



Surat Municipal Corporation Startup Procurement & Promotion Policy

1. Introduction

India today has one of the world's fastest-growing startup ecosystems, supported by national initiatives such as Startup India, Atal Innovation Mission and India Stack, which have enabled a culture of digital entrepreneurship across sectors including mobility, health, education, energy, and smart governance. With more than seventy-five thousand recognized startups and over a hundred unicorns, the country has developed a strong innovation pipeline driven by young talent, deep digital penetration, and proactive policy support.

Gujarat has emerged as a frontrunner within this national landscape, backed by a progressive Startup and Innovation Policy, a wide network of incubation centers and strong industrial clusters that foster innovation in manufacturing, renewable energy, textiles, marine technologies, and urban solutions. The state's focus on student entrepreneurship, prototype funding, and market linkages has further strengthened its position as a leading hub for early-stage innovation.

In recent years, startups have begun to play a transformative role in public governance, especially in urban local bodies, by introducing technology-driven solutions that improve service delivery, transparency, and citizen engagement. For municipal corporations, startups provide agility, cost-effective innovation, and specialized expertise, enabling faster adoption of digital platforms and data-driven decision-making.

As India moves toward the vision of Viksit Bharat @2047, the collaboration between government and startups is becoming central to building smarter, more resilient, and citizen-centric cities, with Gujarat positioned as a strong leader in driving this transformation.

Surat, one of the Gujarat's leading industrial hubs, plays a vital role in the startup ecosystem. The city hosts **over 1,764 startups**, contributing **more than 9% of Gujarat's startup base**. With strong industrial infrastructure, entrepreneurship culture, and growing innovation networks, Surat is emerging as a key driver of startup growth and technology-led development. With the vision of top smart cities amongst the globe Surat Municipal Corporation is one of the leading urban local body known for futuristic infrastructure development and implementation of innovative urban practices. **Surat Municipal Corporation Startup Procurement & Promotion Policy** aims to establish a structured mechanism within SMC to collaboratively ideate, pilot, validate, and scale innovative solutions that enhance the efficiency, transparency, and resilience of Surat's urban ecosystem.

2. Government Frameworks to Promote Startups

2.1 MoHUA, GoI's City Innovation Exchange (CiX) Platform

With a view to foster innovation and Startup culture in urban governance, the Ministry of Housing and Urban Affairs (MoHUA), Government of India has launched City Innovation Exchange (CiX) Platform. City Innovation Exchange (CiX) is an open innovation platform enabling cities to post challenges and invite solutions from innovators nationwide. It is an Open Innovation Platform enabling City Administrators, Innovators, and Startups to cocreate advanced solutions for city challenges.

2.2 Efforts by Government of Gujarat

Gujarat, being one of the most industrialized states in India, has been a cradle of entrepreneurship and innovation since long. The Government of Gujarat has proactively spearheaded initiatives to foster the growth of the startup ecosystem in the state. The Gujarat Startup Ecosystem serves as a collaborative platform that brings together startups, nodal institutions, incubators, accelerators, government bodies, and other stakeholders, supporting entrepreneurs in their journey. Gujarat is recognised as a Best Performer State in Startup India Ranking for 5 consecutive years, supported by strong incentive frameworks.

Gujarat has emerged as one of the leading startup hubs in India, hosting **over 18,000+ startups** and contributing **more than 8% of the total startups registered in the country**. The state government has actively fostered an enabling innovation ecosystem through supportive policies, incubation infrastructure, and industry partnerships. With a strong focus on entrepreneurship and technology-driven growth, Gujarat is now working towards developing a **scalable startup growth model**, supported by a robust **investment and funding ecosystem** that encourages innovation, attracts venture capital, and enables startups to expand from early-stage ventures to globally competitive enterprises.

Gujarat Government has also come out with the "Guideline for State Government Departments on purchasing from Startups without tender under Gujarat State Procurement Policy 2024". This policy aims at promotion of innovation in governance and digitization of Government Departments by adopting the innovative technology solutions from startups.

3. Need for Surat Municipal Corporation Startup Procurement Policy

The magnitude, complexity and diversity of challenges facing Indian cities make it immensely important for urban administrations to nurture and adopt innovative practices in

the development of infrastructure and services for city improvement. Cities across the globe (e.g. London, Barcelona, Tokyo and others) are engaging with academic institutes, startups and young innovators to foster co-creation of innovative urban solutions.

Surat Municipal Corporation is one of the leading urban local bodies known for futuristic infrastructure development and implementation of innovative urban practices. SMC has always harnessed technology and innovation to improve the efficiency, improve the service delivery and bring in transparency. With a view to promote innovation and entrepreneurship as a part of the Smart Cities Mission, Surat Municipal Corporation and Surat Smart City Development Limited has also started AIC SURATi iLAB which offers various facilities to the budding entrepreneurs by offering coworking facility and support infrastructure at reasonable rate.

A dedicated procurement policy for startups is essential because normal tendering frameworks are designed to enable bids from vendors having prior experience, project implementations and strong financials. However, the newer challenges require newer solutions which startups can offer but due to lack of prior implementation experience and limited turnover excludes them from participation.

Through this startup procurement policy, Surat Municipal Corporation will be able to establish structured mechanism to collaboratively ideate, pilot, validate, and scale innovative solutions that enhance the efficiency, transparency, and resilience of Surat's urban ecosystem.

4. Surat Municipal Corporation Startup Procurement & Promotion Policy

4.1 VISION

“To transform Surat into a globally competitive urban innovation ecosystem by enabling startups to co-create scalable urban solutions, strengthening the Surat Economic Region as a national growth hub and accelerating India’s journey towards Viksit Bharat @2047.”

4.2 GOALS

- (i.) **Urban Innovation Ecosystem:** Create a vibrant municipal innovation ecosystem by enabling startups, innovators, academia, and industry to collaborate with Surat Municipal Corporation in solving urban challenges.

- (ii.) **Technology-driven Urban Governance:** Promote adoption of advanced technologies including AI, IoT, GIS, data analytics, robotics, and digital platforms to improve service delivery, operational efficiency, and transparency in municipal governance.
- (iii.) **Scalable Solutions for Indian Cities:** Encourage development of solutions that are replicable across Indian cities, positioning Surat as a national model for startup-led urban innovation.
- (iv.) **Supporting Viksit Bharat @2047:** Contribute to India's vision of Viksit Bharat @2047 by fostering innovation-led governance, sustainable infrastructure, climate resilience, and citizen-centric urban development.

4.3 OBJECTIVES

1. Foster innovation and technology adoption in municipal service delivery.
2. Provide structured support to startups, innovators, and researchers.
3. Encourage pilots, prototypes, and real-world testing of new technologies under various government schemes managed by Gujarat Student Startup & Innovation Hub (i-Hub).
4. Ensure transparent procurement for innovative solutions.
5. Enable ethical, inclusive, and sustainable technology use across city operations.
6. Strengthen Surat's contribution to Viksit Bharat @2047 through innovation-led governance.

4.4 POLICY PERIOD

The Surat Municipal Corporation Startup Policy will be effective upon its notification and will continue until replaced by another policy or cancelled.

4.5 POLICY APPLICABILITY

This policy will be applicable for adoption by not only Surat Municipal Corporation but also its SPVs.

4.6 ELIGIBILITY CRITERIA

Startups:

1. An entity incorporated with a valid DPIIT recognition certificate under the Startup India program, and
2. An entity with an Udyam Registration Certificate as an MSE

If the startup fails to meet any of the eligibility criteria specified in the guidelines at any stage of the procurement process, the procurement shall be terminated forthwith. The decision of the government department concerned in this regard shall be final and binding with respect to the conclusion of the procurement.

Note: The Startups may or may not be the beneficiary of any of the GoG / Gol incentive

schemes for startups.

4.7 GOVERNANCE STRUCTURE

Under this policy, there will be two committees i.e. Screening Committee & Governing Council.

The screening committee will be responsible for identifying critical problem areas and preparing problem statements and subsequently assess the feasibility of a proposed solution and recommending the selection of innovator to the Governing Council. The Governing Council will be an empowered body for approval of selected solutions based on recommendation of Screening Committee.

4.7.1. Screening Committee

- Led by MD, AIC SURATi iLAB and comprises a team of technical experts.
- Responsible for identifying critical problem areas and preparing problem statements.
- Evaluates unsolicited proposals and proven solutions with technical and financial proposals.
- Recommends pilot solutions for approval to the Governing Council.
- Ensures the proper implementation and monitoring of approved projects

Screening Committee		
Sr. No.	Designation	Structure
1.	MD, AIC SURATi iLAB	Chairman
2.	Divisional Head from Representative SMC Line Department	Member
3.	Department Head from Representative SMC Line Department	Member
4.	CEO, AIC SURATi iLab	Member
5.	Executive Engineer, RAC	Member
6. to 8.	Three representatives from Academic Institutes / Industry Association	Members

4.7.2. Governing Council

- Responsible for the final approval of solutions/pilot solutions and decisions on scaling solutions.
- Takes decisions on funding, procurement, and IPR management.
- Ensures the proper implementation and monitoring of approved projects

Governing Council		
Sr. No.	Designation	Structure
1.	Municipal Commissioner, SMC	Chairman
2.	MD, AIC SURATi iLAB	Member
3.	Dy. Commissioner, Finance	Member

4.	Divisional Head from Representative SMC Line Department	Member
5. to 7	Three representatives from Academic Institutes / Industry Association	Member
Any other representative as per the approval of the Chairman of the Governing Council based on the requirement.		

4.7.3. Process Flow

- 4.7.3.1. **Problem Statement:** The concern department of SMC will come up with the problem and prepare the problem statement. The screening committee will discuss and finalise the problem statement. A solution can be a design / idea / prototype / product / service / application, or any other solution. The problem statement should provide sufficient details with regard to the problem area, including site/project details, any gaps/constraints, desired requirements from the solution, expected outcomes, scalability requirements and last date of submission of the proposed solution.
- 4.7.3.2. **Hosting of Problem Statement & Solution Invitation:** The problem statement finalised by the screening committee will be hosted on the SMC's portal or Surati iLab's portal or CiX Portal to seek a solution to the said problem.
- 4.7.3.3. **Unsolicited Proposal:** Startups can also submit unsolicited proposals through the SMC's portal or Surati iLab's portal or CiX Portal or directly pitch the solution to the concerned line department of SMC. If the end user department identifies a solution that addresses the existing problem, they can submit the same to the screening committee for consideration. The consideration of unsolicited proposals will be at the sole discretion of Screening Committee. In case the Screening Committee finds merit in the proposed solution, the same shall be forwarded to the Governing Council for approval.
- 4.7.3.4. **Evaluation of Pilotable Solution:** The solutions submitted by the startups, including technical and financial proposal will be evaluated by the Screening Committee and it will recommend the pilot solution. The draft evaluation framework has been provided as per Annexure-1. Necessary clarification may be sought by the Screening Committee for evaluation of the proposed solution.
- 4.7.3.5. **Selection of proposals for piloting:** The recommendations of the Screening Committee will be submitted for approval of the Governing Council, which will take the final decision to allow piloting of such solutions.
- 4.7.3.6. **Implementation of Pilot:** The selected Pilot Solution, if approved by the Authority, shall be implemented in the city to assess the performance of the solution, and to fine-tune it to meet the requirements of the city. Further support will be extended

under the government schemes managed by Gujarat Student Startup & Innovation Hub (i-Hub).

4.7.3.7. **Evaluation of Pilot Implementation:** The pilot will be implemented with Selected Startup to understand:

- (i.) The functional capabilities and effectiveness of the solution.
- (ii.) Performance, reliability and capability for full-scale procurement, final deployment or mass usage.
- (iii.) Risks and gaps of the solution.

A summary report of the pilot is to be prepared by the Selected Startup after end of the pilot for consideration of the Authority. Based on the success of the Pilot, the Authority will take a decision whether to scale up the solution or not.

4.7.3.8. **Scaling of Pilot Solution:** Based on the success of the pilot, on recommendation of the screening committee; the Governing Council will take decision whether to scale up the solution or not.

4.7.3.9. **Selection of Proposals:** Based on the overall value of the project, the procurement decision will be undertaken as per the following:

4.7.3.9.1. **Value up to Rs. 15 Lakh:** For any project proposed for approval by the Governing Council having project value upto Rs. 15 lakh, the approval of Municipal Commissioner will be sought for issuance of the work order.

4.7.3.9.2. **Value above Rs. 15 Lakh up to Rs. 1 crore:** Procurement shall be done under a "Bid Challenge" process where the solution will be converted into a Request for Proposal (RFP) and Bids will be invited in a limited bid from all Startups based on qualification and eligibility criteria as defined by SMC. The approval of the bids under such RFP will be sought from the competent authority of SMC.

4.7.3.9.3. **Value above Rs. 1 crore:** Procurement shall be done under the "Bid Challenge" process where the solution will be converted into an RFP and Bids will be invited from all firms based on qualification and eligibility criteria as defined by SMC. Necessary relaxations as per the prevailing policies of the Central / State Government shall be made to facilitate participation of Startups on a level playing field in the Bid process. The approval of the bids under such RFP will be sought from the competent authority of SMC.

4.7.3.10. The Selected Startup, whose Pilot Solution is processed for the Bid Challenge stage shall be declared the Proponent of the Solution.

4.7.3.11. The Proponent under Bid Challenge shall be given the **Right of First Refusal (ROFR)**. On opening of the Bids, in case the Proponent is not the successful Bidder,

then it shall exercise the ROFR within 15 days of notification of the successful Bidder and attempt to match the Bid of the successful Bidder. If the Proponent is able to match the Bid of the successful Bidder, then it will be declared as the Selected Bidder, and the contract shall be awarded to him. In case the Proponent does not wish to exercise ROFR, the contract shall be awarded to the successful Bidder who shall be declared as the Selected Bidder.

4.7.3.12. **Intellectual Property Rights (IPR):** The ownership of IPR, if any, generated under the project shall vest with the innovator/startup.

4.8 Facilitating Startups & Startup Ecosystem

As part of taking proactive steps towards developing Surat as an innovation and startup hub, it is necessary to provide accessible and suitable infrastructural facilities for registered startups, incubators, innovation labs, and institutions associated with startup activities to organize various programs such as workshops, seminars, hackathons, innovation challenges, and networking meetings.

Surat Municipal Corporation has several smaller capacity auditoria, such as Performing Art Center (Adajan), Science Center (City Light Road), AIC SURATi iLAB Foundation (Udhna) and Kavi Narmad Library (Ghod Dod Road). These smaller capacity auditoria may be made available by waiving rental charges to registered startups and organizations associated with startup operations for organizing startup-related programs, workshops, seminars and networking meetings, subject to availability and provided that the halls are not already booked by the general public.

Through this initiative, innovation and entrepreneurship will receive encouragement. It will also strengthen the connection between investors and startups and contribute significantly towards developing Surat as a leading startup hub at the national level.

These programs, workshops, seminars, and networking meetings will be organized in coordination and collaboration with Surat Municipal Corporation and/or AIC SURATi iLAB Foundation, and the name and logo of Surat Municipal Corporation and/or AIC SURATi iLAB Foundation will be used as Partner/Venue Partners in such events.

Terms and Conditions

- The event must be organised by Startup registered with DPIIT or organizations, institutions, incubators, accelerators or associations working in the startup ecosystem and recognised by government or having national repute.
- Only the rental charges will be waived off and all other charges as per the applicable policy of the respective venue will be made applicable.
- The facility shall be provided subject to availability of the hall.
- Priority shall be given to official programs organized by Surat Municipal Corporation.
- The applicant organization shall ensure that the facility and equipment are used properly and maintained in good condition.

- The auditorium hall shall not be used for commercial, political or personal events.
- The applicant shall comply with all rules and regulations of Surat Municipal Corporation applicable for the respective venue.
- The organiser will be required to promote SMC and/or AIC SURATi iLAB as the partner or venue partner and will be permitted use logo for such purpose.
- Interested startups or organizations shall submit a request/application to Surat Municipal Corporation or AIC SURATi iLAB with details of the proposed program, including:
 - Name of the organization/startup
 - Details of the program/event
 - Proposed date and time
 - Expected number of participants
- The request shall be reviewed by the concerned department/authority of Surat Municipal Corporation and the booking will be permitted only after the approval of Municipal Commissioner.
- The decision of Municipal Commissioner will be final and binding.

Annexure-1: Draft Evaluation framework

The framework comprises 4 parameters—Relevance, Advantages, Value/Return on Investment (RoI), and Startup Capability. The parameters Relevance & Advantages have sub-parametric attributes which are each scored discretely and then added up as the overall score for each parameter. The parameters Value/RoI and Innovator Capability is divided as categories (Low, Medium, and High), to score the same, a category has to be selected and a score can be given anywhere in the range for that particular category. The total score for a solution is arrived at by adding the individual scores and scoring against 100.

1	Relevance [30]	Challenge-Solution Fit [10] On a scale of 1-10 does the solution address the specific requirements of the challenge statement.	User-friendly [7] On a scale of 1-7 how user-friendly is the solution for end-users and level of insights it generates for decision making	Deployment Readiness [7] On a scale of 1-7 how deployable is the solution based on existing regulations/ compliance and technology systems in the city	Replicability [6] The solution has a potential to emerge as a standardised solution which aligns with EoL/ DMAF/ CSAF/ MPI/ SDGs and can be replicated across multiple cities
2	Advantages [30]	Technology Advantage [10] On a scale of 1-10 does the solution have the optimal choice of technology based on: 1. Integration with existing technologies 2. Life-cycle cost 3. Degree of locally sourced technology & know-how	Solution Uniqueness [10] On a scale of 1-10 does the solution have the optimal choice of technology based on: 1. Integration with existing technologies 2. Life-cycle cost 3. Degree of locally sourced technology & know-how 4. Has documented performance/efficiency	Ease of Adoption [7] On a scale of 1-7 is the solution easy to adopt at scale with existing capacity in the city	Scalability [7] On a scale of 1-7 does the solution have potential to replicate in other parts of city and be scaled citywide

		4. Has documented performance/efficiency improvements over existing technologies	improvements over existing technologies		
#		Low	Medium	High	
3	Value/ Return on Investment (RoI) [20]	<p>Low/average potential for demonstrating quantified gains of value/impact throughout the solution lifecycle</p> <p>Score between 0-5</p>	<p>Solution demonstrates potential for quantified gains of <=5X value/impact throughout the solution lifecycle.</p> <p>Solutions demonstrating gains of 5X and above can be scored 10 and above</p> <p>Score between 6-13</p>	<p>Solution demonstrates potential for quantified gains of <=10X value/impact throughout the solution lifecycle.</p> <p>Solutions demonstrating gains of 10X and above can be scored 18 and above</p> <p>Score between 14-20</p>	
4	Innovator Capability** [20] Domain Expertise + Team Capability + Company Maturity + Commercial Partnerships	<p>The individual/team has moderate tech/domain expertise & capabilities and lacks experience of implementing or managing similar projects.</p> <p>Score between 0-4</p>	<p>Team has significant tech / domain expertise and has proven capabilities of successfully deploying / implementing similar solutions with alternate sector / market.</p> <p>Moderate financial capabilities with focus on investments for expansion.</p> <p>Limited network of partners in the ecosystem to offer resources and capabilities to deploy solutions in urban ecosystems.</p> <p>Score between 5-11</p>	<p>The team has strong tech /domain expertise and execution capabilities and strong track record in successfully deploying/ implementing similar solutions with alternate sector/ market.</p> <p>The company is matured with manpower resources in leadership, technical, operations & commercial areas and is financially strong.</p> <p>Strong network or partners to offer resources, capabilities for production, integration & other support to deploy solutions in the urban ecosystem.</p> <p>Score between 12-15</p>	

			<p>deploy solutions in urban ecosystems.</p> <p>Score between 5-11</p>	<p>Strong network or partners to offer resources, capabilities for production, integration & other support to deploy solutions in the urban ecosystem.</p> <p>Score between 12-15</p>
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