

PEKELILING KEMAJUAN PENYELIDIKAN MPOB BIL. 1 TAHUN 2010

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MALAYSIAN PALM OIL BOARD
MINISTRY OF PLANTATION INDUSTRIES AND COMMODITIES, MALAYSIA

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MPOB

**MALAYSIAN PALM OIL BOARD
(MPOB)**

GUIDELINES ON CONSULTANCY SERVICE

GUIDELINES ON CONSULTANCY

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MALAYSIAN PALM OIL BOARD GUIDELINES ON CONSULTANCY

1. INTRODUCTION

This document sets out the guidelines for MPOB officers who are to be engaged in providing consultancy service to others outside MPOB.

2. OBJECTIVES

The objectives of the provision of this consultancy service are :-

- i) to effectively disseminate research results for the benefit of the palm oil industry;
- ii) to make available expertise available within MPOB for the benefit of the palm oil industry;
- iii) to provide an avenue for MPOB officers to achieve further self-fulfillment and recognition;
- iv) to make MPOB the reference centre of palm oil knowledge and expertise.

3. TYPES OF SERVICES (HEREINAFTER CALLED "THE SERVICES")

3.1 Consultancy Services

Types of consultancy services which may be provided are as follows:-

- i) Consultancy service in fields of expertise, whether scientific, technical or otherwise, to clients requiring such services for application in the palm oil industry;
- ii) Contract research in areas relevant to oil palm/palm oil;
- iii) Subject to special approval from the Director-General, consultancy or contract research in areas not relating to palm oil.

3.2 Ancillary Services/Facilities

Ancillary services and facilities which may be provided in carrying out the consultancy services include, but shall not be limited to:-

Ancillary Services:-

- i) Lectures, courses and seminars;
- ii) Chemical analysis;
- iii) Computer work.

Facilities

- i) Conference Hall, lecture rooms;
- ii) Laboratories
- iii) Computers

4. MPOB OFFICERS WHO ARE ELIGIBLE

4.1 Eligible Officers

MPOB officers eligible for consideration to provide consultancy service are:-

- i) All grade 48 officers and above;
- ii) Officers of lower grade 41-44 whose services are required in commercialization arising from their research projects;
- iii) Any other officer designated or approved by the Director-General from time to time under special circumstances.

4.2 Conditions

The following conditions must be fulfilled unless waived by the Director-General:-

- i) the services shall not involve more than one-third of the officer's official working time;
- ii) an officer shall not be involved in more than three (3) projects at any one time;
- iii) an officer shall have achieved at least seventy percent of his target of publications in the previous year.

5. CLIENTS

Persons, firms or companies eligible to enjoy the benefit of the Services shall include:-

- i) Palm Oil cess contributors;
- ii) Other Malaysians requiring services in relation to the palm oil industry;
- iii) Non-Malaysians requiring the services relating to palm oil and who are not in competition with Malaysian palm oil;

The following may enjoy the benefit of the Services only under special circumstances and with the approval of the Director-General in writing:-

- iv) Those who require the Services in matters not related to palm oil;
- v) Those who are from countries which are in competition with Malaysian palm oil.

6. **CONTRACTUAL TERMS**

In negotiations with potential clients, it is important that the following items be discussed and agreed upon. Such negotiations shall be held in close consultation with the Director of Administration and Finance or his representative.

- i) **Scope of Consultancy**
The limits of services required must be clearly spelled out, e.g. area of expertise required, whether limited to just giving of advice or requiring work in preparation of tender documents, preparation of drawings, selection of contractors, supervision of works etc.
- ii) **Staff**
The numbers and names relevant staff must be agreed upon (the concurrence of such staff to act as consultants must be obtained)
- iii) **Duration**
The date of commencement and duration of the Services must be stated, including the expected man-hours, man-days or man-months, where relevant.
- iv) **Intellectual Property Rights**
As far as possible, full ownership rights of intellectual property arising from the Service for MPOB shall be negotiated.
- v) **Publication Rights/Confidentiality**
As far as possible, full publication rights for MPOB shall be negotiated. However in areas where patenting is possible, confidentiality prior to grant of patent shall be requested.

vi) Professional Indemnity/Insurance

As far as possible, exclusion for professional negligence of MPOB and its officers shall be negotiated, failing which payment for professional indemnity insurance for MPOB and its officers to be paid by the client shall be negotiated.

vii) Fees Chargeable

Fees that are to be charged to the client shall be negotiated based on the principles outlined hereinafter in Section 7. The times for payment must be specified.

viii) Other terms

Other terms may be suggested by the parties and the Director of Administration and Finance from time to time.

7. DETERMINATION OF QUANTUM OF FEES

7.1 General Principles

These guidelines allow for maximum flexibility in the imposition of fees, subject only to two overriding provisos viz:

- i) where the consultancy or research work constitutes or is deemed by the Director-General to constitute part and parcel of the normal work routine of the MPOB officer and no substantial payments are intended to be collected from those receiving the benefit of the services, then no fees shall be payable;
- ii) where fees are proposed to be charged, these may be freely determined on a willing-buyer, willing-seller basis provided all overheads and expenses to be incurred by MPOB must be estimated and incorporated in the fees and recovered from the client for MPOB. The rates hereinafter provided in Attachment I may be used only as a guide.

7.2 Forms of Fee Imposition

Fees are to be negotiated and may take any one of the following forms:-

i) Normal Time-Rated Charge

- a) Under this mode of charging, services are charged per man-hour, man-day, or man-month using the rates in Attachment I as a guide. These rates may be increased where appropriate, e.g. where services to be given involve very specialized knowledge which is difficult to obtain elsewhere or where the economic benefit to the client as a result of the service is tremendous.
- b) On top of these payments, expenses and allowances will be charged for traveling, accommodation and meals according to the prevailing *Pekeliling Kewangan MPOB No. 1 Tahun 2008 on Elaun, Kemudahan dan Bayaran Dalam Perkhidmatan MPOB (I): Bertugas Rasmi Dalam Negeri dan Luar Negeri*.
- c) In addition, overheads must be charged at 10%-20% of total fees. This sum will be due to MPOB. Where a client so insists, this payment may be incorporated in the charged under (a), and this 10%-20% will be deducted and transferred to MPOB on receipt of monies from the client.
- d) Use of MPOB facilities and other services will be separately charged using the rates in Attachment I as a guide.
- e) Expenditure advanced or incurred by MPOB (e.g. use of outside laboratory services) if paid by MPOB shall be recovered from the client at a rate not less than 1.3 times actual expenditure.

ii) Lump Sum Payments

- a) Under this mode, the client is charged one lump sum. No other claims can be made to the client as this sum covers everything.
- b) All expenses and allowances for traveling, accommodation and meals will need to be estimated as accurately as possible be costed in (a) above.

- c) MPOB will deduct 10%-20% from (a) above as overheads.
- d) Use of MPOB facilities and other services will need to be estimated and costed in (a) above. MPOB shall deduct costs for use of facilities and other services from (a).
- e) MPOB will deduct 1.3 times cost of other expenditure paid by MPOB.

It is very important in this form of charging that forecast of all expenditure is correctly done. Otherwise, it might be found later that the lump sum payment may not even cover the expenses and allowances, let alone pay any consultancy fees to the officers. Also, if more than one officer is involved, an internal agreement as to the sharing of the consultancy fee component need to be worked out. An acceptable simplification of the above mode is to charge one lump sum fee and apportion 30% to MPOB to cover overheads and facilities.

iii) Other Variations

Other variations of mode of charging may be considered.

- an all-in time-rated charge based on man-hour, man-day or man-month with all claims, allowances, overheads, use of facilities and other services and expenses already costed in the time-rated charged.
- part lump sum payment and part time-rated charge which is all-in.

In all these cases, overheads and use of MPOB facilities and other services, allowances and other expenses (at least 1.3 times) shall be deducted and the balance will be deemed to be consultancy fees.

Explanatory Note :

Where the giving of lectures, courses, training etc are included as part of the scope of works in the consultancy package and given by the appointed MPOB consultants it will be charged according to the rates and terms of the consultancy package as above.

The giving of courses, lectures, training, etc. by MPOB officers who are not the consultants for the project will be subject to the normal rates, terms and conditions as stipulated by the Training Section of MPOB from time to time and will be recoverable as expenditure by MPOB.

8. DISTRIBUTION OF FEES COLLECTED

Payments collected from clients will be apportioned as follows:-

NO.	TYPE OF PAYMENT	PROPORTION DUE TO MPOB OFFICER	PROPORTION DUE TO MPOB
i.	Overheads	0	100%
ii.	Use of MPOB facilities	0	100%
iii.	Use of consultancy service of other MPOB officers	0	*100%
iv.	Expenditure paid/advanced by MPOB for a client	0	100%
vi.	Expenses and allowances for traveling, accommodation and meals	100%	0
vii.	Consultancy fees for each year, The first RM10,000.00 The Second RM10,000.00 Any amount above RM20,000.00	100% 75% 50%	0 25% 50%

* Other MPOB officers will be paid from these monies collected by MPOB.

9. **PROCEDURE FOR FINALISING CONSULTANCY AGREEMENT**

(Refer flow diagram in Attachment IV)

- i) Consultancy work may either be solicited by officers themselves or assigned to them by MPOB;
- ii) Preliminary discussion and proposals from prospective clients should cover the terms mentioned in Section 6;
- iii) No firm proposals shall be put to prospective clients unless the consent of the Director-General is first obtained;
- iv) A draft agreement incorporating matters in Section 6 is to be drawn up;
- v) The first draft shall be forwarded to the prospective client for concurrence;
- vi) A meeting with the prospective client to negotiate terms may be held if necessary;
- vii) A paper incorporating the finalized draft agreement, together with any other proposals from the prospective client, shall be presented to the *Jawatankuasa Menilai Perjanjian, Pemindahan Teknologi dan Pengkomersilan (JKMPPTP)*;
- viii) The draft agreement incorporating amendments proposed by the JKMPPTP shall be tabled to the Board for consent/amendments;
- ix) The draft agreement incorporating amendments by JKMPPTP shall be forwarded to the prospective client for concurrence;
- x) Any counter-proposal by the prospective client shall be forwarded to Director-General for decision;
- xi) The final agreement is to be signed between MPOB and the client. A signing ceremony may be held depending on the prominence of the consultancy work and the publicity requirements of MPOB.

10. **FEE COLLECTION AND DISBURSEMENT PROCEDURE**

- i) Fees shall be collected from the client according to the times specified in the Agreement;
- ii) At the designated times, the consultant or the project leader, if more than one consultant shall prepare the breakdown of all monies due from the client using the format as given in Attachment II attaching all available documents like receipts as evidence of expenditure.

The Consultant or Project Leader shall also give a breakdown of fees to be disbursed to the relevant officers out of the consultancy fees collected, taking into account the apportionment mechanism stipulated in Section 8.

- iii) The above breakdown shall be sent to the Finance Section for checking and issuance of invoice to the client.
- iv) Any dispute on the invoice by the client shall be resolved among the clients, consultant officers and the Finance Section.
- v) Upon receipt of payment from the client, consultancy fees due to consultants will be paid through Corporate Implementation & Consultancy Unit (CICU).

**GUIDE ON RATES TO BE CHARGED TO CLIENTS
(*SEE NOTE BELOW)**

NO.	TYPE OF CHARGE	RATE	REF. SECTION
1.	Consultancy fee	i) Time-rated man-month : (1.5 to 2) x Gross Monthly Salary (G.M.S.) man-day : $\frac{(1.5 \text{ to } 2) \times \text{G.M.S.}}{22}$ man-hour : $\frac{(1.5 \text{ to } 2) \times \text{G.M.S.}}{22 \times 9}$ ii) Lump Sum Estimate quantum using above time-rated rates and impute in overheads, claims and allowances and other expenses to be incurred by MPOB.	Section 7 7.2 (i) 7.2 (ii)
2.	Claim and Allowances	As in PEKELILING KEWANGAN MPOB No. 1 TAHUN 2008 on Elaun, Kemudahan dan Bayaran Dalam Perkhidmatan MPOB (I) : Bertugas Rasmi Dalam dan Luar Negara	Section 7 7.2 (i) b
3.	Overhead	10%-20% of estimated total charge for consultancy fee	Section 7 7.2 (i) c

** Note :
These rates are given as a guide only and as such rates adopted may differ depending on negotiation with clients on a willing –buyer, willing seller basis.*

4.	Use of MPOB Facilities	4.1 Rental of Conference Hall	RM100/hr	Section 7
		4.2 Rental of Meeting Room	RM20/hr	7.2 (i) d
		4.3 Rental of Laboratory Space and Equipment	RM20-RM100/hr	
		4.4 Use of Computers		
		CPU time (mainframe)	RM750/hr	
		Terminal Session	RM15/hr	
		Magnetic Disk	RM1.50/20bbk(FBA)/m RM1.50/100kbyte/m	
		Paper Printing	RM0.40/sheet	
		Data Entry	RM40.10/80 aksara	
5.	Use of MPOB Services	5.1 Chemical Analysis		Section 7
		i. Routine Analysis		7.2 (i) d
		<p>Charges to be computed based on cost estimates of materials, manpower, equipment, facilities multiplied by a factor at least of 1.3.</p> <p>(Staff engaged in routine analysis will be considered as performing their normal job functions and will not be eligible for any extra payment, but they will be allowed to be paid overtime from monies collected above if overtime is performed).</p>		
		ii. Investigative Analysis		
		<p>Investigative or any other types of analysis which involve a consultancy component which is carried out by another MPOB officer shall in addition to charges in routine analysis above include an extra consultancy fee charge which may be based on (i) above depending on the terms of the agreement.</p>		
				Section 7
				7.2 (i) d

		<p>5.2 Computer Services</p> <p>i. Routine Services</p> <p>Charges to be computed based on cost estimates of materials, manpower, equipments, facilities multiplied by a factor at least of 1.3 (staff involved will be considered as performing their normal job functions and will not be eligible for any extra payment, but they will be allowed to be paid overtime for monies collected above if overtime is performed)</p> <p>ii. Consultancy</p> <p>If the service involves a consultancy component performed by another MPOB officer, then an extra consultancy fee charged which may be based on (i) above may be levied and payable to that other MPOB officer.</p> <p>iii. Contract Preparation</p> <p>Where contract preparation is done by another MPOB officer, then an extra fee which may be based on (i) above may be levied and payable to that other MPOB officer.</p>	<p>Section 7</p> <p>7.2 (i) d</p>
6.	Expenditure and Advances by MPOB	<p>Where MPOB has incurred expenditure or advanced monies on behalf of the client e.g. for use of outside laboratory facilities, printing of drawings etc., a factor at least of 1.3 times shall be charged and recovered from the client.</p>	<p>Section 7</p> <p>7.2 (i) e</p>

ATTACHMENT II

PRE-INVOICE STATEMENT NO:.....

Date :

Address of Client :
.....
.....

***SUMMARY OF CHARGES PAYABLE BY CLIENT**

	Until Last Statement	Current	Total
1. Consultancy Fees			
2. Overheads			
3. Claims for Traveling, Lodging, Meals and Related Expenditure			
4. Use of MPOB Facilities and Services			
5. Other Expenditure by MPOB to be charged to client			
6. Others			

****DISBURSEMENTS TO BE MADE TO MPOB OFFICERS**

Name of Officer	Consultancy Fee	Claims	Others

* Where there is a current charge for any item, kindly provide details and computations on a separate sheet.

** Updated Consultancy Income record for each officer must be submitted.

**CONSULTANCY INCOME RECORD
FOR**

NAME :

Date	Cumulative Amount Of Consultancy Fees Collected This Year Before This Date	Client/ Project	Amount of Consultancy Fee Attributable Now	* Amount that can be disbursed to officer	Remarks

***Note :** Rate of disbursement of consultancy fees per year to MPOB officer is :-

First RM10,000.00	100%
Next RM10,000.00	75%
Amount above RM20,000	50%

**FLOW DIAGRAM FOR
FINALISING
CONSULTANCY
AGREEMENT**

