

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,
 - 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)

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			

* 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. 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.

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												

(a) 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)

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

(c) 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.						
A. 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