



**Ministry of Urban Development  
Smart Cities Mission**

**Advisory No. 1**

**9<sup>th</sup> March, 2016**

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**Subject:** SPV establishment and converting Plans to Projects.

1. Project implementation has to start by 25<sup>th</sup> June, 2016.
2. 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 is at Annexure 1. A decision tree is at Annexure 2 to enable the smart cities to make a decision on SPV operationalization.
3. 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 <https://www.independentdirector.in/>
4. A systematic way has to be followed to convert plans contained in the Smart City Proposals to a group of similar Projects (modules). The decision tree given in Annexure 3 will assist the smart cities to make decisions connected to projectivization of the integrated plans. 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 (ABD) and Smart Solutions (SS) Or separate PMCs for ABD 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.

5. During projectivization, prepare a concept and a TOR for the PMC and send to the MoUD for providing handholding assistance.
6. The Smart Cities have to do a quick start of implementation of at least one module by 25 June 2016. One way is to use an existing PMC (WB/ADB) Or the PDMC (AMRUT) Or form multidisciplinary teams with individual consultants to design, develop projects and prepare the DPR and RFP. Such individual consultants are available in WB/ADB assisted projects in the States/Cities and MMUs of AMRUT.
7. The SPVs have to be informed clients and not be completely dependent on the consultants and consultancy firms. In order to ensure objectivity, fairness and transparency, the SPVs should establish some mechanisms to independently review the RfPs prepared by the PMCs. The review should include assessment of objectivity, fairness, transparency and validation of the concept as set out in the Smart City Proposal. (Please see point 4.1,4a & 4b of Annexure 4 of SCM Guidelines).
8. Citizen's consultation at every stage is to be done by the SPV. This can be done either through using My-Gov platform or any other way or through any other platform.
9. Importantly, the WB (CBUD) programme has been realigned and will fund AMRUT Reforms in the Smart Cities. The cities may prepare the concept and TORs and send to the MoUD to convert them to WB compliant RfPs and obtain funds. A decision tree to claim funds for Reforms from the WB supported CBUD programme is given in Annexure 4.
10. On demand, the MoUD will provide close, timely and deep handholding assistance to the States/Cities/SPVs for all the Smart City Activities.

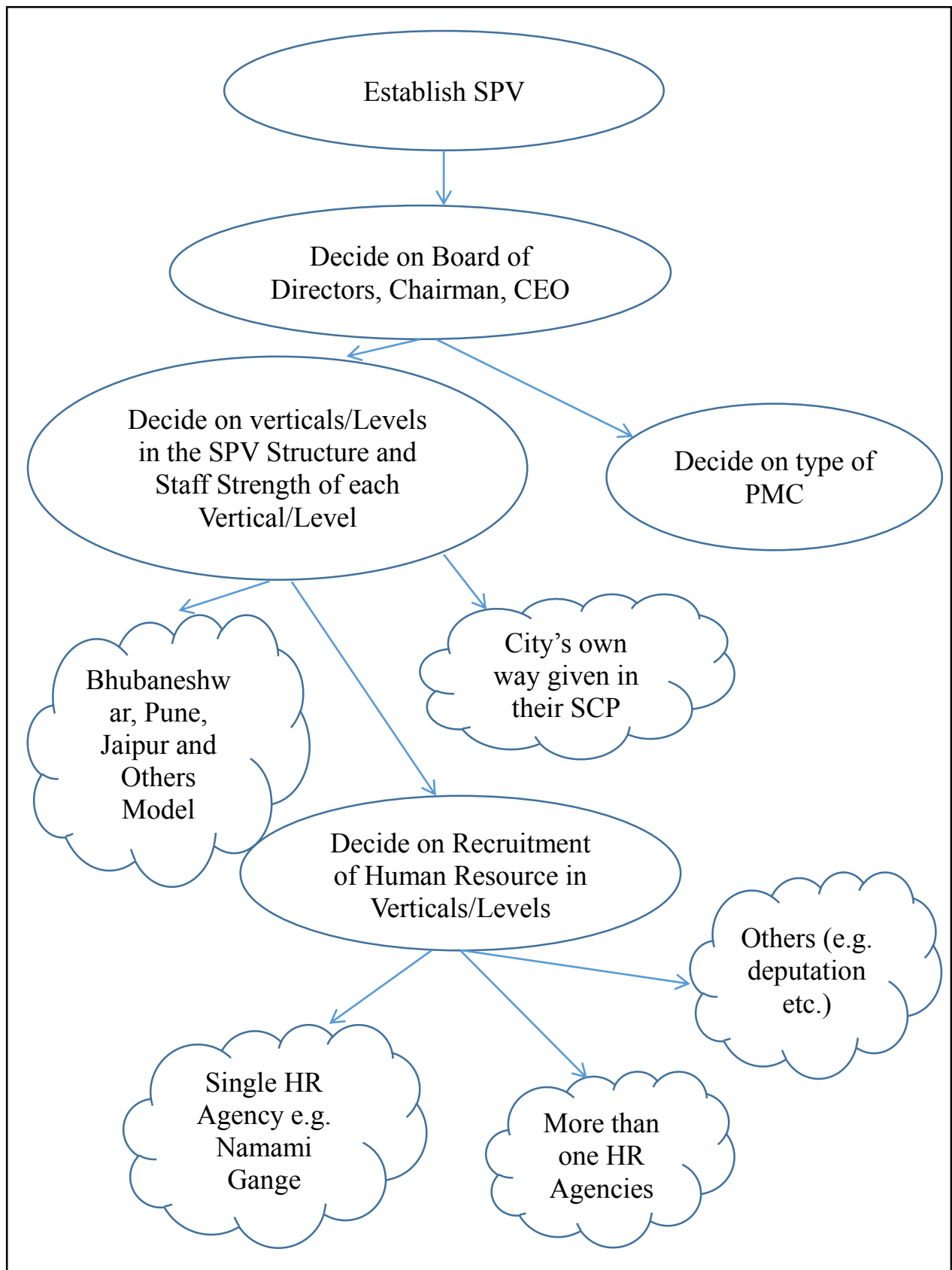
## Annexure 1: Suggested Agenda for the first meeting of Board of Directors (BoDs)

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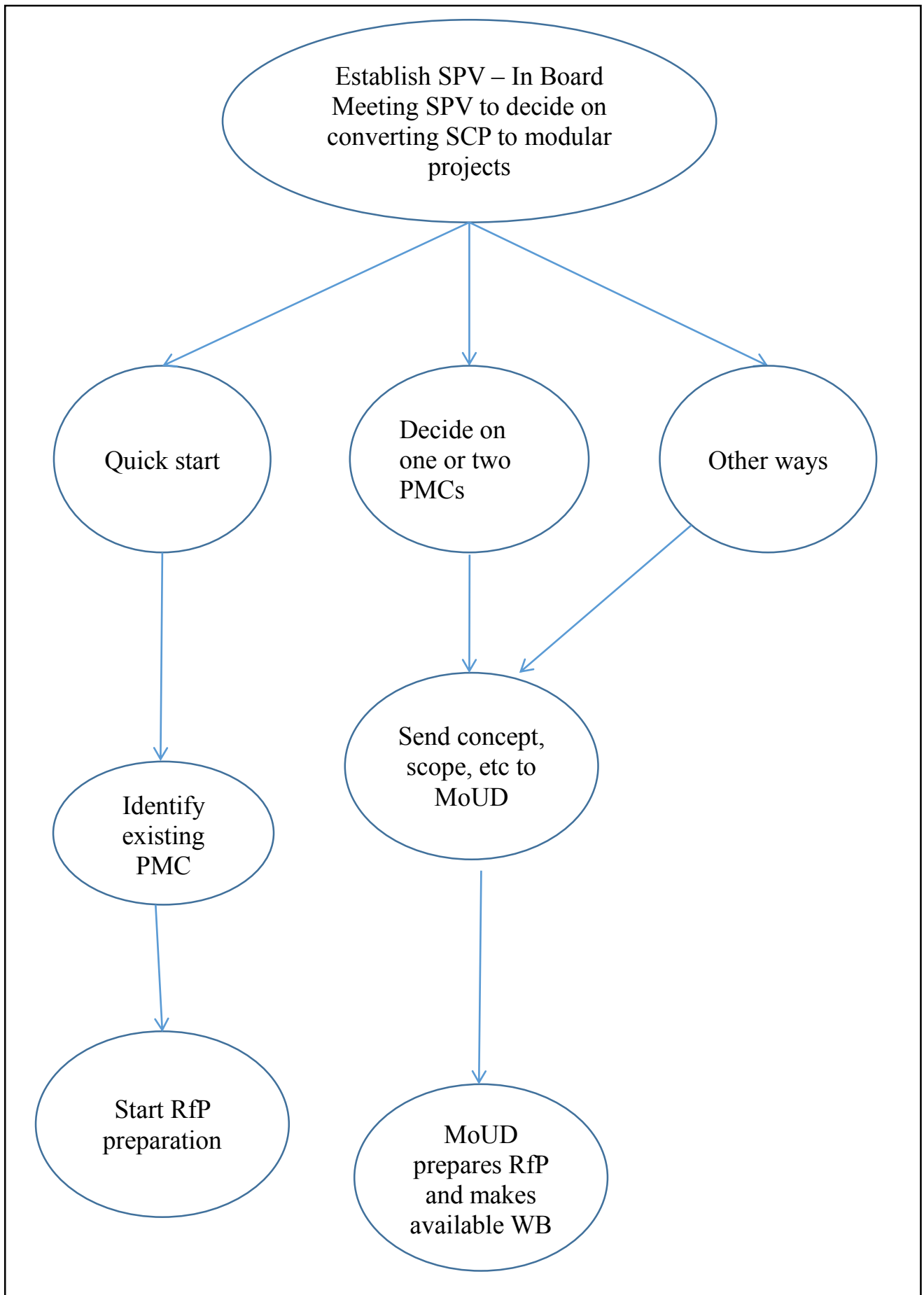
1. Selection of Chairman of BoDs and confirmation of the CEO
2. Adoption of Certificate of Incorporation
3. Taking Note of Appointment of Directors
4. Taking note of the disclosure of interest of Directors
5. Taking note of address of Registered Office of the Company
6. Note of Memorandum of Association and Article of Association
7. Adopt Common Seal of the Company and Select Custodian of the Common Seal
8. Approve the Design of Share Certificate
9. Approval of the issue of Share Certificates to first subscribers of the Company
10. Appointment of Custodian of Blank Shares of the Company
11. Decide on manner of keeping the Minutes of the Meeting of the Board of Directors
12. Decide on the 1<sup>st</sup> Annual General Meeting and Financial year of the Company
13. Appointment of First Auditors of the Company
14. Approval of the Preliminary Expenses
15. Authorise one Director to Sign and file necessary Return of Forms, Application before all the Different Departments, Including registrar of Companies, for necessary Registration or statutory compliance as applicable to the Company
16. Decide on manner for recruitment of Key Managerial Posts (KMP) including interim CEO till regular incumbent is appointed.
17. Prescribe Roles and Responsibilities of the KMPs
18. Decide on Verticals/Levels in the Company Structure and Staff Strength of each Vertical/Level and their Roles and Responsibilities

19. Decide on manner of recruitment of Human Resource
20. Decide on Plan to Project implementation - PMC etc.
21. Adoption of resolution of HPSC and Legal/Contractual arrangements with para statal, Boards and Statutory Authorities related to implementation of approved Smart City proposals
22. To decide on opening Bank Account of the Company
23. To apply for Income Tax Permanent Account Number (PAN)
24. To Decide on the Directors Fees
25. Any other matter with the approval of the Chair

## Annexure 2: Decision Tree for SPV Operationalisation



Annexure 3: Decision Tree for Conversion of Plan to Projects



Annexure 4: Reform Funding through World Bank (CBUD)

