

CONSULTANCY SERVICE RULES – 1999

(vide Govt order F-5/1/96/42/1 dated 24th Feb 1999)

1. INTRODUCTION

1.1 PREAMBLE: Whereas the Government of Madhya Pradesh desires that the sophisticated instruments and technological know how available in the Technical Institutions should be harnessed in the service of the community in more ways than merely imparting technical education to students , the Government has decided to allow Institutional consultancy services in Engineering Colleges and Polytechnics. This will also be beneficial to the individual teacher who will be able to keep in touch with the latest developments and trends in the world of engineering and technology by working for a client in solving his specific problem.

1.2 SCOPE: The consultancy service in the institution will be available only for such work that is of importance and relevance to the work of the educational institution or the consultants field of specialisation and will cover:-

- (i) Testing and analysis of engineering materials;
- (ii) Preparing feasibility reports for entrepreneurs desirous of starting small scale industries;
- (iii) Product development and process formation, prototype and pilot plant design for small scale industries;
- (iv) Structural design , design and fabrication of instruments and equipments and apparatus needed by persons engaged in scientific and engineering or technological work;
- (v) Servicing and repairing of equipment and apparatus;
- (vi) Calibration and standardisation of equipment, instrument and apparatus;
- (vii) Research design and developmental work on behalf of any industry or organisation provided such work is in the field of specialisation of the consultant;
- (viii) Providing technical advice and guidance in resolving specific problems, conducting surveys, market studies, inspection.

NOTE: Valuation of property by staff of the institution will not be permitted under consultancy services.

- 1.3**
- (a) Consultancy can not be claimed by any individual as a right. Consultancy is permitted only to faculty members of the institution.
 - (b) The normal teaching work shall take precedence over consultancy in the use of human and physical facilities of the institution. The head of the institution shall see that consultancy services does not interfere with the normal work of the departments. No remission in the prescribed teaching assignment will be allowed to a faculty member undertaking consultancy work.

- 1.4** In case the Director of technical education finds that the consultancy work being done in an institution or by a particular individual is not in accordance

with the rules laid down, or is being done in a manner which is not in the

public interest , he shall have the option to withdraw, for a specified period the facility of consultancy given to the institution or to the particular individual.

2. PROCEDURE FOR UNDERTAKING CONSULTANCY

- 2.1** All consultancy work will be undertaken on institutional basis. No private consultancy by the staff or the institution shall be permitted. Written permission of the head of the institution will be required for every assignment or project, irrespective of whether the client's initial approach is to an individual or the institution.

2.2 CONSULTANCY ADVISORY COMMITTEE

Each institution will have its own consultancy advisory committee consisting of the following members

- (i) Principal of the Institution (Chairman) ;
- (ii) All Heads of the departments of Engineering / Technology and Science Subjects (Members) ;
- (iii) Superintendent of workshop (Member)

(If necessary the senior most person in a department or workshop may be included as a member)

The committee may accept any other staff member if his presence is considered necessary for deliberations on a particular project.

- 2.3** The consultancy advisory committee would evaluate the consultancy work to be undertaken and would assign it to an individual staff member (consultant) or to a group of staff members (consultants) one of whom would be designated as the project leader who are competent to undertake the work. For work of a routine nature like testing , analysis , calibration servicing or repairing the principal may to save time assign the work in consultation with the head of the department concerned, without calling a meeting of the consultancy advisory committee.

- 2.4** FEES: The consultancy advisory committee will on the basis of cost accounting principles laid down in Appendix 1 , determine the fees chargeable from the client for the particular project. The fees for testing and analysis of many types is already prescribed by the Government. For other items of this nature , the fees shall be prescribed by a committee consisting of the following members:

- (i) Director of Technical education (Chairman)
- (ii) Two Principals of Engineering Colleges (Members)
- (iii) Two Principals of Polytechnics (Members)

- 2.5** The consultancy advisory committee will accept only such consultancy work

that is of importance and relevance to the work of the institution of consultant's field of specialisation. The utilisation of the laboratory equipment and the time allotted for the consultancy will be so arranged as not to interfere with the regular teaching work in the institution.

- 2.6** Paid participation in teaching / training
Programmes of educational institutions and professional association will not be regarded as consultancy for the purpose of these rules and the fees for it will not be governed by these rules.

3. INSTITUTIONAL ASSISTANCE

- 3.1** The physical resources of the institution and research facilities will be available for consultancy subject to the condition that such work does not interfere with the regular teaching work of the institution.
- 3.2** The consultants, supporting staff in the laboratories and workshop and office staff will be subject to the normal institution rules in all matters and their behaviour and conduct during each consultancy should be according to these rules.

4. ACCOUNTING AND COSTING

- 4.1** A copy of the internal costing sheet (see section 2.4) along with a copy of the agreement with the client will be submitted to the principal for keeping in account office of the institution for accounting and audit purpose.
- 4.2** The project leader shall keep an account of his project. The monthly statement of account will be prepared in duplicate and one copy will be submitted to the principal every month for record in the project file.
- 4.3** All fees will be paid by the client either in cash in the account office of the institution or by a crossed bank draft/ cheque made payable to the principal of the institution.
- 4.4** All fees received will first be credited into the personal deposit account of the principal under the head "consultancy service fees" with the following three sub-heads.
(a) Consultancy fee
(b) Institutional overhead charges
(c) Direct expenses
- 4.5** All correspondence between the institution and the client regarding fees, accounts and other matters pertaining to the project will be carried out by the principal of the institution . All reports regarding the consultancy will be valid only after they are signed by the principal.
- 4.6** All accounts pertaining to the consultancy service will be governed by the normal store purchase and account rule of the institution and will be subject to Departmental and Government inspection and audit.

5. DISBURSEMENT OF THE CONSULTANCY FEES

- 5.1** For this purpose the year will be divided into four quarters ; April- June, July- September, October- December and January- March

- 5.2** All the consultancy fees collected in the accounts office during the quarter, will be disbursed within 15 days of the end of that quarter as indicated below.
- 5.2 (a)** Fifty percent of the ‘consultancy fees ‘ received in quarter will be transferred to the special development fund ‘SDF’ of the institution and will be kept in the personal deposit account of the principal for use as indicated in section 6.
- (b)** All the institutional overhead charges received during the quarter will be credited to the Government.
- (c)** The ‘direct expenses’ will be disbursed against actual bills to the persons concerned and if any advance has been taken by the project leader out of the SDF then that amount will be transferred to SDF for adjustment of that advance.
- 5.3** The remaining fifty percent of the consultancy fees received in a quarter will be distributed separately for each consultancy work undertaken by the institution as follows:

(a) Chairman , Consultancy advisory committee	5. %
(b) Faculty Members (*)	30. %
(c) Class III Staff (*)	10 %
(d) Class Four and consultancy paid Staff (*)	2.5 %
(e) Accounts and office staff (**)	2.5 %

Total 50 %

Note (*) who have actually done the Particular consultancy work;
(**) who have assisted in correspondence & accounts keeping for the consultancy work

- 5.4** The total amounts payable to an individual from consultancy fees received in the accounts office in a financial year (April to March) shall not exceed 20 % of the pay only (excluding dearness allowance) received by the individual during that year. All amounts payable to an individual in excess of the above limit shall be credited to the special development fund of the institution.
- 5.5** The principal of the institution will submit to the director of technical education by the 15 th of May each year , a statement in a prescribed proforma showing the total consultancy fees received in each quarter, the total amounts paid to each individual in that year and the emoluments received by the individual in that year.

6. SPECIAL DEVELOPMENT FUND

- 6.1** The part of the consultancy fee transferred to the special development fund of the institution will be kept in Personal Deposit account of the principal for developmental assistance. A separate cash book/ ledger will be maintained in the accounts office for this purpose showing the amounts department wise .,
- 6.2** With the sanction of the Consultancy advisory committee this special development fund will be utilised for the following:
- (a)** For purchase of equipments, apparatus, components and accessories and

- material for the equipment/ apparatus used for consultancy work.
- (b) For repairs of equipments/ apparatus used for consultancy work.
 - (c) For purchase of special books , charts and Tables, Indian standard specifications etc needed for consultancy work.
 - (d) For general expenses incurred by the institution for correspondence, Advertisements etc. which are not charged to the clients.
 - (e) For any other purpose for which special permission has been obtained from the director of Technical education.

Note All expenditures including raw materialsetc required in connection with the consultancy work will be met from the Special development Fund and no expenditure in the consultancy work will be debited to state exchequer .

6.3 As far as possible about 80% of the amount contributed by a department to the Special Development Fund will be available for use as above for the department; the remaining amount will be used for general institutional development and including **6.2 (d)**

The above rules have been modified vide Govt Order No 2244/2006/42(1) Bhopal dated 1 July 2009 and Director's Ext. No 5/yo/193/09/1761 Bhopal dated 9/10/2009

Sections 5.2, 5.3 and 5.4 have been modified