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Guidelines for Undertaking Consultancy Projects at the Centre
(*vide 34th Finance Committee and 53rd Governing Body*)

As per the resolution in 34th Finance Committee and 53rd Governing Body meetings held on 22.03.2017 and 23.03.2017, respectively, faculty/ scientists of the Centre are allowed to undertake industrial and consultancy projects including international partnerships.

The management of industrial, partnerships, consultancies and international cooperation would rest with the Centre. The Centre may however delegate the responsibility to a committee constituted by it for this purpose. The Committee should not have less than five members. The Director, one of the Deans and the Registrar would be statutory members of this Committee. The Committee would manage the routine affairs and report it to the Governing Body from time to time. In case the matter is not routine, the Committee would put up the matter to the Governing Body for decision.

Signing Authority for MoUs

The signing authority for all Memorandum of Understandings in academic and industrial matters and other technology transfer agreements shall be the Director. The Director would however be authorized to sign an agreement after it is endorsed by a Committee of not less than three members. The members of the Committee would be decided by the Centre and should not consist of beneficiaries of the MoU. If the Centre feels, one or more members of the Committee might be external members.

Legal Jurisdiction of Agreement:

The legal jurisdiction of agreement signed in the Centre concerning industrial consultancies, cooperation and technology transfer/ commercialization would be decided on a case by case basis through negotiation between the parties involved and would be effective after approval of the Centre.

Knowledge Service

Broad Scope:

- a. Value addition to services done at major equipment facilities of the Centre;
- b. Advice to clients on specific issues with no implications on IPR issues;
- c. Preparation of short reports of scientific and technical nature;
- d. Short training and lectures (in Centre and/or in client's site).

Consultancy Project

Broad Scope:

- a. Utilization of scientific and technological knowledge of PI/PIs to develop a process/ product to solve a problem of the client and/or offer the client scientific and technical guidance on specific issue. This may have significant R&D activities. However, the R& D activities are of such nature that it may not lead to publications and will not generate IPR;
- b. Sustained technical and manpower training as well as lecture courses lasting for more than 15 working days;
- c. Preparation of knowledge based reports that would need extension literature survey using web and library resources, generation of large data from different sources and analysis of such data and recommendations that help a client to take a technical decision. This can also have nature of a techno-commercial survey if a suitable agency for the commercial aspect is partnered through outsourcing.

Contract Research

Broad Scope:

- a. Scope is similar to Consultancy project. This is expected to be of duration longer than consultancy project. This will have significant R&D component and will lead to generation of significant new knowledge that can lead to publication and IP generations. Expected to lead to technology transfer

Costing of the project and payment schedule:

4.1 Costing:

A. Knowledge Services:

- i. Equipment services (if applicable) at actuals calculated on commercial rate. Costing for equipment services fees at commercial rate are given in Annexure-B
- ii. Technical services fee:

Rs. 5000/ manday for equipment services (or USD 200 for foreign clients)

Rs. 10,000/ mandays for training and reports (or USD 400 for foreign client)

Project cost (A) = (i) + (ii)

Overhead (B) = 30% for both the services that don't have equipment services and services that have equipment services.

The PI will calculate the actual mandays needed for the project.

Total Project Cost- A + B

B. Consultancy Project:

i. Equipment services (if applicable) at actuals calculated on commercial rate. Costing for equipment services fees at commercial rate are given in Annexure-B

ii. Technical services fee:

Upto Rs. 5000/ manday for training and reports equipment services (or USD 500/ manday for foreign clients)

Upto Rs. 10,000/ mandays for (or USD 1000/ manday for ofreign client) if the project or its part involve extensive experiments/ computation/ data analysis.

iii. Manpower cost, Honorarium for support and technical staff, consumable, contingency, travel and other costs (including outsourcing and external consultant fee). The honorarium for technical and support staff will be one day salary for every manday work done.

iv. Equipments to be purchased (if any under the projects)- at actuals

Project sub-cost (A) = (i) + (ii) + (iii) + (iv)

Overhead (B) = 30% for both the services that don't have equipment services and services that have equipment services.

Total Project Cost= A + B

(C) Contract research:

Same as consultancy project

Additionally IPR and Publication costs- at actuals be added to the project cost as and when needed.

5. Distribution of Overhead and Technical Services Fee (TSF)

The distribution of overhead from such projects will follow the same rule as distribution of overhead from sponsored projects/ extra-mural grant in project. The PI can use it as per existing norms.

Technical Services Fees will be distributed in the proportion 50% to the consultants (based on list provided by the PI), 40% to the Centre and 10% for an employee welfare fund to be suitably constituted.

The PI will furnish a list of consultants who will be paid TSF and the percentage amount. The list will be furnished at the project proposal stage and can be modified suitably with reasons at the end of the project if need arises based in actual service provided.

This disbursal will be done at the end of the project after full payment is received for knowledge services and consultancy projects and on yearly basis for contract research.

Annexure-A

Calculation of equipment charges for use by Clients from commercial establishment

For the estimation of equipments of the Centre service charges the following formulae shall be applicable

(a) Capital cost

Cost of the equipment when installed = Rs. C

Life of the equipment = 10 years = 10 x 50 x 40 hours (50 weeks / year and 40 hours working per week)

Hourly charge for equipment @ H = Rs. C / 10,000 . per hour

(b) Consumable / Materials charge

Cost of consumables / materials at hourly use rate @ = M (Rs.)

(To be calculated from approximate total consumable cost per year / 2000. This should also include the cost of FEG sources, FIB sources etc. which are replenished after a specific life time. The per hour cost for such sources will be calculated on **50% of life of source**. e.g., Hourly rate of source to be added to M = cost of source / **50% of source life in hours**)

(c) Manpower cost:

Hourly salary of operator / operators = Total monthly salary / 40 x 4 = Rs. S (based on 40 hour week)

Hourly charge $A = H + M + S$

Hours of use = T hours (minimum 2 hours and then in multiples of 2 hours. 2 hour is a typical slot period)

Cost of equipment use $E = A \times T$

Administrative expenses and cost of maintenance, power cost $OH = 100\%$ of E

Total charges for equipment services $ES = E + OH$ rounded to nearest 100's.

In addition, overheads and Service Tax, etc. will be applicable as per rule.

Recommendation of Finance Committee

The Finance Committee approved the guidelines for consultancy services under the Technical Research Centre (TRC) Project with the following observation:

- (i) *Regarding Clause 4.2: Payment schedule by client:* The Finance Committee was of opinion that some exit clauses should be there so that these can be revised from time to time. These can remain as broad guidelines but deviations, if any, may be

allowed by the Competent Authority, on case to case basis, based on the merit of the case.

- (ii) *Regarding Annexure B:* Calculation of equipment charges for the use by clients from commercial establishments: The Finance Committee found the charges proposed quite nominal.

It recommended to set the hourly charge for equipment @ H = Rs. C/10000 per hour instead of the hourly charge for equipment @ H = Rs. C/20000, as recommended that per hour cost for such sources should be calculated on 50% of life of source, instead of 70% of life of source, as recommended.

The Finance Committee was of the opinion that cost estimation should actually be done based on realistic calculations on case to case basis.

- (iii) The consultancy project proposal will also be extended for the projects in the Centre beyond Centres.