



Policy Guidelines on Consultancy

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Purpose of this Policy:	The purpose of this policy is to establish consistent guidelines for Undertaking Academic R & D Consultancy assignments on behalf of the University.

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1. Preamble:

1.1. It is important 'to be the fountainhead of new ideas and of innovation in technology and science' and with its general goal of 'creating an ambience in which new ideas, research and scholarship flourish and from which the leaders and innovators of tomorrow emerge'. In fulfillment of these points of importance, AUH, Gurgaon has taken the initiative to promote consultancy assignments to be accepted by its academic staff. They will thus have the privilege of consulting with both public and private entities, whether national or international. It is our belief that such activities would eventually contribute to the professional development and stature of the faculty member, and that of the University as well. Eventually, these may also lead to innovations and protection of Intellectual Property (IP).

1.2. The 'AUH Policy Guidelines on Consultancy' aims to lay down the processes for promotion and support available to innovators at AUH, Gurgaon for translating their creative works into market-oriented products and patents. This policy aims to set forth, guidelines for ownership of IP, developed at AUH, Gurgaon and its commercialization.

1.3. The benefit from such collaboration may get enhanced through professional expertise of the collaborators, and establish long-lasting professional contacts, associations and relationships. These opportunities for sponsored research for private institutions, or business houses or organizations would generate paid professional work that is substantively related to a faculty member's area of expertise and duties at the university. In that sense, 'Consultancy activity' is different from 'Sponsored Research', but professional consulting is encouraged only when such activities are not in conflict of interest of AUH. All faculty members would have to secure advance approval for consulting activities to ensure that the activity is beneficial to the University and are kept within reasonable bounds.

2. Broad Guidelines

The faculty desirous of accepting a consultancy work from any external agency should put up the Consultancy Proposal on a prescribed proforma, the Assignment Proposal and details of Agreement and Standard Terms and Conditions of the proposed Contract. All such proposals shall have to be accompanied with a communication from the Client by e-mail or through letters clearly indicating the title, scope, and duration of the proposed consultancy as well as the amount of consultancy charges being offered with timelines and deliverables, and any other relevant information. The estimated budget should be in a format so as to be processed and executed easily by the AUH Finance and Administration.

Work on a consultancy project shall be undertaken only after the prior approval of the competent authority of the AUH. Consultancy Rules and General Guidelines (which are subject to change from time to time) in this respect are given below.

3. Consultancy Rules, Scope and Norms:

3.1. Scope

- 3.1.1. 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 University.
- 3.1.2. The services offered shall be along the lines of 'Professional Services' and will carry obligations and ethical requirements associated with such services, as indicated in the standard terms and conditions.
- 3.1.3. Consultancy services offered may cover a variety of activities such as Feasibility Studies; Technology Assessments; Assessment of Design 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.

- 3.1.4. Standardization, Calibration Testing and Evaluation services may be offered 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.
- 3.1.5. All Consultancy and related jobs need to be structured and executed in the spirit of promoting AUH. Industry Interaction, as a vehicle for augmenting (current) levels of excellence in teaching and research, for proper placement of AUH, Gurgaon graduates (Ph.Ds./M.Tech/B.Tech) and in the process, generating funds.

3.2. Consultancy Norms:

Consultancy work will be taken up by the AUH faculty and research staff subject to the following norms:

- 3.2.1. The responsibility for conduct of the project and the deliverables will lie with the Consultant Faculty-In-Charge, and the Dean of Research Office of AUH will only provide the necessary administrative support.
- 3.2.2. The consultancy cannot be at the cost of the duties of the said faculty member at the AUH. Ideally, a faculty member is permitted to devote an average of 16 hours (equivalent to Two working days) per week for all consultancy projects during a semester.
- 3.2.3. All expenses for a consulting project, including the University Overhead Charges and the Service Tax, must be met by the sponsoring agency. AUH Overhead Charges are approximately set at a flat 10% for projects not requiring use of laboratory resources, and 20% for those that need use of AUH laboratory or studio facilities. (See 8.4 in this respect) This overhead charge is computed as an addition to all fees and expenses for the Consultancy Project. Twenty-five percent of the overhead charge will go into a departmental professional corpus, and another 25% will be credited to a professional development fund of the consultant(s).
- 3.2.4. The minimum total budget for a consultancy project must be ₹ 10,000/- (excluding the Service Tax, currently 15.5%, but including the AUH overhead charges).
- 3.2.5. Although a faculty member is free to charge whatever daily fee they deem appropriate, AUH recommends that the minimum daily fee for Scientific / Technical / Professional Advice be no less than one percent (1%) of the faculty member's CTC.
- 3.2.6. The Consultant In-Charge can sanction payments to existing technical and supporting staff for work on a consulting project at a daily rate not to exceed one percent (1%) of said staff's CTC, and subject to a monthly maximum of one half of the monthly gross salary of said staff.

3.2.7. Recruitment of temporary staff for Consultancy Projects shall follow existing University norms and rules for project staff recruitment. Purchases and travel for the consultancy project shall be from project funds budgeted for such expenses, and shall follow the existing University purchase and travel rules.

3.3. Consultancy Norms:

3.3.1. The time spent on consultancy and related assignments shall be limited to the equivalent of one to two working day(s) per week. In addition, consultants may like to utilize, on an average, one non-working day per week.

3.3.2. Consultancy assignments may be taken up and implemented, within the constraints indicated above, provided they do not have any adverse impact on the ongoing academics, research and related activities.

3.3.3. 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.

3.3.4. 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 performances. Such work by students may be compensated by suitable honoraria.

3.3.5. Any other employee of the Institute may take up consultancy work with prior approval of the Vice Chancellor, AUH. For this purpose employees undertaking consultancy, shall herein after be referred to as Consultant.

3.3.6. Each project shall be undertaken either under :

- Standard Terms and Conditions (where 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), or
- Specific research agreement or Memorandum of Understanding (MoU) describing the details of contract. (See AUH Policy on MoUs for the details of 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, liability, IPR matters, arbitration, and applicable law, etc).

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

Category 'A'	Expert Advice and Development Projects	This type of project will be expertise intensive and based on the expertise of the Consultant(s)
Category 'B'	Testing Projects	This type of project will

		be infrastructure intensive and will be based on extensive usage of the AUH infrastructure
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4. Consultancy Rules: Travel

- 4.1. Travel out of the campus on account of consultancy activities should be undertaken with intimation to the head of the department/school. In case of Heads of these entities, intimations should be sent to the Vice Chancellor, AUH.
- 4.2. Outstation travel of consultancy assignments may be undertaken normally with the prior approval of the Head of the Institute/School, as the case may be.

5. Consultancy Rules : 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.

- 5.1 When the enquiry is directly received by the Institute, the work will be assigned to specific consultant/or groups of consultants depending on their expertise, and existing commitments.
- 5.2 In the event of a client preferring the services of a specific consultant, the assignment may normally be assigned to the identified person with the approval of the Vice Chancellor, AUH.
- 5.3 All acceptance letters will be sent by the Registrar to the requesting agencies, in consultation with the Vice Chancellor, AUH.
- 5.4 Consultancy project proposals (prepared in response to a client's request) are to be approved by the Vice Chancellor, AUH who may examine the scope of the work and cost estimates. It is essential to discuss proposed work plans with a client vis-à-vis the scope and projected time-line, in order to obtain clarity before the consultant prepares the cost and estimates.
- 5.5 The Charges, once finalized, will not be negotiable. However, if the scope is altered, a fresh estimate may have to be considered.
- 5.6 The minimum charges applicable in respect of consultancy jobs will be Rs 10,000/- excluding any applicable tax.
- 5.7 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/- (for US\$200 or equivalent in the case of international assignments) per day or part thereof, in addition to travel and incidental expenses as applicable.

5.8 Consultant should be aware of the potential for the generation of Intellectual Property during the execution of projects. The Intellectual Property Policy of the AUH will govern all decisions and actions concerning the generation, handling, protection and commercialization of the Intellectual Property.

6. Consultancy Rules : Payment schedule

6.1 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 period exceeding 3 months.

6.2 In 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 case of implementation.

7 Costing of Consultancy Projects

The consultancy project costing is based on the following component charges:

7.1 Consultant Fees (CF): This will include charges for the time of the Institute. The CF is limited to 20% of the project cost for Category 'B' jobs.

7.2 Charges for Personnel engaged in Technical Services (CPTS): This refers to the charges payable to the permanent employees of the Institute for their efforts in the execution of the project. The CPTS is limited to 30% of the project cost for Category T(testing projects) jobs.

7.3 Operational Expenses (OE): These include expenses incurred on consumables, contingencies, travel and travel and daily allowance, honoraria for students and all other expenses related to the consultancy project. These also include Equipment Utilization Charges for the usage of institute equipment for all consultancy projects.

7.4 Overheads (OH): Overheads will be charged at the rate of 20% of OE (see 8.3 above) as applicable. The equipment maintenance and the expenses on use of infrastructure will be taken care of by the AUH from this fund.

7.5 Capital Equipment (CE): This will include charges for the purchase of specific equipment for implementation of consultancy projects.

7.6 Contract Negotiation/Legal Expenses may be levied for projects involving contract/negotiations.

7.7 Service tax and other taxes, as applicable, shall be provided for in the project cost.

8 Disbursement

- 8.1 The disbursement of Consultant Fees (CF) and charges for personnel engaged in Technical Services (CPTS) are as given below : The disbursement of CF will entail a deduction of 20% as the Institute share for Consultant's earnings. The deduction of the Institute share will be on the actual amount disbursed to the Consultant(s).
- 8.2 Consultant Fees (CF), as well as charges payable under CPTS, may be disbursed as indicated below: 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
- 8.3 The disbursement of CPTS to permanent employees of the Institute will entail a deduction of 20% as Institute share.

9 Research Development Fund (RDF)

This fund is to facilitate consultants close accounts of all concluded projects and at the same time enable them to provide for funds to support their ongoing research, equipment maintenance, laboratory development etc.

10 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, Directorate Research & Publication (DR&P) 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 presented in this policy:

- 10.1 Proposals for large sized consultancy assignments may be reviewed by a small standing committee, comprising a segment of the Directorate Research & Publication (DR&P) Advisory Committee.
- 10.2 A short report on every consultancy project, upon completion shall be submitted to the Vice Chancellor, AUH by the consultant. The reports shall be preserved as

'Classified Documents' for a period of typically five years, to be destroyed thereafter.

11 Other Matters

- 11.1 Earnings for Technology Transfer, Revenue Sharing and Royalty will be governed by the Intellectual Property Policy of AUH, Gurgaon.
- 11.2 Notwithstanding the above, and keeping in mind the best interests of the AUH, consultancy may be taken up in exceptional cases, not covered by the above rules, with prior approval of the Vice Chancellor, AUH.

12 Summary of Rules

- (i) Each project shall be undertaken either under standard terms and conditions or Under some special cases, based on a specific research agreement or Memorandum of Understanding describing the details of contract.
- (ii) Categories of consultancy projects are reduced to two as those taken up under Expertise Intensive Category E (Consultancy) and Infrastructure Intensive Category T (Testing) Projects.
- (iii) Consultant Fee (CF) is limited to 20% of the project cost in case of Category T (Testing) projects.
- (iv) Charges for personnel employed in Technical Services (CPTS) is limited to 30% of the project cost in case of Category T (Testing) projects.
- (v) A common basis for costing of all consultancy projects by a single rate (20%) and the introduction of contract negotiation/legal costs.
- (vi) A single point collection of Institute share from Consultant Fees (CF) and Charges for Personnel employed in Technical Services (CPTS) as deductions and elimination of overheads in CF and CPTS.
- (vii) Removal in the slabs of earnings of consultants for deduction of Institute share. One rate of deduction of Institute share at 20% only.
- (viii) Introduction of an open ended Research Development Fund (RDF) account to support operation of expenses of ongoing research.
- (ix) Provision for service and other taxes as applicable.