

## **POLICY AND PROCEDURE**

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Policy Name: UTM Consultancy Policy

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Policy Number: UTM P.A

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Approved by: Senat UTM Bil. 8/2011/2012: 7<sup>th</sup> March 2011

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## SECTION 1 – INTRODUCTION

### PURPOSE OF THE POLICY

This policy provides general information for undertaking consultancy work in accordance with the University's approved procedures or guidelines.

### SCOPE

This policy covers any work or activity undertaken by university staff in their field of expertise, for clients in government or private sectors for which some financial return is provided in the form of professional fees or honorarium.

### DEFINITION

Term	Definition
Approved COE	UTM Centres of Excellence are service thrust based centres formally set up and authorized by the University to undertake consultancy services.
Approved Central Laboratory Management (CLM)	A unit set up under DVCRI to monitor all testing activities conducted by Approved Faculty Laboratory Management.
Approved Faculty Laboratory Management (FLM)	UTM laboratories formally set up under faculties in UTM to conduct testing based activities.
Consultancy	<p>Any work or activity undertaken by University staff in their field of expertise, for clients in government or private sectors for which some financial return is provided in the form of professional fees or honorarium. It is also defined as the deployment of existing knowledge for the resolution of specific problems.</p> <p>Consultancy is broadly categorized into:-</p> <ul style="list-style-type: none"><li>a) Testing and measurement services</li><li>b) Design and analytical services</li><li>c) Specialist services</li><li>d) General professional advisory</li></ul>
DVCRI	Deputy Vice Chancellor (Research and Innovation).
Project Leader	UTM staff appointed to lead the consultancy project and who is responsible for managing both the technical and financial activities of the project.
Deputy Project Leader	UTM staff appointed to assist or to act in the absence of the Project Leader.
Consultant	UTM staff including permanent and contract staff who has the capability to undertake consultancy work.
UTSB	Uni-Technologies Sdn. Bhd.
UTM	Universiti Teknologi Malaysia is a higher educational institution incorporated and established under the Universities And University Colleges Act 1971 [Act 30].

### RELATED LEGISLATION AND POLICIES

The policy is developed based on related legislation and policies.

Name	Section covered
Manual Perolehan Perkhidmatan Perunding Edisi 2006 from Ministry of Finance	All
Akta 605, Akta Badan-badan Berkanun (Tatatertib dan Surcaj) 2000 (Pindaan 2006)	

## SECTION 2 - POLICY

### **PRINCIPLE**

The office of Deputy Vice Chancellor (Research and Innovation) is committed to implement this policy in a transparent manner and all decisions made with regard to the implementation and review of the policy will be disseminated to the relevant stakeholders.

### **POLICY STATEMENT**

1. All University staff shall obtain written approval from the University before undertaking any consultancy work.
2. Approval of University to undertake consultancy work does not absolve the staff from all liabilities, non-performance and professional liability in accordance with his/her professional practice.
3. All consultancy activities shall be registered with UTSB and its subsidiaries.
4. The University can take action against any University staff who undertakes consultancy work without University approval which is in violation of the "Akta 605, Akta Badan-Badan Berkanun (Tatatertib dan Surcaj) 2000 (Pindaan 2006)".
5. Management Fee for each of the projects will be charged and distributed to respective units.

## SECTION 3 – PROCEDURE

### 1.0 APPROVAL OF CONSULTANCY ACTIVITY

- 1.1. All University staff shall obtain written approval from the University before undertaking any consultancy work.
- 1.2. All University staff shall ensure their involvement in consultancy work will not affect their primary responsibility.
- 1.3. All University staff are prohibited from entering into work-related consultancy arrangements without the approval from the University.
- 1.4. All consultancy activities shall be registered with UTSB and its subsidiaries.
- 1.5. The consultancy activities can be undertaken by UTSB, COE, CLM, FLM or faculty spin off companies.

### 2.0 Responsibilities of UNI-TECHNOLOGIES SDN BHD

- 2.1 UTSB is responsible for obtaining permission from the University for the staff to undertake any consultancy work.
- 2.2 UTSB or other parties authorized by the University shall be the authority to enter into any agreement for consultancy projects.
- 2.3 UTSB may provide project management, financial management and other related support services in relation to all consultancy projects.
- 2.4 UTSB must be liable and accountable for making sure that implementation of the consultancy work is in accordance with the terms of reference stipulated in the consultancy contract.
- 2.5 If any dispute arises, UTSB has it right to terminate the non-performing staff with other staff in order to make sure that the consultancy work is implemented in accordance to term and reference of each work/project.
- 2.6 UTSB shall keep original copies of the consultancy contract and update the list of consultancy agreement database.
- 2.7 Whenever it is needed by UTM, UTSB is responsible for providing consultancy database complete with the technical and financial criteria of each project.

### 3.0 Responsibilities of Project Leader

- 3.1 The University can take action against any University staff who undertakes consultancy work without University approval which is in violation of the "Akta 605, Akta Badan-Badan Berkanun (Tatatertib dan Surcaj) 2000 (Pindaan 2006)".
- 3.2 A Project Leader is
  - 3.2.1 responsible and liable to UTSB in terms of project deliveries in accordance with the term and condition of the contract.
  - 3.2.2 responsible for advising UTSB in the appointment and termination of consultants based on project needs.
  - 3.2.3 responsible for preparing the Project Proposal for the client. The project Leader should take into account the Management Fees and Financial Contribution to the University.
  - 3.2.4 responsible for submitting to UTSB one copy of every report sent to the client
  - 3.2.5 required to send a periodic report to UTSB until the completion of the project
  - 3.2.6 required to chair all meetings regarding the project and to submit one copy of the minutes of meeting to UTSB
  - 3.2.7 responsible for ensuring that all reports and deliverables of the project will be delivered based on the work schedule that has been approved by the client
  - 3.2.8 must work hand in hand with the management team of UTSB to ensure that the project follows the client's needs in both technical and financial terms.
- 3.3 A Project Leader should nominate a Deputy Project in his absence.

#### 4.0 Responsibilities of Consultant

The Consultant

- 4.1 must obtain a written approval from the University before engaging in the consultancy work.
- 4.2 is responsible to the Project Leader appointed by UTSB.

#### 5.0 Costing/Pricing of Consultancy Activity

- 5.1 The "Manual Perolehan Perkhidmatan Kementerian Kewangan Malaysia" may be used as a guideline in preparing the technical and financial proposal for government projects.

#### 6.0 Project Advance Payment and Reimbursement

- 6.1 On a need basis, a project is allowed to apply for mobilization expenses of up to a maximum of 10% of the project value or mobilization cost as allowed for in the contract agreement. Approval for the mobilization expenses is under UTSB's jurisdiction and is only subject to reimbursable cost.
- 6.2 Advanced payment for consultant professional fees is not allowed.
- 6.3 Advanced payment shall be payable upon receipt of the first and subsequent payments until fully paid before any disbursement of consultation fees is made.

#### 7.0 Management Fees and Financial Contribution

- 7.1 Management Fee for each of the projects will be charged and distributed to respective units according to the following schedule:

Project Gross	Overhead Charge	% of Distribution	
		UTSB	University (faculty, COE, CLM, FLM, spin off companies)
Up to 250,000	20%	10%	10%
250,001 – 500,000	15%	10%	5%
500,001 and above	10%	8%	2%

- 7.2 The percentage of distribution to the University shall be made by UTSB through payment of dividend at year end.

#### 8.0 Composition of Fee Distribution

- 8.1 Equipment rental and operational costs are chargeable and payable to the University or faculty or lab owner for equipment (hardware and software) owned by the University. This cost is based on a schedule of rates approved by the University.

#### 9.0 Indemnity and professional liability

- 9.1 Approval of University to undertake consultancy work does not absolve the staff from all liabilities, non-performance and professional liability in accordance with his/her professional practice.
- 9.2 The Project Leader shall be held liable for monies advanced by the University for the execution of the project under his/her responsibility.

## SECTION 4 – GOVERNANCE

### Responsibilities

<b>Policy Owner</b>	Deputy Vice Chancellor (Research and Innovation)
<b>Policy Manager</b>	Uni-Technologies Sdn. Bhd.

### Version Control and Amendment Chronology

<b>Version No.</b>	<b>Approved Date</b>	<b>Approved by</b>	<b>Amendment</b>
1	7 <sup>th</sup> March 2012	Mesyuarat Senat	