

K-15016/65/2015-SC-I
Government of India
Ministry of Housing and Urban Affairs

Nirman Bhawan, New Delhi
Dated: 13th December 2017

OFFICE MEMORANDUM

Subject: Clarifications to the queries/modifications in the Screening Framework of India Smart City Program (ISCP).

The undersigned is directed to refer to DO letter of even number dated 27th October 2017 forwarding herewith Detailed Note on the India Smart City Program (ISCP) along with Screening Framework and to convey that the queries/suggestions received from States/Smart Cities have been considered with due diligence in terms of Smart Cities Mission Guidelines. Clarifications to the queries/modifications in the Screening Framework is attached as Annexure for further necessary action.

Encl:- As above



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To

Principal Secretaries (UD/MA) of States/UTs in respect of 60 Smart Cities selected till Round 2

Copy to:-

Municipal Commissioners/CEOs in respect of 60 Smart Cities selected till Round 2.

Clarifications/amendments to the Screening Framework for India Smart Cities Program based on Queries received from Smart Cities and States

S.No	Query	Clarifications/Modifications
1	<p>Cities and states are in different stages of implementation and got approvals in different rounds and therefore are not comparable in terms of project progress. In the framework, the average marks of the state are being calculated on the basis of smart cities selected by Ministry in different rounds. Therefore, the potential of certain cities having performed well in Round 1 of the challenge and having rolled out several projects is getting averaged out. Therefore, it is further requested that both Part B and Part C may kindly be considered for city level marking, whereas part A may be state level mandatory compliance requirement.</p>	<p>No changes in Part A (mandatory compliance).</p> <p>Part B of the screening framework to be used for screening of any one Smart City from a State. State must propose the name of this Smart City and provide relevant details. Evaluation of Part A and Part B will be done as part of Stage 1 evaluation.</p> <p>States corresponding to the top four ranked Smart Cities will be notified as partner States.</p> <p>For partner States, information provided against Part C will be used to select up to 12 Smart City SPVs for participation in the proposed program.</p>
2	<p>The screening framework provides for award of max marks if 9 women directors are on board of SPV. As per Company Act 2013, the statutory requirement for women director is one (1).</p>	<p>Scoring methodology for both Indicator 2b [Part B] and Indicator 2b [Part C] be changed from "SPV Score = Number of women Directors/9*100) to "=100 if there is atleast one woman Director, = Zero, if there are no woman Director.</p>
3	<p>The evaluation of project progress in Part B (screening criteria for States) and Part C (Criteria for selection of Smart City SPV within a state) may be considered on percentile basis among competing cities rather than percentage comparison based on cities own proposal. The percentile comparison may be based on the costs of project tendered out by cities.</p>	<p>Scoring methodology of Indicator 6 [Part B] be changed from "SPV Score = total project cost tendered/total smart city project cost * 100 * 20%" to "SPV Score = total project cost tendered/maximum tendered project cost by any smart city proposed for screening under Part B *20%"</p> <p>Scoring methodology of Indicator 1 [Part C] be changed from "SPV Score = total project cost tendered/total</p>

S.No	Query	Clarifications/Modifications
		<p>smart city project cost * 10%" to "SPV Score = total project cost tendered/maximum tendered project cost by any smart city qualified for screening under Part C*10%".</p>
4	<p>In case of scoring towards convergence from additional funding, it is requested to include investments by private parties in case of PPP projects. In such cases the actual fund flow may not happen into the SPV account and rather get invested in the project directly. Therefore, estimated investments by private party in such tendered process may kindly be considered for award of marks. Secondly, the state government is supporting the SCP through transfer of land to the SPV or to the smart city projects. These investments should also be considered.</p> <p>Can PPP projects be considered for Capital Financing? If yes, capex / opex funds proposed to be invested by PPP partner will be considered at 1x or 0.25x? Can we consider any Revenue guaranteed by the PPP agreement as a source for Capital financing. Can we consider Interest accrued on funds as additional source of capital financing?</p>	<p>Addendum to the definition and scoring methodology for Indicator 4 [Part C]:</p> <p>"Contributions by private parties in case of PPPs invested directly into smart city projects (included in the SCP) can be considered. Here the amount of private party contribution will be determined based on the RFP/bid document issued (where closure/award stage not reached, in which case it will be treated as 'funds committed, but not yet provided') and/or on the basis of the extent of capital investments already incurred by the private sector based on an auditor's certificate (will be considered as 'funds committed'). Monetized value of land transferred by the state to SPVs or smart city projects for projects included in the SCP can be considered. The monetized value of the land shall be as per the value mentioned in the RFP/bid document or in the concerned Government Order. Supporting documentation needs to be attached with smart city's response (i.e. copy of the relevant portion of the RFP/bid document, GO, DO, auditor's certificate, etc.). "</p>
5	<p>What amount will be considered matching share of the State Government - Rs. 194 crore or Rs. 200 crore?</p> <p>State Government/ULB matching share (First Installment) deposition in account? Please clarify that State & ULB both has to deposit share or any one out of it.</p>	<p>Rs. 194 crore will be considered as the total matching share of the state government and/or ULB. This is for interpretation of Indicator 3 [Part A/Mandatory Conditions] only.</p>

S.No	Query	Clarifications/Modifications
6	Regarding establishment of City Level Advisory Forum (CLAF) Part A. Mandatory Conditions; do the CLAF need to be approved by the Mission Directorate/ GoG	CLAF should be constituted by the SPV and approved by concerned authority in SPV.