depends on the importance/nature of the project. However, here some guidelines are given in fixing the consultancy charges. This charge has to be discussed with the agency to arrive at the final figure.

S.No	Name of the Faculty Member	No. of Working Days for Project	No. of Working Hours/Day	Percentage Contribution	Charges/Hour#	Sub Total
1.						
2.						
Total Amount						



$$\text{Charges/hr} = \frac{\text{salary of the person}}{\text{hr}} \times \text{factor}$$

The factor may be ranging from 3 to 5 depending on the nature of consultancy.

Annexure IV

A Sample Costing for a Consultancy Project

A sample costing, disbursement, distribution of Deductions and Overheads for a consultancy project is shown in this Annexure.

IV.1 A sample costing for a consultancy project

Head of expenditure (Amount.)

1. Consultancy Fees (CF) #	Rs. 50,000
2. Charges for Personnel employed ## in Technical Services (CPTS)	Rs. 20,000
3. Project Staff Salary (PSS)	Rs. 10,000
4. House Rent Allowance (HRA)	Rs. 1,000
5. Operational Expenses (OE)	Rs. 5,000
6. Capital Equipment (CE)	0
7. Overheads (OH)	Rs. 17,200
8. Contract / legal costs	Rs. 1,000
9. Net project cost	Rs. 104,200
10. Service Tax (to be charged as per prevailing rate, in this example, say 8%)	Rs. 8,336
11. Total project cost	Rs. 112,536

For External consultant, this will be limited to 20% of net project cost in case of testing projects.

For External consultant, this will be limited to 30% of net project cost in case of testing projects.

IV.2 Disbursement for Consultancy work without use of Institute facilities:

Total money received from client	= Rs. 112,536
Service tax	= Rs. 8,336
Total Contracted amount, T	= Rs. 104,200
Total Expenditure on the project	= Rs. 37,000
Remaining amount, Y	= Rs. 67,200
Institute share	= Rs. 13,440
RDF	= Rs. 6,720
Savings, S	= Rs. 47,040

IV.3 Disbursement of Consultancy work involving use of Institute facilities:

Total money received from client	= Rs. 112,536
Service tax	= Rs. 8,336
Total Contracted amount, T	= Rs. 104,200
Total Expenditure on the project	= Rs. 37,000
Remaining amount, Y	= Rs. 67,200
Institute share	= Rs. 40,320
RDF	= Rs. 6,720
Savings, S	= Rs. 20,160

Amount S to be distributed to Investigators, technical and other staff on the recommendation of PI.

Note: If service of External consultant is used then, 80% the amount budgeted for the External Consultant is to be paid to him and accounted as expenditure.



HINDUSTAN
INSTITUTE OF TECHNOLOGY & SCIENCE
(DEEMED TO BE UNIVERSITY)

Annexure V

GUIDELINES FOR MoU/AGREEMENT

If a MoU/Agreement is required to be signed with the sponsor of a Consultancy Project, it should generally include the following clauses. Additional clauses may be added if considered necessary:

1. General

This section should include the reference to the proposed Consultancy and identify the parties concerned pertaining to the MoU.

2. Scope

This section should spell out briefly the nature of work, its limitations and expected end results.

3. Time Frame

This clause must indicate the expected duration of the project and should also indicate the schedule of review of progress, submission of reports etc., if any.

4. Consultancy Charges

The document must clearly indicate the charges to be paid for the proposed Consultancy project along with amounts of bank draft(s) to be drawn in favour of the Institute. There should also be a mention of the service tax liability in this regard. Further, the schedule of payment should also be indicated in this clause.

5. Responsibilities

This clause should define clearly the responsibilities of various parties with regard to making data and / or material available for the work as also for the return of the same, as and if applicable.

6. Patents/Publications

The MoU should clearly spell out the arrangements proposed to be made with regard to any patents or publications arising out of the proposed Consultancy project.

7. Force Majeure

This is an important clause and must be included to safeguard the interest of various parties due to one or more of the unforeseen force majeure events.

8. Arbitration

The document shall provide for a suitable channel to settle any disputes or differences related to the execution of the Consultancy project which shall conform to the clause 10 of Annexure III.

9. Liability

This clause should indicate the maximum liability which is to be accepted in the event of the project being terminated at any stage and shall be in conformity with clause 8 of Annexure III.

10. Amendment to the MoU

This clause should specify a provision for amendments to any one or more clauses of the MoU through mutual consent, at any stage during work of the project, due to any reason whatsoever.

The MoU/Agreement's legal vetting by the Institute's Legal Officer is necessary and will be the responsibility of the PI concerned.



HINDUSTAN
INSTITUTE OF TECHNOLOGY & SCIENCE
(DEEMED TO BE UNIVERSITY)