Nirman Bhawan, New Delhi
Dated: October 5, 2016

OFFICE MEMORANDUM

Subject: Next Steps to be taken by 27 winning cities of Round 2 of Smart City Challenge.

The undersigned is directed to refer to this Ministry's OM of even number dated 3rd October 2016 (copy enclosed) conveying the list of winner cities of Round 2 of Smart City Challenge and to say that as a first step, a Special Purpose Vehicle (SPV) is required to be established by each city with a Chief Executive Officer as its head. A model Articles of Association was circulated to all the State Governments, which City may utilise with benefit. To facilitate cities to take actions in a time bound manner, a list of activities to be done by cities along with steps and appropriate links is enclosed.

2.   It is, therefore, requested that the winning cities may be directed to start the process/activities and apprise this Ministry about the action taken regularly.

Encl.: As above.

(Sanjay Sharma)
Under Secretary to the Government of India
Tel. – 23062908

To,

Principal Secretaries (UD)/State Mission Directors in respect of 27 Smart Cities of Round 2.

Copy to: Municipal Commissioners of 27 Smart Cities of Round 2.

Next Steps for Round 2 Cities

S.No.	Activity	Steps and Reference Document link
1.	Incorporation of SPV	Model Article of Association available at http://www.smartcities.gov.in/writereaddata/Final_MCA_AOA.pdf
2.	Agenda for First Meeting of Board of Directors	Immediately after formation of the SPV, a Board Meeting has to be held. An illustrative list of items to be discussed in the first Board Meeting of the SPV, decision tree to enable the Smart Cities to make a decision on SPV operationalization are available at http://www.smartcities.gov.in/writereaddata/Advisory1_SPV_P2P.pdf
3.	Selection of Independent Directors	The Ministry of Corporate Affairs (MCA) website to access the panel of independent director has been sent to all the States/Smart Cities. The URL of the portal is http://independentdirector.in.
4.	Recruitment of Key Managerial Posts i.e. CEO, CS and CFO	The SPV is required to recruit full time Key Managerial Personnel i.e., Chief Executive Officer, Company Secretary and Chief Finance Officer. HR agencies are being shortlisted by MoUD. Model RFP available at http://smartcities.gov.in/others.aspx
5.	Recruitment of other HR manpower	The SPV will be required to engage/recruit technical and other manpower. Reference Organisational Structure of some lighthouse cities available at http://smartcities.gov.in/spv.aspx
6.	Delegation of Powers to SPV	State Government/parastatals/ULB will need to delegate some of their functions to the SPV for smooth implementation of the Smart City Plan. However, it will be possible if State Laws provide for the same. In case State laws do not have relevant clause to delegate functions to ULBs, in that case SPV will enter into Commercial Contractual Agreement with other agencies.
7.	Converting Plan to Projects	A systematic way has to be followed to convert plans contained in the Smart City Proposals to a group of similar Projects (modules). Projectivization of integrated plans will follow a two-step process – Procure a Project Management Consulting Firm (PMC). The PMC can be of two types - a single one for the Area Based Development (ADB) and Smart Solutions (SS) Or separate PMCs for ADB and SS. The PMC will design, develop the modules (set of projects), prepare the DPR/RfPs for the modules given in the Smart City Proposal and assist in their implementation, etc. as given in para. 10.6 of the Mission Guidelines. Model RFP for engagement of PMC is available at http://smartcities.gov.in/pmc.aspx Policy Advisory with a decision tree is available at http://www.smartcities.gov.in/writereaddata/Advisory1_SPV_P2P.pdf