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| **Automotive Component Manufacturers Association of India** |  |

**Contract between “ACMA” and “Participating Company in Cluster”**

***Cluster Name: ACMA Zero Defect Quality Cluster* (18 Months)**

# 

6th Floor, Capital Court,

Olof Palme Marg,

Munirka*,* New Delhi 110-067

**“Participating Company”** is a company, which has registered for the above mentioned ACMA Cluster Program.

## Name of the Applicant Plant with complete postal address:

## A. Cluster Objectives

The Cluster Program envisages to deliver the expected outcomes as mentioned in the relevant cluster roadmap.

## B. Cluster Deployment

Counselor will work under the guidance of Principal/Senior Counselors & Industry Experts. For some specific training modules, other experts would also be invited.

Every Participating Company will get **one** Day Visit per month (Total 18 Visits in 18 months, other than MRMs) till complete duration of the program. Minimum visits would be 95% of the total number of visits for the complete duration of the program.

Duration of the cluster program would be 18 months (Part-1 and Part-2, each of 9 Months), counted from the start of counselor visit month.

Counselor will **impart training** to CEOs, Managers and key associates. Counsellor will periodically visit the shop-floor of Participating Companies and help in translating the training inputs.

There would be a regular review meeting (Mentor Review Meeting) at the cluster level in rotation among the member companies. These meetings will provide an opportunity for the participating companies to learn from each other’s experience and practices. Seven Review Meetings (five physical and two virtual) are expected to be conducted for the total duration of the cluster program. (Note: if the Review Meeting is of 2 days it should be considered as 2 Review Meetings or 2 Reviews.

**C. Cluster Training:**

Training would be provided as per the modules and training topics listed in the roadmap. These training modules are standard ACMA Training Modules relevant to the type of cluster program.

To ensure absorption of training inputs given by Counselor, companies will ensure **participation of related team for every** Review Meeting to ensure continuity.

CEO will ensure that **all related team members** are involved in the Cluster Process.

### D. Expectations from the Participating Companies

**1. Contribution for Part 1& 2 (9 Months each)**

To defray the cost for running the cluster program, the participating companies will be required to contribute following fee:

1st part, nine months: **INR 9.50 Lakhs + GST as applicable**

2nd part, nine months: **INR 9.50 Lakhs + GST as applicable**

**For Non ACMA Members: (10% Extra fee than ACMA member companies)**

The payment is to be made through local cheque / demand draft in favour of **“Automotive Component Manufacturers Association (ACMA)”.**

*Payment for 1st part (9 months) is to be made within 30 days, after first visit of the counselor.*

*Payment for 2nd part (9 months) is to be made, within 10th month of the program.*

*Payment once made is non-refundable.*

*(The fees include Air travel, Local Travel and stay of Counselor, Mentor, Head Cluster Program for monthly visits, mentor reviews or any other expense of ACMA staff)*

**2. Expenses**

Expenses on travel, accommodation etc. for its own staff for attending meetings will

have to be borne by respective companies.

**3. Company specific issues**,

Counselors may suggest services of other Experts. If the participating company desires to avail services of these experts, then all costs (including travel, consultancy remuneration etc.) will have to be borne by respective company.

**4. Expectations from the company**

The company will assign a full-time task force, of not less than 5 persons, to ensure completion of all tasks related to the cluster program on time. At least one of these team members will be a senior management person who will also act as a coordinator between company and ACMA counselor. The cluster CEO will be in addition to the above team and will normally be a person of the level of plant head / manufacturing head / Design head according to the cluster program chosen.

This is the minimum requirement and company is advised to assign additional persons representing all areas in the company to ensure seamless deployment of concepts across company.

**5. CEO’s Responsibility**

* + Assigning Coordinator / Dy. Coordinator for the entire duration of the program.
  + Attendance in all review meetings.
  + Review the progress of the cluster program regularly as per roadmap.
  + Designate responsible persons for implementation of roadmap topics.
  + Provide all necessary resources for successful implementation of the cluster roadmap.
  + Providing access to facilities, including shop-floor and technical information.
  + CEO will not engage outside consultant in similar programs.

1. **Coordinators’ Responsibility**
   * Be fully engaged with the counselor during his visits (including trainings).
   * Coordinate with all the responsible persons for completion of the home work.
   * Coordinate for counselling dates, Review Meeting Agenda and Program.
   * To give Review Meeting feedback to concerned company’s employees.
   * To ensure the actions as decided.
   * Responsible for implementation of tools.

### Non-Performance:

Every visit of Counsellor ends with homework to be done by Participating Company. These have to be recorded and shared during review meetings. The ACMA Cluster Program has measurement system to assess performance of Participating Companies. Details of assessment will be explained during Review Meetings and during Counsellor Visits. It is important that companies achieve homework targets. Non-achievement of Cluster targets would mean unsatisfactory performance of the participating company and may result in withdrawal from the cluster in extreme case.

**Copyright**

All training material / know-how provided by ACMA during cluster program is intellectual property of ACMA. This material should be used for internal use only. Copying and distribution of this material to outsider is not permitted.

***Post-delivery/ Cluster Program Services***

*After completion of cluster program, company may opt for post-cluster intervention, which will attract additional charges per visit subject to availability of resources of ACMA.*

1. ***Post-delivery / Cluster Program Services (Handholding services)-***

*After completion of cluster program, ACMA provides handholding services to ensure sustainability of improvement.*

*Details of Handholding services-*

*Period - 2 year from cluster culmination*

*Visit by Counselor – one day (8 hours) visit, total 6 visits in 2 years*

*Fees for 6 visit –*

* 1. *If opted for joining handholding services along with this cluster contract, then fees will be* INR 2.40 Lakhs + service tax (for 6 visits)
  2. *If opted for joining handholding services after this cluster culmination, then fees will be* INR 3.0 Lakhs + service tax (for 6 visits)

*Payment for handholding to be made one month in advance before culmination of present cluster program.*

*Note- If after culmination of present cluster, company is joining next cluster program, then company still can avail handholding services.*

*Feedback report – Complete diagnosis of company will be done by counselor based on inputs provided into cluster programs, gap analysis will be done & details feedback report along with suggested ways of improvements will be provided. Company also can be asked for any other non-cluster specific topic, assessment will be carried out by counselor for customized requirement.*

*To avail this service, company to opt below mentioned options- (Either tick mark or fill color in appropriate box)*

1. *Company would like to opt for Handholding services*
2. *No, company don’t want to opt for Handholding services now and only want to join the next level cluster program*
3. ***Launch of one supplier cluster by each participating company-***

***Your min. 10 number of supplier involvement in cluster***

*During cluster program, participating company is advised to launch at least one supplier cluster (involvement of minimum 10 suppliers in improvement journey along with you). Or your supplier can join ACMA UNIDO cluster. Quarterly MRM can be organized at supplier place for review of supplier cluster by you. You need to visit every month at supplier to ensure implementation & sustenance as per road map. During currency of cluster, they can participate in ACMA events (Case study competition & ACMA Technology Summit). At end of cluster they need to prepare culmination report.*

1. ***All IPR (Intellectual Property Rights)******rights with ACMA-***

*A process, method, manner, tools, techniques, training material, case study examples, model generated (Lean machine / fixture etc.) in participating companies during cluster programs, while training, implementation & sustaining cluster related areas / topics, all IPR (Intellectual Property Rights - Trademark, Patents, Copyright etc.) will be with ACMA as a co-owner.*

***Exit Clause/ Arbitration***

*In unavoidable circumstances (like plant closure or any natural calamity) participating company may opt for exit from Cluster Program. In such situations, final decision from CEO Skilling & Training / Head Cluster Program ACMA will be binding on the company.*

**Confidentiality**

All data and information provided by the company and used in the Cluster will be treated in strict confidence and will not be released without prior written approval of the concerned company.

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|  | **For Participating Company** | **For ACMA** |
| **Name** |  |  |
| **Designation** |  | *CEO Skilling & Training* |
| **Signatures** |  |  |
| ***Company Seal*** |  |  |
| **Place** |  |  |
| **Date** |  |  |