

No.12(4)/2016-EDI
Government of India
Ministry of Micro, Small and Medium Enterprises
EDI-Section

Udyog Bhawan, New Delhi-110011
Dated: 18th November, 2016

To

- 1) Development Commissioner(MSME), M/o MSME
- 2) CMD, NSIC
- 3) CEO, KVIC
- 4) Secretary, Coir Board
- 5) DG, Ni-MSME
- 6) Director, MGIRI

Subject: Revised Guidelines of "Scheme of Surveys, Studies and Policy Research" of Ministry of MSME.

Sir,

I am directed to forward herewith a copy of the revised guidelines of "Scheme of Surveys, Studies and Policy Research" of the ministry of MSME, duly approved by the competent authority and concurred by IFW vide their dy.No.402/US(Fin-I)/2016 dated 04.11.2016. The revised guidelines are also available on the website of this Ministry viz., www.msme.gov.in

2. The revised guidelines will be effective from the date of issue of this letter. The cases of studies already awarded, completed or initiated under the pre-revised scheme will continue to be processed and finalized in accordance with the provisions of the pre-revised guidelines of the Scheme.

Yours faithfully,

Encl: a/a


(A. K. Chaube)

Deputy Secretary to the Govt. of India

Tel: 23061636

Email- ak.chaube@nic.in

Copy to:

1. Secretary (MSME)
2. SS&FA
3. JS (ARI)/JS (SME)
4. Director/DSs in MSME.
5. US (Fin-I)


(A.K. Chaube)

Deputy Secretary to the Govt. of India

Scheme of Surveys, Studies and Policy Research

1. Objectives

The objectives of the “Scheme of Surveys, Studies and Policy Research” are:

- (i) To regularly/periodically collect, from primary, secondary and other sources, relevant and reliable data on various aspects and features of micro, small and medium enterprises (MSME) engaged in manufacturing and services (whether in the category of micro/small enterprises, khadi, village industries or coir) as a composite group or specific segments thereof.
- (ii) To study and analyse, on the basis of empirical data or otherwise, the constraints and challenges faced by the MSME as well as the opportunities available to them, in the context of liberalisation and globalisation of the economy.
- (iii) To use the results of these surveys and analytical studies for policy research and designing appropriate strategies and measures of intervention by the Government, by itself or in public private partnership mode, to assist and enable these enterprises in facing the challenges and availing of the opportunities with a view to enhancing their efficiency and competitiveness and also expanding generation of sustainable employment by them.

2. Scope

The scope of the Scheme includes, but is not limited to, the following areas of interest:

- (i) Sector-wide issues like criteria for classification of enterprises, international standards and norms for such classification, statutory and other forms of regulation of enterprises consistent with the objectives of (a) quick entry and smooth exit, (b) operational ease and reduction of transaction costs of compliance, (c) simplification and harmonisation of regulatory processes and procedures, etc.
- (ii) Concurrent/periodical evaluation/assessment of impact of the existing policies, programmes and schemes of assistance on the target segments of MSME with reference to the objectives of such policies, etc., and designing remedial measures for improvement of impact.

(iii) Issues like credit flow, sickness, technological upgradation, infrastructure support, marketing (including exports), enterprise management practices, intellectual property rights, etc., in the context of specific segments or whole of MSME and with a view to enhancing competitiveness in the global context.

(iv) Measures for capacity building of enterprises/associations of enterprises and their empowerment, with particular emphasis on micro enterprises and enterprises owned/operated by women and/or the scheduled castes/tribes and promotion and development of enterprises in less developed regions/Sates of the country.

(v) Entrepreneurship development and problems of first-generation entrepreneurs.

(vi) Role and efficacy of the existing institutions of the Government in delivering the services that they are mandated to and measures for improvement of their human resources and operative practices.

(vii) Any other matter within the purview of the Ministry of Micro, Small and Medium Enterprises.

3. Operational Arrangements

(i) The operation of the scheme will be overseen by a Committee headed by Joint Secretary (SME) with Economic Advisor (IFW) and Director General, NIMSME as its members.

(ii) The proposals received only through the concerned Divisions and the organisations under the of Ministry of MSME will be entertained under the Scheme. The divisions/organisations under the Ministry of MSME may propose to undertake or carry out studies, surveys or policy research under the scheme and send the proposals along with TOR to Deputy Secretary (EDI) in Ministry of MSME. The Committee would examine the proposals and grant approval.

(iii) The concerned organizations under Ministry of MSME or Division should carry out the selection of consultant to undertake the proposed study. The selection of consultants could be carried through competitiveness bidding process. The study could be awarded to an identified consultant also if the concerned Division or organization for reasons to be recorded in writing finds that the identified consultant is the most suited to undertake the study and there is no need to undertake competitive bidding.

(iv) The Study could also be awarded through expression of interest in which interested consultant should quote the amount they would charge along with their expertise in the field and resources to be utilized. The concerned Division/organization will carry out an analysis of all such proposals and propose award of the study to the selected consultant based on the subjective assessment of costs and expertise of the consultant. After finalizing the consultant and the cost involved, the concerned Division/Organization will send the proposal with their recommendations to SME Division again for approval.

(v) The above two stages of seeking approval could be combined also by the concerned organisation / division in which they would identify the consultant along with cost and TOR and recommend the proposal to SME Division for approval.

(vi) The Committee consisting of Joint Secretary (SME), Economic Advisor (IFW) and DG, NIMSME will examine and approve the proposal along with the cost.

(vii) After approval of the proposal, the proposed study will be formally awarded by the concerned Division / organisation which will issue administrative approval. The concerned Division / organisation will also enter into an agreement with the Consultants as per the draft agreement enclosed as Annexure to these guidelines.

(viii) Payments to the consultants will be paid from the scheme head by the EDI Section as per the payment terms given below on the recommendations of the concerned Division / organisation and in consultation with the Integrated Finance Wing.

(ix) After the study is carried out, a copy of the report should be sent to SME Division along with the request for release of the last installment of the payment to the organisation/consultant.

4. Terms of Payment

The terms of payment for each assignment under this Scheme will be as under:

(i) First installment: Maximum 20 per cent of the fees on signing of the agreement.

(ii) Second installment: 50 per cent, subject to (a) submission of the draft report (five copies of the draft report including executive summary) within the time frame stipulated in the agreement and (b) a presentation on the draft report being

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made before the concerned Division / Organisation and the draft report being found to be generally acceptable.

(iii) Third and final installment: The balance 30 per cent on submission of the final report and its acceptance by the head of the concerned Division / organisation. Any delay in submission of report without due approval by the head of the concerned Division / Organisation will attract a penalty of 5% per week and the balance 30% will be forfeited on delay in submission of the report beyond 5 weeks from the stipulated date.

(iv) The final payment will be made within six weeks of acceptance of the report and submission of bills etc. by the organisation / consultants.

5. Other General Terms and Conditions

The other general terms and conditions applicable to each assignment under this Scheme will be:

(i) The assignment should be completed within the time stipulated in the agreement. Delay in submission of the report beyond the stipulated time will attract penalty as provided for in the agreement. For factors beyond the control of the consultants given the assignment, suitable extension in time may, however, be granted at the request of the institution.

(ii) The Government shall not pay any extra amount for any escalation in the cost of the assignment beyond the time period stipulated in the agreement.

(iii) The total fee for the study as agreed with the organisation will include service tax and other taxes/levies, if any, and the liability of payment of the tax will be of the organisation / consultants conducting the study.

(iv) Ten hard copies of the final report, 15 hard copies of the executive summary and ten CDs containing the final report shall be submitted before releasing the final installment of payment.

(v) During the currency of the assignment, the TOR and other terms and conditions of the assignment, if necessary, may be modified in order to strengthen/deepen its scope/coverage with the concurrence of the institution concerned. As far as possible, such modifications will not be made more than once during currency of study. In case, there is cost escalation due to substantial and major changes in the Terms of Reference, such cost escalation shall be

restricted to a maximum of 25% over and above the original cost subject to the approval of the Committee and the concurrence of the Integrated Finance Wing.

(vi) The draft/final reports and the contents thereof would be the intellectual property of the Government and would not be published by the institution concerned without prior approval of the Government.

(vii) In case of change of consultant/team leader during the currency of study, the new consultant/team leader may be appointed by the Institution with the prior approval of the concerned Division / Organisation.

(viii) The Consultant will notify the concerned Division / organisation of any material change in their status, shareholding or that of any Guarantor of the Consultant, where such change would impact on performance of obligations of the Consultant under the Agreement.

(ix) If the performance of the Consultant during the currency of the study is not found to be satisfactory, the agreement can be terminated and action will be taken by the concerned Division / organisation to recover the amount already paid to the Consultant.

(x) The raw data/processed data/ findings should not be disclosed by the Institution to any third party without prior approval of the concerned Division / organisation.

AGREEMENT FOR CONSULTING SERVICES
FOR SURVEYS, STUDIES AND RESEARCH PROJECTS

AGREEMENT

THIS AGREEMENT is entered into this [insert starting date of assignment] between the President of India acting through Designation of Head & Name of Division / Organisation [Client] having its principal place of business at [insert Client's address], and [insert Consultant's name] ("the Consultant") having its principal office located at [insert Consultant's address] acting through _____.

WHEREAS, the Client wishes to have the Consultant perform the Assignment hereinafter referred to, and

AND WHEREAS, the Consultant is willing to perform this Assignment,

NOW, THEREFORE, THE PARTIES hereby agree as follows:

1. Services
 - (i) The Consultant shall perform the assignment as per the "Terms of Reference and Scope of Assignment," as specified in Annexure A (to be attached) forming an integral part of this Agreement (the "Assignment").
 - (ii) The Consultant shall provide the personnel listed as Annex B (to be attached) to "Consultant's Personnel," to perform the Assignment.
 - (iii) The Consultant shall submit to the Client / Government, the reports in the form and numbers and within the time periods as mutually agreed in accordance with para 4 of the guidelines and specified as Annex C, "Consultant's Reporting Obligations"(to be attached), to this Agreement.
2. Term
The Consultant shall perform the Assignment [within _____ months from the date of this Agreement], or any other period as may be subsequently agreed by the parties in writing, subject to liquidated damages for the delay attributable to the Consultant.
3. Payment
 - A. Ceiling
For the Assignment, the Government shall pay the Consultant the sum of [insert amount]. This amount includes all of the Consultant's costs and deliverables as well as any tax obligation that may be imposed on the Consultant.
 - B. Schedule of Payments
The schedule of payments is specified below:
[insert currency and amount] upon the receipt of a copy of this Agreement signed by the Consultant;
[insert currency and amount] upon the receipt of the draft report from Consultant, acceptable to the Government;
and
[insert currency and amount] upon the receipt of the final report from - Consultant and acceptable to the Government.
[insert currency and amount] Total

C. Payment Conditions

(i) Payment admissible on signature of this Agreement shall be made against a bank guarantee of equivalent amount in favour of the Government from a Scheduled Bank with its validity till receipt of the draft report from Consultant and found acceptable to the Government.

(ii) Final payment shall be made not later than 6 weeks, following submission by the Consultant of complete invoices in duplicate to the Coordinator designated in paragraph 4 or acceptance of the Report by the Government whichever is later.

4. Project Administration

A. Coordinator

The Name of Division / Organization designates Shri/ Smt. [insert name and designation] as the Client's Coordinator; for this Assignment The Coordinator will be responsible for the coordination of activities under this Agreement, for acceptance and approval of the reports and of other deliverables by the Government and for receiving and approving invoices for the payment.

B. Reports

The reports listed under Para 4 and 5 of the guidelines of the Scheme shall be submitted in the course of the Assignment, and will constitute the basis for the payments to be made under Clause 3 above.

5. Performance Standards

The Consultant undertakes to perform the Assignment with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly but not later than ___ days replace any employees assigned under this Contract that the Client considers unsatisfactory.

6. Confidentiality

The Consultant shall not disclose any proprietary or confidential information relating to the Services, this Agreement or the Government's business or operations without the prior written consent of the Government.

7. Ownership of Material

Any studies, reports or other material, graphic, software or otherwise, prepared by the Consultant for the Government under the Agreement shall belong to and remain the property of the Government. The Consultant may retain a copy of such documents and software for the purpose of this Agreement.

8. Insurance

The Consultant will be responsible for taking out any appropriate insurance coverage at its own cost.

9. Re-Assignment

The Consultant shall not re-assign this Agreement or sub-contract any portion of it without the Government's prior written consent.

10. Dispute Resolution

Any dispute arising out of the Agreement, which cannot be amicably settled between the parties, shall be referred for arbitration [in accordance with the provisions of..... Act] to an arbitrator nominated by the Secretary, Department of Legal Affairs, Ministry of Law and Justice, Government of India. Provisions of the Arbitration and Conciliation Act, 1996, as, amended from time to time, shall be applicable. Courts in Delhi shall have jurisdiction in the matter.

11. Events of Default

(i) Delay in furnishing of any report beyond the period mentioned in Provided that there shall not be default for the period of Force Majeure and delays solely attributable to the Government.

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- (ii) Any report being non-acceptable to the Government for lack of professional quality.
- (iii) Breach of any of the terms of this Agreement.

12. Consequences of Default

(i) On the occurrence of any of the event of default on the part of Consultant, the Government may terminate this Agreement and claim refund of any money paid or invoke the bank guarantee and refuse to make any more payment.

(ii) In case of default being limited to delay only not exceeding 5 weeks, the Government, may in the alternative, claim the agreed liquidated damages @ 5% of the amount of contract for every week of delay, not exceeding in any case 25% of the amount of contract.

The amount of liquidated damages shall be withheld and/or recovered from the payment to be made to the Consultant.

13. Force Majeure

The Parties shall be entitled to excuse performance of their respective obligations to the extent they are unable to perform the contract by an event of Force Majeure. A party claiming relief on this account shall immediately on becoming aware of Force Majeure event give notice to the other party disclosing the manner in and the period during which performance of its obligation is likely to be affected.

For the purpose of the Agreement Force Majeure means Acts of God, wars or similar action affecting India Civil Commotions or general strike (excluding by its own employees) lying beyond the reasonable control of the affected Party.

14. Notice

The address of the Parties for all communication is :

Client / Government :

Consultant :

All notices with the aforesaid address sent by pre-paid registered-post or speed post or sent by fax with confirmation of its delivery or email shall be deemed to have been served and received by the addressee within the time they should have been delivered/received at the addressee's end.

Any change of address will not be valid -unless acknowledged by the other party.

IN WITNESS WHEREOF, the representatives of the Parties to this Agreement being duly authorized have hereunto set their hands and have executed those present this ____ day of _____

For and on behalf of the President
of India / Head of the Division / Organisation

FOR THE CONSULTANT

Signed by _____

Signed by _____

Designation: _____

Designation: _____

In presence of _____

In presence of _____