Operating Model and Service Delivery

ESPRESSO

systEmic Standardisation apPRoach to
Empower Smart citieS and cOmmunities!

European Commission

Operating Model and Service Delivery

People move freely across district boundaries. Yet, the units of service delivery between districts can differ. Ultimately, even though the city has established shared priorities it is not coherent in its approach to service delivery.

At present service delivery tends to operate in isolation. Many producers are still generating technologies based on their own specifications and data protocols. These stand-alone systems are not part of an integrated system with a single point of data entry. If city departments implement smart solutions separately, any new device, platform, or tool will be hard to integrate.

There are signs that cities will move to becoming platform providers rather than being service providers. As part of this, your city will do both, for example developing an integrated wireless network that accommodates multiple providers and multiple communication technologies alongside the development of new platforms and applications for a range of public and private services.

Increasing interoperability across the technology platforms is key to achieving a 'system of systems' and supporting competitive solutions. Standardisation assures transparent and reliable interfaces, and interoperability between services and products across the different domains. Standards cut across all smart city domains.

Making decisions on improving platform interoperability have procurement and financial implications and need to be carefully considered. Espresso offers the following guidance:

Public procurement for your smart city

- Regularly review procurement policies with supplier engagement

- Technology, solution and service design requirements are developed in collaboration between suppliers and users

- New delivery models are being trialled promoting collaborative solutions including joint ventures, partnerships between cities, academia, and industry

- Value for money is more important that the cost of the service

- Interoperability becomes part of all procurements and allows for short-term flexible contracts

- Open standards allow a large number of small suppliers

- An innovation ecosystem is increasingly being fostered

- Include performance contracting and co-development in your relationship with suppliers and contractors

Financing your smart city projects

Financing can be a complex challenge to overcome. Cities need more innovative mechanisms to raise finance. There are several options of sources and structures for financing smart city projects. Generally, the plurality of funding and financing instruments offered by public entities, development banks, financial intermediaries as well as private investors offer relatively easy access to capital for smart city projects.

- small-scale projects seem to mainly exploit EU/national funds, as well as adopt less traditional sources of financing, like crowdfunding

- Medium-size projects mostly rely on venture capitalists to have their solutions financed

- large-scale projects are the ones which mainly benefit of private financing and public support mechanisms