



Government of India

Ministry of Skill Development and Entrepreneurship

Implementation Manual

for

Central Sponsored Scheme

***“Upgradation of Existing Government
Industrial Training Institutes into Model
ITIs”***

DIRECTORATE GENERAL OF TRAINING

“Upgradation of Existing Government Industrial Training Institutes into Model ITIs”

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Guidelines for the scheme on Upgradation of Existing Government Industrial Training Institutes into Model ITIs - CENTRALLY SPONSORED SCHEME

1.0 Project Period and cost: Remaining period of 12th Five year Plan i.e. upto FY 2016- 2017.

- (i) Total cost – Rs.300 crore.
- (ii) Cost sharing between Centre and State- 70:30(90:10 for NE states).
- (iii) Coverage- 29 ITIs one from each State will be assisted under the Scheme. Funds would be released on first-come-first-serve basis based on level of preparation and merit of selection of ITI by the State Government.

2.0 Selection Criteria:

2.1 Existing Government ITI is to be identified for upgradation as a Model ITI. Key objective is to develop a benchmark for **industry oriented ITI** which would serve as a model for other ITIs and would also raise dignity of ITI education.

List of Activities for submission of Proposal for Model ITI:

1. Select an existing Government ITI located in a major industry cluster with a champion industry partner.
2. The Model ITI should not have been funded under the Vocational Training Improvement Project (VTIP). An exemption maybe provided under exceptional circumstances on considering the justification provided by the State strictly on a case-to-case basis. Similarly, the Model ITIs identified in the North Eastern States should not have been funded under the scheme 'Enhancing Skills Development Infrastructure (ESDI) in North Eastern States and Sikkim' without any exceptions.
3. The ITI must have a functioning Institute Management Committee (IMC) registered as a Society. Other members in IMC from industry may also represent various trades in the ITI.
4. IMC Society will be required to take up reassessment of all existing trades and new requirements for their relevance with local market demand, for preparation of implementation plan (IP)
5. Tripartite Memorandum of Agreement (MoA)* is to be signed between the champion industry partner, State/ UT Governments and Central Government for each of the IMC Society.
6. The State Government may recommend the IP to DGE&T along with commitment to give state share and to sign MOA.
7. Based upon the IP, central share of funds will be released to the States only after IMC is formed and action has been initiated for registration of society.
8. State will provide funds to the IMC Society including State Share. Released Central funds along with State share should be released by the State Government to the IMC only after its registration as a Society is complete.

2.2 The ITI will be provided funds for taking up several initiatives and reforms to achieve broad objective. The identified ITI should be situated in a prominent industrial cluster in the State. These Model ITIs will establish links with the Industrial clusters in their vicinity to enable it to function as a solution provider to the cluster group. An exemption may be given to the ITIs in the North-Eastern States for identification of an industrial cluster on an exceptional basis.

Objective : The following are the objectives:

Offer training to

- i. New job entrants through
 - a) Existing trades (s) (upgraded to match the standards laid down)
 - b) Starting of new trades
 - c) Conduct of short-term training programmes with customized skill training
- ii. existing workers
- iii. workers of unorganized sector

Such ITIs may plan to upgrade existing trades, close trades which are obsolete (having no meaningful demand) and start new trades that cater to the Industry clusters. Further, they can run short-term courses under Modular Employable Skills (MES), as well. These objectives would be carried out through :

(i). Sign flexi Memorandum of Understanding (MoU): To assist Industry with qualified and trained workforce, DGE&T has started a scheme on 'Demand Responsive Vocational Training'. Under this scheme, any Industry can sign an MoU with DGE&T to conduct training programmes to meet specific skill requirement of the Industry. Under the scheme, approval of the courses, examination / assessment and certification will be done by NCVT. However, Industry would ensure 80% employment. ITIs can also propose similar agreement with local Industry and seek approval of DGE&T to make use of the advantages like issue of NCVT certificate and better employment opportunity to the passed-out trainees. Sample MoU may be seen at DGET website www.dget.nic.in.

(ii). Strengthening placement cell: The Placement Cell in the Model ITI should also function as Career Center envisioned under National Career Service (NCS).

Almost all the ITIs have established Training, counselling and Placement Cell (TCPC). The objective of TCPC is to foster close networking with the industry and assist job placement for the trainees. To have a functional TCPC

- ITI may appoint a qualified person on contract for TCPC coordinator and equip it with better facilities for immediate response from employer/Industry.
- The TCPC will perform counselling and job placement and will be a one-point stop for employers/Industries and trainees.

The additional manpower requirement (instructors for new trades and TCPC coordinator etc.) should be assessed and filled up in the Implementation Plan. Plan of the action for creation and filling up of posts would be part of Implementation Plan.

3. Institute Management Committee (IMC)

The Model ITI must have a functioning Institute Management Committee (IMC) registered as a Society under the Societies Registration Act, 1860. The IMC must have a pre-identified **champion industry partner** that is willing to run the operations of the IMC Society. The State Government would also delegate adequate functional powers to IMC in accordance with the Scheme of 'Upgradation of 1396 Government ITIs under PPP mode'

Memorandum of Agreement (MoA)

A Tripartite Memorandum of Agreement (MoA) will be signed between the champion industry partner, State/ UT Governments and Central Government for each of the IMC Society. These will inter-alia include role, autonomy to IMC and deliverables i.e. Key Performance Indicators (KPIs), job offer by the industry, industry attachment to the trainees etc. The KPIs and overall Target Values will be as per following benchmarks:

S.No.	Key Performance Indicator	Overall Target Values		
		Year 1	Year 2	Year 3
1.	Overall Seat Utilization	70%	80%	90%
2.	Pass-out Rate (overall average)	65%	70%	75%
3.	Placements (overall average, wage/self-employment)	60%	70%	80%
4.	Real monthly wages* of placed candidates	10% increase per year from baseline		
5.	Average number of outside workers trained by additional short term courses being run	80% of the existing seats in ITI.	100% of the existing seats in ITI.	200% of the existing seats in ITI.

* For wage employment, the benchmark would be not less than minimum wages for semi-skilled workers. There is also a reasonable permissible component of self-employment.

4. Major Actuality for IMC Society

4.1 IMC Society will be required to take up reassessment of all existing trades and new requirements for their relevance with local market demand, for preparation of implementation plan. Based upon the implementation plan as agreed by the State Government central share of funds will be released to the States.

4.2 As part of the project, IMC will interalia, take up the following activities:

- a) *Realignment of offered CTS programmes to industry needs by converting/opening relevant units based on the reassessment exercise;*
- b) *Upgradation of all retained units by provisioning relevant infrastructure and training facilities;*
- c) *Upgradation of overall facilities in the institute, including building, library, workshops, computer labs and IT facilities and other infrastructure for hygiene, safety and quality upkeep;*
- d) *Filling up all vacant instructor positions by hiring contractual faculty, if required;*
- e) *Setting up a full-fledged Training, Counselling, and Placements cell (TCPC) and appointing a full time training and placement officer for liaisoning with the industry and generating and converting placement leads; TCPC of Model ITI will support other ITIs of the State, in its vicinity using Hub and Spoke model*
- f) *Strengthening the TCPC to work as a Career Guidance Centre as envisioned in the National Career Service and guide/help the graduates in employment/self-employment*
- g) *Champion Industry Partner to conduct training programmes in the most popular trade in ITI;*
- h) *Creating suitable infrastructure for upgradation of skills of the existing workforce of the local industrial units;*
- i) *Carrying out advocacy activities for institute promotion amongst candidates and potential employers by creating websites and holding job fairs;*
- j) *Ensuring industrial attachment of ITI trainees for minimum 15 days.*

5. Provision of funds

Provision of funds may vary between ITIs depending on the intake capacity of the ITI. Hence, funds will be provided as per the norms including state share given below:

- (a) *For ITIs of existing/proposed seating capacity of 800 or more trainees, maximum allocation would be Rs.10 crore subject to actual requirement.*
- (b) *For ITIs of existing/proposed seating capacity of 400 or more trainees, maximum allocation would be Rs.5 crore subject to actual requirement.*
- (c) *In North-Eastern states, the ITIs are smaller and accordingly the ratio will be 50% i.e. for an ITI with 200 trainees, upto Rs. 5 cr. may be allocated and two ITIs can be considered from the NE States.*

6. Design and Modalities of Release of funds

State will provide the funds to the IMC Society including State Share. Funds from the Government of India will be released to the States only after IMC is formed at the Model ITI and action has been initiated for registration of society. Released Central funds alongwith State share should be released by the State Government to the IMC only after its registration as a Society is complete.

The funds are proposed to be provided for Civil Works (CW), Machinery and Equipment and other charges.

Civil Work (CW): Normally 25% of the project cost will be provided for CW which will include construction of new workshop block, renovation of existing workshops and class rooms.

M&E: Normally 50% of the total cost will be kept for procurement of equipment for the upgradation of existing trades and also for procurement of equipment for new trades.

Normally recurring exp. should be borne by the State Govt. However, expenditure to the tune of 25% of the project cost will be for following activities

- *establishment/ strengthening of library;*
- *establishment of functional TCPC including payment for placement officer*
- *office furniture/ office equipment,*
- *publicity and advocacy efforts,*
- *undertaking studies, job fairs, visits to other States, etc.*

The above defined percentage allocation under different components i.e. Civil works, equipment and other expenditure is indicative only. If a State Government intends to complete civil works out of state resources(over and above the project size in para 2.7), it may procure more equipment out of project funds. The State Government may submit a plan for total funds required to upgrade the ITI into Model ITI while identifying separately components that are to be covered under the scheme. Accordingly, central releases will be restricted upto Rs. 10 crores (including state share) and balance requirement may be met out of State resources.

7. Release of central funds will be in 3 instalments as per following norms:

- *First instalment @ 50% of central share will be released on the basis of implementation Plan prepared by the IMC*
- *Second instalment @ 40% will be released on utilization of 80% of 1st instalment and furnishing of the Utilization Certificate by the IMC and State Government*
- *Remaining 10% to be given as an incentive fund contingent to performance of ITIs and achieving target Key Performance Indicators as identified in the MoA.*

8. Monitoring

States will monitor the implementation of scheme and furnish quarterly progress report as per prescribed format. State may, if required, appoint an implementation support agency.

9. NCS & e-learning *The placement centre in the model ITI should also function as Career centre envisioned under national Career service. The Model ITIs will also act as spoke for the centre for distance learning under the scheme – e-learning and distance learning.*

10. Financial & Procurement Procedure *are part of Implementation Plan and should be followed by the State / ITIs.*

Implementation Plan for Model ITI

(This Implementation Plan is to be completed by the State / UT Directorate in consultation with the ITI Principal and IMC of the proposed Model ITI and forward to Directorate General of Training, MoSD&E on priority)

State/UT _____

Name of ITI _____

Address _____

Date of Preparation _____

SECTION-1: DETAILS OF PROPOSED MODEL ITI

1. BASIC DETAILS

Please provide the details of the ITI proposed to be upgraded as the Model ITI in the State / UT.

S.No.	Information	Details	
1.	State / UT		
2.	Proposed Model ITI Name and Address		
3.	ITI Website Address		
4.	Details of Principal		
	(i) Name		
	(ii) Address		
	(iii) Phone		
	(iv) Fax		
	(v) Email		
5.	Year of Establishment of the ITI		
6.	Affiliation Number given by DGE&T		
7.	Building/ Premises owned by State		
8.	Total Land Area (in m ²)		
9.	Total Constructed Area(in m ²)		
	(i) Office		
	(ii) Workshop(s)		
	(iii) Hostel(s)		
10.	Champion Industry Partner		
11.	Affiliation of other Industry Partner(s)	CII / FICCI / ASSOCHAM / Others (Please specify)	
12.	Whether the ITI covered under any scheme in the past (Pl. tick mark)	Yes	No
	(i) Upgradation of 100 ITIs under domestic funding		
	(ii) Vocational Training Improvement Project with World Bank funding		
	(iii) Upgradation of 1396 Govt. ITIs under PPP mode		
13.	If ITI covered under PPP scheme, indicate revenue generated during last two years through other sources/ activities (Please specify) in Rs.		
	Year 2012-13		
	Year 2013-14		

2. DETAILS OF TRAINING PROGRAMMES

(a) Please provide the details of available trades at the ITI proposed to be upgraded as the Model ITI in the State / UT.

Details of Available Trades			Trainees on roll			Past GoI Funding
Trade Name	Sanctioned Units	Seating Capacity	1 st Year	2 nd Year	Total	No. of Units Funded through Past Scheme(s)
NCVT Trades						
1.						
2.						
3.						
4.						
A. Total (NCVT)						
SCVT Trades						
1.						
2.						
3.						
4.						
B. Total(SCVT)						
G. Total (A+B)						

(b) Details on Instructors in the ITI:

Instructor availability					Number of trained Instructors (Out of filled posts)	
Sanctioned	Filled (Regular)	Filled (Contract)	% Filled $[(b)+(c)]/[a]$	Guest Lecturer for vacant posts	Trained	Untrained
(a)	(b)	(c)	(d)	(e)	(f)	(g)

(c) Indicate action initiated and date by when vacant post(s) of instructor(s) is likely to be filled.

(d) Please indicate salary of Contract Instructors: Rs. _____ per month.

3. DETAILS OF INSTITUTE MANAGEMENT COMMITTEE (IMC)

For the model ITI, if not done so far, Institute Management Committee (IMC) Society is to be formed as is done in the scheme for 'Upgradation of 1396 Govt ITIs through PPP'. State may also review the composition and working of IMC and if required may undertake overhauling of the IMC so as to ensure that major the trades are covered by the reps of industry in IMC. As per guidelines of the Scheme for establishment of Model ITIs, an Institute Management Committee (IMC) registered as a Society must be functional for the proposed ITI. The IMC should also be run by an identified champion industry partner.

- (a) Does the proposed Model ITI has a duly formed IMC? Yes / No
- (b) Is the IMC registered as a Society? Yes / No
- (c) Please indicate the details of the IMC composition in the table below:

1	Chairman of the IMC			
	(i) Name			
	(ii) Parent Organization and Designation			
	(iii) Address			
	(iv) Phone			
	(v) Fax			
	(vi) Email			
(vii) Industrial Sector				
2	Secretary of the IMC (Principal of ITI)			
	Industry Members	Name of member	Organization and Designation	Industrial Sector
3	Member 1			
4	Member 2			
5	Member 3			
6	Member 4			
	State Government Representatives	Name of member	Department and Designation	
7	Member 1			
8	Member 2			
9	Member 3			
10	Member 4			
11	Member 5			

(d) Champion Industry Partner: _____

(e) Any other details related to the IMC: _____

4. DETAILS OF LOCAL INDUSTRIES AND INDUSTRIAL RELATIONS

Please provide the details of the existing industrial landscape as well as the industrial relations of the proposed Model ITI:

- (a) Which industrial sectors are currently active in the geographical region of the proposed Model ITI? *[Provide details]*

S.No.	Industrial Sector	Name of the Industries
1.		
2.		
3.		

- (b) Which sector(s) does the Institute primarily caters to at present?

S.No.	Industrial Sector	Trades in the ITI	Units
1.			
2.			
3.			

- (c) Please provide the details of any existing industrial tie-ups or MoUs of the Institute for the sector(s). *[Provide details]*

- (d) Which trades have a high employment potential in the geographical region of the proposed Model ITI and if it is not currently offered by the Institute. *[Provide details]*

S.No.	Industrial Sector	Trades
1.		
2.		
3.		

5. DETAILS OF PLACEMENT OF TRAINEES :

(a) Does the proposed Model ITI have a functional Training, Counseling and Placement Cell (TCPC)? *Yes / No*

(b) Details of placement offered to trainees in the past 3 years

Session	% Passed against examined	% Placement against passed	Average Annual Salary
2011-12			
2012-13			
2013-14			

SECTION-2: UPGRADATION PLAN FOR PROPOSED MODEL ITI

1. IDENTIFICATION OF INDUSTRY CLUSTER

As per guidelines of the Scheme for establishment of Model ITIs, the proposed Model ITI should be situated in a prominent industrial cluster in the State / UT. It is also expected that the Model ITI will establish links with other industrial clusters in its vicinity to enable it to function as a solution provider to the cluster group.

Please list the industrial cluster will the proposed Model ITI primarily cater to?

S.No.	Industrial Sector
1.	
2.	
3.	

2. PROPOSED ACTIVITIES TO UPGRADE THE ITI AS PER SCHEME OBJECTIVES

Please provide details of the proposed activities to upgrade the ITI as per Scheme Objectives:

- a) Please provide the details of trades to be upgraded in the table below. The units to be upgraded must not have been funded under any Central Scheme in the past. The trades being upgraded should also contribute to the overall objective of the Model ITI of catering to specific industrial sectors.

S.No.	Trade to be Upgraded	Industrial Sector	No. of Units to be Upgraded	Total Cost
1.				
2.				
3.				

- b) Please provide the details of obsolete trades / trades with lackcluster demand to be discontinued in the table below. Appropriate justification maybe provided for the same briefly.

S.No.	Trade to be Discontinued	Existing Number of Units	Brief Justification
1.			
2.			

- c) Please provide the details of new trades to be introduced in the table below. The new trades should contribute to the overall objective of the Model ITI of catering to specific industrial sectors.

S.No.	Trade to be Introduced	Industrial Sector	No. of Units to be Introduced
1.			
2.			
3.			

- d) Please provide the details of MES Courses that will be introduced to cater to the needs of existing workers and to the workers of the unorganized sector.

S.No.	MES Course to be Introduced	Industrial Sector	Annual No. of Trainees
1.			
2.			
3.			

3. **DETAILS OF FINANCIAL AND MANPOWER RESOURCES REQUIRED :** The State Government may submit a plan for total funds required to upgrade the ITI into Model ITI while identifying separately components that are to be covered under the scheme. Please provide details of the estimated resources required:

- (a) Total Cost of Upgradation: Rs. _____ (lakhs)
 (b) Out of (a) above, please indicate the total cost of upgradation to be covered under the scheme : Rs. _____ (lakhs)
 (c) In the table below, please provide the estimated break-up of cost components as per point (b) above .

(Amount in Rs. lakhs)

S. No.	COST COMPONENTS	ITEMS (as per NCVT norms)				Recurring Exp.	Total
		Civil Works	Equipment, tools etc.	Furniture	Learning Material, S/W		
1.	Revamp of courses						
	(i) For upgradation						
	(ii) For new trades						
2.	Strengthening / Establishment of TCPC						
3.	Other activities such as outreach (Please specify)						
GRAND TOTAL							

Detailed list of equipment, tools and furniture as per NCVT norms alongwith estimated cost may be annexed.

(d) Details on Civil Works (restricted to 25% of the project cost):

(Amount in Rs. lakhs)

S. No.	Civil Work	Quantity	Area of construction/ renovation	Estimated cost
Renovation				
New Construction				

(e) Please provide details of additional manpower requirement (instructors for new trades and TCPC coordinator etc.) and other related recurring cost, required for smooth functioning of the ITI.

S. No.	Component	Recurring Expenditure for Manpower
1.	New trades	
2.	TCPC	

(f) Cost of upgradation of ITI that would be borne by the State [3(a)-3(b)]: Rs. _____ (lakhs)
(It may be ensured that activities under the scheme are delinked from the activities taken from State fund eg. Procurement / installation of equipment should not get delayed due to non-completion of civil works which is envisaged from state resources)

4. TARGET PERFORMANCE INDICATORS

The present scheme is only for a period of three years. The current baseline and annual measurable targets maybe indicated in the matrix below. Reference annual target numbers may be used from the Scheme guidelines document.

S.No.	Performance Indicator	Baseline (2013-14)	Year 1	Year 2	Year 3
1.	Overall Seat Utilization				
2.	Passout Rate (overall average)				
3.	Placements (overall average, wage employment only)				
4.	Mean monthly wages of placed candidates				
5.	Number of outside workers trained by additional short term courses being run				

5. ADDITIONAL DETAILS

Please provide any additional details that can aid in the consideration of the proposal which has not been covered in the above sections.

Authorized Signatories:

ITI Principal (IMC Secretary)

Name: _____

Date: _____

Place: _____

IMC Chairman

Name: _____

Date: _____

Place: _____

MEMORANDUM OF AGREEMENT

AMONG

THE PRESIDENT OF INDIA;

THE GOVERNOR/ADMINISTRATOR

Of

THE STATE /UT

AND

INDUSTRY PARTNER

NAMELY.....

FOR

“UPGRADATION OF EXISTING GOVERNMENT INDUSTRIAL TRAINING
INSTITUTES INTO MODEL ITIs”

Name of ITI.....

District.....

State/UT.....

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is made on this day of between the President of India acting through Shri, Joint Secretary, Ministry of Skill Development & Entrepreneurship, Government of India, 2nd Floor, Annexe Building Shivaji Stadium, Shaheed Bhagat Singh Marg, Connaught Place, New Delhi 110001 (hereinafter called **‘THE FIRST PARTY’**); the Governor/ Administrator of the State/UT of..... acting through Shri..... Secretary/Principal Secretary, Government of(address) (hereinafter called **‘THE SECOND PARTY’**) and the Champion Industry Partner/ namely M/s through Shri/ Smt.....(designation)(who also acts as IMC Chairperson) (complete Address) (hereinafter called **‘THE THIRD PARTY’**).

WHEREAS it has been the policy of THE FIRST PARTY that skills imparted by the Industrial Training Institutes (ITIs) must keep pace with the qualitative and technological demands of the industry & expanding universe of knowledge;

AND WHEREAS in pursuance of the aforementioned policy, it is proposed to take up a Scheme for **“Upgradation of Existing Government Industrial Training Institutes into Model ITIs”** (hereinafter called **THE SCHEME**) with the main objective of developing a benchmark for industry oriented ITI which would serve as a model for other ITIs and would also raise dignity of ITI education.

AND WHEREAS all the three above named PARTIES commit to upgrade the Industrial Training Institute..... (name and full address)(hereinafter called **THE ITI**) under this SCHEME.

THE PARTIES HEREOF AGREE AS FOLLOWS:

SECTION A: ROLE OF THE FIRST PARTY

1. THE FIRST PARTY has provided grants-in-aid the Institute Management Committee (IMC) of THE ITI, as referred in Para 1 of Section B, based on the Implementation Plan developed by the Institute Management Committee. THE SECOND PARTY has provided equivalent grant that complements the funds provided by THE FIRST PARTY. THE SECOND PARTY may disburse these

grants to the IMC of THE ITI as per stipulated guidelines of THE SCHEME. The fund sharing between THE FIRST PARTY and THE SECOND PARTY would share grant in the ration of 70:30 . The fund sharing is 90:10 for North-Eastern States.

SECTION B: ROLE OF THE SECOND PARTY:

1. To participate in THE SCHEME, THE SECOND PARTY has constituted/reconstituted an Institute Management Committee (hereinafter called THE IMC) in THE ITI and registered it as a Society under the relevant Societies Registration Act. THE IMC has been entrusted with the task of managing the affairs of THE ITI according to the terms and conditions set out in this Memorandum of Agreement and spelled out in the Memorandum of Association and Rules and Regulations of the Society so formed. THE IMC Society is led by a Champion Industry Partner organization as per its Memorandum of Association and Rules and Regulations.
2. THE IMC Society consists of the following members :
 - i) A representative nominated by THE THIRD PARTY to act as the Chairperson
 - ii) Four other members from the local industries nominated by THE THIRD PARTY
 - iii) Five representatives nominated by THE SECOND PARTY
 - iv) The Principal of the ITI, as the ex-officio Member Secretary
3. THE IMC acts as the Governing Council of the Society. It may associate additional members in the society as per need.
4. Having undertaken the activities as per above mentioned paras, THE SECOND PARTY now agrees and undertakes to:
 - a) Delegate to THE IMC adequate administrative and financial powers to
 - (i) assess emerging skill requirements in the region and suggest changes in training courses being run in THE ITI;
 - (ii) start short-term training courses and charge suitable fees for the same;
 - (iii) review training needs and approve training of instructors, and of administrative/office staff;
 - (iv) enter into flexi-MoUs with industry as per the stipulated guidelines of THE SCHEME;
 - (v) facilitate placement of ITI graduates;

- (vi) generate, retain and utilize the revenue;
 - (vii) appoint contract faculty as per need;
 - (viii) appoint professional(s) for the Training, Counselling, and Placement Cell (THE TCPC) and/or Career Guidance Centre as per need;
 - (ix) make recommendations to THE SECOND PARTY on the funds provided by it to THE ITI out of its Annual Budget; and
 - (x) make expenditure out of the grants disbursed by THE SECOND PARTY under THE SCHEME as per the prescribed terms and conditions.
- b) Encourage and provide all assistance to THE IMC to establish training-cum-production centre and to start a second / third shift in THE ITI.
 - c) As the owner of the ITI, continue to regulate admissions and fees for the regular training courses except upto 20% of the total number of seats which are to be determined by THE IMC.
 - d) Assist the IMC in any other manner to help achieve the objectives of improving quality of training and thereby provide better employment opportunities to the trainees.
 - e) Ensure that the sanctioned strength of instructors in THE ITI is always filled up and in no case the vacancies shall exceed 10 percent of the sanctioned strength at any point of time.
 - f) Ensure that all additional positions required by THE ITI in accordance with its Implementation Plan are sanctioned and filled up on priority
 - g) Continue to have administrative control over the staff of THE ITI and pay their salaries and other emoluments.
 - h) Ensure the provision of funds to meet office, administrative and other recurring expenses. However, THE SECOND PARTY is free to provide funds for any additional activities recommended by THE IMC for upgradation of THE ITI.
 - i) Ensure that faculty instructors taken on contract etc are paid minimum of Rs. 14,000/- per month from the year of signing this Memorandum of Agreement and which shall be increased by at least 5% every year thereafter.
 - j) Ensure that reports are collected from THE IMC, examined, compiled and submitted to THE FIRST PARTY in the format 1 to 3 as per frequency prescribed, within one month of end of the period under consideration.
- 5. The SECOND PARTY may change the THIRD PARTY for:**
- a) breach of terms and conditions spelled under this Memorandum of Agreement and spelled out in the Memorandum of Association and Rules and Regulations of the Society;
 - b) undertaking any activities falling under criminal offence;

- c) causing financial irregularities, and for reasons specified at Section F (10) (iii) of this Memorandum of Agreement; and / or
 - d) replacing the THIRD PARTY with another Champion Industry Partner for improving the upgradation activities of the ITI with approval of the FIRST PARTY.
6. The SECOND PARTY will take all efforts to ensure the success of THE ITI and emulate the same across other ITIs in the State. It will also compile an annual report to be submitted to THE FIRST PARTY consisting of:
- a) an assessment of the performance of THE ITI that is in addition to the periodical reports provided by THE IMC;
 - b) a compilation of the best practices developed at THE ITI by using the funding under THE SCHEME;
 - c) a list of other ITIs in the State that are adopting the best practices developed at THE ITI and the support extended by THE SECOND PARTY for the same;

SECTION C: ROLE OF THE THIRD PARTY

1. To participate in THE SCHEME, THE THIRD PARTY has :
 - a) nominated a representative as a member of THE IMC to act as Chairperson;
 - b) nominated four other members from the local industries in such a way that THE IMC becomes broad based;
 - c) ensured that THE IMC has at least one woman representative preferably from Industries as member.
2. Having undertaken the above actions, THE THIRD PARTY agrees to provide training to faculty members and on the job training to trainees of THE ITI in industrial establishments.
3. The THIRD PARTY may contribute financially and /or in terms of machinery and equipment which may be instrumental in furthering the objectives of THE SCHEME.
4. The THIRD PARTY will open a separate account for this purpose and THE IMC shall maintain regular books of accounts as required under THE SCHEME/relevant Societies Registration Act. THE FIRST PARTY may call for its accounts relating to any accounting year and authorize an officer for inspection of its books.

SECTION D: THE ROLE OF THE IMC

1. THE IMC agrees and undertakes to, inter alia:
 - a) develop the Implementation Plan for THE ITI in the Format issued by THE FIRST PARTY. The Implementation Plan shall define the long-term goals of the institute, the issues and challenges facing the institute and the strategies for dealing with them. It shall set targets for institutional improvement, ensure to achieve key performance indicators as described in Section E of this MoA, and detail the financial requirement with year wise break up to meet the needs;
 - b) obtain short term, medium term and long term requirement of skilled work force and take steps to produce graduates accordingly;
 - c) identify training needs of faculty and depute them for training in associated industries/ other institutes;
 - d) ensure implementation of various activities of the scheme in time bound manner so as to adhere to the time schedule agreed in the Implementation Plan;
 - e) monitor the progress of implementation of the scheme at the Institute level, furnish periodical reports to THE SECOND PARTY as per the format prescribed by the FIRST PARTY and THE SECOND PARTY from time to time and send a copy of reports directly to THE FIRST PARTY also;
 - f) set up suitable mechanism to obtain feedback from the trainees and industry about quality of training and use the feedback for improvement in the training delivery;
 - g) strengthen THE TCPC in THE ITI to work as a Career Guidance Centre as envisioned in the National Career Service and guide/help the graduates in employment/self-employment;
 - h) develop suitable sustainable mechanism to trace the careers of the graduates for at least three years;
 - i) ensure the admissions in THE ITI upto 20% as provided in section B of this Agreement;
 - j) ensure re-affiliation of trades in THE ITI if due as per the guidelines of DGET;
 - k) undertake the star rating of THE ITI as stipulated in the Rating Scheme of ITIs;
 - l) take steps for revenue generation as per the set target.
2. The responsibilities identified above as well as in the guidelines of THE SCHEME must be included in the Memorandum of Association and Rules and Regulations of THE IMC/ Society.

SECTION E: MONITORING MECHANISM

All the three stakeholders shall be responsible for monitoring the implementation of the scheme. The responsibilities of all the PARTIES are as under:

1. With the broad objective of improving the quality of training leading to better employability, all the three parties have jointly agreed that the following shall be the Key Performance Indicators (KPIs)

<i>S.No.</i>	<i>Key Performance Indicator</i>	<i>Target Values*</i>		
		<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>
1.	<i>Overall Seat Utilization</i>			
2.	<i>Passout Rate (overall average)</i>			
3.	<i>Placements (overall average, wage employment only)</i>			
4.	<i>Mean monthly wages of placed candidates</i>			
5.	<i>Number of outside workers trained by additional short term courses being run</i>			

* as per Implementation Plan

2. The agreed KPIs in format enclosed at Annex 'A' and signed by the IMC Chairman on behalf of IMC and THE SECOND PARTY shall be appended to this Memorandum and shall be deemed to be an integral part of this Memorandum.
3. THE IMC shall develop monitoring mechanism to review the performance of THE ITI under THE SCHEME and submit quarterly reports to THE SECOND PARTY.
4. THE SECOND PARTY shall also monitor the implementation of THE SCHEME on the basis of reports submitted by THE IMC on quarterly basis and furnish a consolidated report to THE FIRST PARTY. This report is over and above the annual assessment as described in Para 6 of Section B.
5. In case, KPI of an ITI remains unmet, a special report shall be submitted by the IMC to THE SECOND PARTY explaining reasons for the same and steps proposed to be taken to improve the same.

6. THE SECOND PARTY while submitting periodical report to THE FIRST PARTY shall make special mention about such IMC and enclose copy of the report of the IMC along with comments of THE SECOND PARTY. The FIRST PARTY shall carefully examine such reports and ensure that necessary action including, but not limited to, withholding all further disbursements of funds, cancelling the entire incentive fund as described in the guidelines of THE SCHEME, asking IMC to refund some grant amount, or change of IMC, is taken.

SECTION F: RELEASE OF FUNDS AND ITS UTILISATION

1. The disbursements received by THE IMC shall be kept in a separate bank account opened in the name of THE IMC. Any private contributions, special grants received from State Government etc. and revenue generated by THE IMC shall also be deposited in this bank account.
2. The grant amount may be used for the purposes as stipulated in the guidelines of THE SCHEME.
3. Release of grants-in-aid will be in three installments as per agreed norms. The last installment would be given as an incentive fund contingent to performance of ITIs and achieving target Key Performance Indicators as identified in the MoA.
4. Any deviation from the above pattern of use of funds has to be justified in the Implementation Plan and has to be approved by THE SECOND PARTY on case to case basis and as per the guidelines issued by THE FIRST PARTY from time to time.
5. In no case shall the grant amount be used for paying salaries to faculty and staff for the existing courses and also meeting office, administrative and other running expenses related to existing facilities in the ITI such as electricity dues, water charges, municipal dues, etc.
6. The grant received by the IMC Society and any revenue earned by it shall be deposited in a public sector bank only. The funds of the IMC Society shall not be utilized for acquiring any stocks, bonds or securities.
7. The FIRST PARTY shall have power to issue other instructions in respect of utilization of funds of THE IMC from time to time.

8. IMC while planning and executing various activities shall ensure that the balance fund including seed money and interest available does not exceed Rs. one Crore or such amount as decided by THE FIRST PARTY after 31st March 2016 and any balance beyond this amount may be refunded to the Central Government.
9. To ensure that the objective of providing the funds to IMC is met and various parameters prescribed under this Memorandum of Agreement are followed, the need to continuously monitor performance and create disincentives for non-performance is agreed by all parties. Accordingly, it is agreed that non-achievement of target values of the KPIs prescribed at Para 1 of Section E, or non-compliance with points (c) to (k) of Para 1 of Section D of this Memorandum of Agreement would be considered as defaults. Second Party shall take all steps to ensure that defaults are kept to the minimum and in case any of the defaults in the ITI/IMC takes place that severely impact the objectives of THE SCHEME, it is agreed that THE SECOND PARTY shall change THE THIRD PARTY within a period 6 months. THE FIRST PARTY will carefully examine such cases and may also ask the IMC to repay upto 50% of the disbursed amounts to the Central Government.
10. In case, for some reason, the punitive actions as at Para 8 above do not take place, THE FIRST PARTY shall have authority (a) to freeze the bank account(s) of IMC in which money received under the scheme is kept and (b) to issue instructions with respect to utilization of the fund in the manner deemed appropriate.

SECTION G: MISCELLANEOUS

1. For effective implementation & monitoring of THE SCHEME as envisaged in the Memorandum, Joint Secretary, Directorate of Training, Ministry of Skill Development & Entrepreneurship will be the Nodal Officer on behalf of THE FIRST PARTY; the State Secretary dealing with vocational training in the Government of will be the Nodal Officer on behalf of 'THE SECOND PARTY' and the(designation and address) will be the Nodal Officer on behalf of THE THIRD PARTY.
2. In order to ensure sustainability of THE SCHEME 'THE SECOND PARTY and THE IMC shall ensure availability of sufficient funds for purchase of consumables and material for training.

3. This Memorandum of Agreement shall be effective upto the duration of THE SCHEME.
4. The efforts of all the parties shall be to resolve the issues, if any, amicably. However, in case of disagreement, the matter shall be placed before Minister for Skill Development & Entrepreneurship, Government of India, whose decision shall be final & binding on all the three parties.
5. Through this MEMORANDUM OF AGREEMENT, all the three parties affirm their commitment to carry out the activities and achieve the objectives as mutually agreed upon herein in true letter and spirit.
6. For successful implementation of THE SCHEME, this Memorandum may be amended by deleting, adding or revising the clauses during implementation of THE SCHEME, in consultation with all the three parties.

Signed at New Delhi on..... this day of20..... .

For and on behalf of
The Governor /
Administrator
State/UT Government
of

(.....)
Secretary
Government of

Witnesses

- 1.
- 2.

For and on behalf of
The Champion Industry
Partner

and

For and on behalf of
IMC as Chairman

(.....)
(Shri /Smt.....)

Witnesses

- 1.
- 2.

For and on behalf of
The President of India

(.....)
Joint Secretary, Ministry
of Skill Development &
Entrepreneurship,
Government of
India

Witnesses

- 1.
- 2.

Progress report for quarter ending on _____

Figures in Rs. in Lakh

S.No	Name of the ITI	Financial Year in which the grant was released	Amount released	Interest received till the beginning of current Financial Year	Revenue generated till last Financial Year	Expenditure incurred till the end of last Financial Year	Opening Balance for current financial year	Revenue generated in this Financial Year	Expenditure incurred till last quarter of current financial year	Expenditure incurred in this quarter	Total expenditure incurred	Balance fund available at the end of this quarter
1.	2.	3.	4.	5.	6.	7.	8. = 4. + 5. + 6. - 7.	9.	10.	11.	12. = 10.+11	13. = (8. +9.) - (12)
1												

(e) Details on Instructors in the ITI:

Instructor availability					Number of trained Instructors (Out of filled posts)	
Sanctioned	Filled (Regular)	Filled (Contract)	% Vacant [(b)+(c)]/[a]	Guest Lecturer for vacant posts	Trained	Untrained
(a)	(b)	(c)	(d)	(e)	(f)	(g)

(f) Indicate action initiated and date by when vacant post(s) of instructor(s) is likely to be filled.

(g) Please indicate Key Performance Indicators (KPIs)

<i>S.No.</i>	<i>Key Performance Indicator</i>	<i>Base Line</i>	<i>Target Values*</i>	<i>Achievement</i>
1.	<i>Number of outside workers trained by additional short term courses being run</i>			

** as per Implementation Plan*

Annual physical progress report

S.No	Name of the ITI	Financial Year in which the interest free loan was released	Candidates Appeared in the last financial year	Candidates passed in the last financial year	Corresponding intake capacity including supernumerary seats	% of appeared V/S intake capacity	% of passed V/S appeared	Total No. of seats available of admissions in last Financial Year	Number of seats for which fee fixed was more than Rs. 5000/-	Number of seats actually filled with a fee of more than Rs. 5000/-	% of admissions made with a fee more than Rs. 5000/-
1.	2.	3.	4.	5.	6.	7. = $(4. \div 6.) \times 100$	8. = $(5. \div 4.) \times 100$	9.	10.	11.	12. = $(11 \div 9.) \times 100$
1											
2											
3											

2. DETAILS OF TRAINING PROGRAMMES :

Academic Year :

Details of Available Trades			Trainees on roll			Past GoI Funding
<i>Trade Name</i>	<i>Sanctioned Units</i>	<i>Seating Capacity</i>	<i>1st Year</i>	<i>2nd Year</i>	<i>Total</i>	<i>No. of Units Funded through Past Scheme(s)</i>
NCVT Trades						
1.						
2.						
3.						
4.						
C. Total (NCVT)						

3. Please indicate Key Performance Indicators (KPIs)

<i>S.No.</i>	<i>Key Performance Indicator</i>	<i>Base Line</i>	<i>Academic Year 20...</i>	
			<i>Target Values*</i>	<i>Achievement</i>
1.	<i>Overall Seat Utilization</i>			
2.	<i>Passout Rate (overall average)</i>			
3.	<i>Placements (overall average, wage employment only)</i>			
4.	<i>Mean monthly wages of placed candidates</i>			
5.	<i>Number of outside workers trained by additional short term courses being run</i>			

* as per Implementation Plan

Annual expenditure report

Consolidated statement on fund utilized for the financial year ending <.....Month.....> <.....Year.....>

Figures in Rs. in Lakh

S.No	Name of the ITI	Financial Year in which funds were released	Opening Balance at the beginning of financial year	Interest received + revenue generated during the financial year	Breakup of expenditure incurred during the financial year					Balance funds available at the end of the financial year
					Civil works	Tools, equipment, machinery and furniture	Manpower	All other expenditures including miscellaneous	Total expenditure incurred	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.= 6.+7.+8.+9.	10. = (4. + 5.) - 10.
1										

Target Key Performance Indicators (KPIs)

This Addendum shall become a part of the Memorandum signed amongst the Central Government, State Government and Champion Industry Partner once it is finalized by the three parties based on the Implementation Plan of the Institute Management Committee (IMC) of an ITI under the scheme for **UPGRADATION OF EXISTING GOVERNMENT INDUSTRIAL TRAINING INSTITUTES INTO MODEL ITIs.**

We the following two parties have jointly agreed to year-wise targets of Key Performance Indicators (KPIs) mentioned below for the Industrial Training Institute _____ (name and address) _____ to be achieved under the scheme UPGRADATION OF EXISTING GOVERNMENT INDUSTRIAL TRAINING INSTITUTES INTO MODEL ITIs.

S.No.	Key Performance Indicator	Target Values *		
		Year 1	Year 2	Year 3
1.	Overall Seat Utilization			
2.	Passout Rate (overall average)			
3.	Placements (overall average, wage employment only)			
4.	Mean monthly wages of placed candidates			
5.	Number of outside workers trained by additional short term courses being run			

* To be filled as per Implementation Plan

Signed at New Delhi on..... day of200....

For and on behalf of the
Governor/ Administrator
State/UT Government of
.....

(.....
.....)
Secretary, Government of
.....

The IMC Chairman of
ITI
.....
.....

(For and on behalf of
IMC)

Joint Secretary,
Ministry of Skill
Development &
Entrepreneurship,
Government of India

Financial and Procurement Procedure

To be followed by the Institute Management Committees for utilization of the funds received by the IMC Society.

1. Release of funds - 70:30 & 90:10 :- The following guidelines/instructions are issued to the IMC Societies in respect of the procedure to be followed for utilization of funds received by them the Central Govt. under the Scheme

2. Administrative Approval : Except for some contingent expenses of upto Rs. 5000/- at a time, all expenditure made out of the funds of the IMC Society shall have the administrative approval of the Governing Council of the IMC Society.

3. Financial powers of different authorities in IMC Society : The following authorities in the IMC Society shall have financial power to incur expenditure of any nature (works, procurement of goods, services, consultancy etc.) upto the monetary limits mentioned below :

- | | | | | |
|--|---|------------------------------------|------------------------|--------------|
| 1. Upto Rs. 15,000 | - | ITI | Principal/Chairperson, | IMC Society. |
| 2. Above Rs. 15,000 and upto Rs. 10 lakh | - | Works and Procurement Committee of | | IMC Society. |
| 3. Above Rs. 10 lakh | - | Governing Council of the | | IMC Society. |

3.1 Works and Procurement Committee of the IMC Society shall consist of

- | | | |
|------------------------------------|---|-------------|
| 1. Chairperson/Vice-Chairperson | - | Chairperson |
| 2. Member Secretary | - | Member |
| 3. Nominated Senior faculty member | - | Member |
| 4. One nominated Industry member | - | Member |

4. Procurement Procedure: The authorities mentioned in para. 4 above shall carry out works and procure goods and services according to the procedure mentioned below:

S.No.	Type and amount of Expenditure	Procurement Procedure
1.	<p>Works (Civil/Electrical)</p> <p>(i) Upto Rs. 5 lakh</p> <p>(ii) Above Rs. 5 lakh</p> <p>Note : For works IMC may take assistance from State Public Works organizations or hire consultants to assist in preparing estimates, tendering, supervision of work, clearance of bills and payments. However, the rates for different items of work shall not exceed the Scheduled rates of relevant State</p>	<p>Limited tender enquiry :More than three tenders/quotations shall be called from # [the contractors registered with the Central Govt. Departments such as CPWD or State Government Departments such as PWD or Indian Railways or Military Engineering Services or Border Road Organization or Public Sector Undertakings set up by the Central Govt. or State Govt. to carry out civil or electrical works.]</p> <p>Open tenders to be called by advertising in at least one national daily having wide circulation.</p>
2.	<p>Goods</p> <p>(i) Upto Rs. 15,000/- on each occasion</p> <p>(ii) Above Rs. 15,000/- and upto Rs. 1 lakh on each occasion</p>	<p>Prudent shopping without inviting quotation or bids. A certificate of satisfaction about the quality of goods and reasonableness of their prices to be recorded by the competent authority.</p> <p>Prudent shopping by a Committee of 3 Members chosen by the Works and Procurement Committee who will survey the market to ascertain reasonableness of rate, quality and specifications and identify the appropriate supplier. A certificate of satisfaction about the quality of goods and reasonableness of their prices to be recorded by the 3 member committee.</p>

	<p>(iii) Above Rs. 1 lakh and upto Rs. 25 lakh</p> <p>(iv) Above Rs. 25 lakh</p> <p>Note Directorate General of Supplies & Disposal (DGS&D) rate contracted goods can be procured from suppliers. The prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of purchase should be in line with those specified in the rate contract. The IMC should make its own arrangement for inspection and testing of such goods where required.</p>	<p>Limited tender enquiry More than three tenders/quotations shall be called from suitable manufacturers/suppliers.</p> <p>Open tenders to be called by advertising in at least one national daily having wide circulation. (For purchasing high value plant, machinery, etc. of a complex and technical nature, bids may be obtained in two parts, i.e., Technical bid and Financial bid)</p>
3.	<p>Engaging Consultants/guest lectures</p> <p>(i) Upto Rs. 10 lakh in a year</p> <p>(ii) Above Rs. 10 lakhs and upto Rs. 25 lakhs during the project period</p>	<p>By calling for bids from more than three potential consultants, identified on the basis of formal /information inquires</p> <p>By seeking “Expression of Interest” form consultants by publishing in a least one national daily having wide circulation and then following a two bid- Technical and Financial bid, Procedured with approval of State Govt.</p>

4.	<p>Outsourcing of Services</p> <p>(i) Upto Rs. 10 lakh</p> <p>(ii) Above Rs. 10 lakh</p>	<p>Limited tender enquiry - by inviting offers from at least six contractors/service providers.</p> <p>Open tenders to be called by advertising in at least one national daily having wide circulation.</p>
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5. The Cheques of the Bank Account of the IMC Society should be signed by the following authorities of the Society:

- i) Cheques of amount upto Rs. 15000/- by the Member Secretary (ITI Principal) and one Industry member nominated by the Chairperson who is regularly available locally.
- ii) Cheques of amount larger than Rs.15,000/- by the Member Secretary (ITT Principal) and the Chairperson of the Society.

6. In case of financial decisions taken by the Works and Procurement Committee and Governing Council, the Member Secretary (ITT Principal) will sign all the required documents.

7. Overall, the IMC Society should ensure that the funds of the Society are spent in the most efficient manner; only for the purposes mandated in the Memorandum of Association of the IMC Society; and in accordance with Implementation Plan.

8. The State Government must submit Utilisation Certificate in Form GFR 19A in respect of individual ITI indicating expenditure incurred under the scheme should be furnished to Directorate of Training, MOSD&E in duplicate. The GFR 19A format is annexed as Annex I.

FORM GFR – 19A

FORM OF UTILISATION CERTIFICATE

FOR THE SCHEME

Sl. No.	Letter No. and date	Amount
1.	Central Govt share released vide DGET Letter No.-----dated ----- ---	Rs. _____
2.	State Govt. share released vide State Govt. letter No. _____ dated _____	Rs. _____
	TOTAL (1 + 2)	Rs.

Certified that out of Rs._____. **(Central Share to be mentioned)** of Grants-in-Aid released during the FY_____ in favour of Govt. of _____ under the Ministry/ Department letter No. given in the margin and Rs. _____ **(amount in words)** on account of unspent balance of the previous year, a sum of Rs. _____ **(amount in words)** has been utilized for the purpose of _____ for which it was sanctioned and that the balance of Rs. _____ remaining un-utilized at the end of the year has been surrendered to Govt. vide letter No. _____ dated _____ / _____ will be adjusted towards the grant- in-aid payable during the next year.

It is also certified that out of 25% state share, an amount of Rs._____ **(State Share to be mentioned)** has also been contributed from the State Government of which Rs._____ **(amount in words)** is utilized along with the Central Share.

Certified that I have satisfied myself that the conditions on which the grant-in-aid was sanctioned, have been duly fulfilled on that, and I have exercised the following Checks to see that the money was actually utilized for the purpose for which it was sanctioned.

Kinds of Checks exercised:

1. Procurement procedure followed as per norms.
2. Procurement certificate furnished.
3. Civil Works carried out as per NCVT approved space norms.
4. Civil works carried out by PWD / State approved agencies as per approved estimates and layout drawings.
5. Any other check required as per the guidelines.

Signature of State Director
Date