



## A.1. INCEPTION REPORT – DETAILED WORK PROGRAMME

Reporting period: 01/01/2018 - 30/03/2018

Rev.02

**PROJECT DEVELOPMENT SERVICE:**

**GENI-US**

(Genova – Innovative Urban Sustainability)



**COMUNE DI GENOVA – MUNICIPALITY OF GENOVA**

**CONTRACT NUMBER: ELENA-2016-076**

Version of report	Review	Date of issue
First Draft Report	01	26 April 2018
Final Report	02	19 May 2018

<b>Contents</b>	<b>Page</b>
<b>A.1. INCEPTION REPORT – DETAILED WORK PROGRAMME .....</b>	<b>3</b>
<b>1. The work programme of the PDS.....</b>	<b>3</b>
<b>2. Updates on the implementation of the PDS .....</b>	<b>3</b>
2.1 Progress on hiring or allocation of staff needed for the PDS .....	4
2.2 Changes in relation to initial programme and their justification .....	5
2.3 Identified issues affecting the implementation of the PDS work programme.....	5
<b>Annex A.1.1: Governance structure .....</b>	<b>7</b>
<b>Annex A.1.2: Revised budget of Project Development Services (11 May 2018).....</b>	<b>8</b>
<b>Annex A.1.3: Detailed Work Programme at 30 April 2018 .....</b>	<b>9</b>
<b>Annex A.1.4: Updated List of Participants .....</b>	<b>10</b>
Confirmed List of Participants .....	10
New adhesions to the GEN-IUS program.....	10
Entities that have not confirmed their membership in the GEN-IUS program .....	10

**A.1. INCEPTION REPORT – DETAILED WORK PROGRAMME**

The information contained in this report is sent to the EIB under the responsibility of:

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The contact details contained in the above table are updating the original information contained in the Annex IV of the Elena Contract 2016-076.

The structure of following report refers to template A.1 in Annex IV of the Elena Contract 2016-076.

**1. The work programme of the PDS**

We have not applied any significant changes on the work programme of the PDS as originally presented in ANNEX 1 to the ELENA Contract 2016-076.

The activities included in the PDS (personal costs, external services, etc.), indicating the link between the PDS and the Investment Programme, are provided in the ANNEX A.1.3, alongside a Gantt Diagram. Based on that, the work programme consists of 9 work packages. We refer to ANNEX 1 to the ELENA Contract 2016-076 for the description of each work package.

A detailed diagram of the Governance Structure designed for the GEN-IUS PDS is provided in the ANNEX A.1.1. This is aligned to the activities of the PDS work programme aforementioned.

A reviewed version of the estimated total budget for the assistance including a detailed budget breakdown according to the activities is provided in the ANNEX A.1.2.

**2. Updates on the implementation of the PDS**

Within the reporting period, our efforts have mostly focused on carrying on the Stakeholder Management's activities, to set up an effective communication Plan from the start, (to be further developed by the PDU) and to progress on hiring and allocation of staff needed for the PDS.

A list of the main activities and events so far undertaken are as follows:

- 2017.11.17 - Preparatory meeting with all Participants at the start of the project;
- 2017.12.06 - Approval and Signing of the Elena Contract of the ELENA Contract
- 2018.01.02 - Launch of Project Development Service
- 2018.02.07 - Formation and start of internal Genova's GENI-US TEAM (Direct Staff)
- 2018.02.08 - Approval of the GEN-IUS Binding Agreement
- 2018.03.07 - Launch of the Steering Committee and the signing of the GEN-IUS Binding Agreement
- 2018.03.12 - Kick-off meeting with ELENA Team
- 2018.04.12 - Publication of Call for PDU Selection (External Staff)

For each activate above a newsletter has been sent to all parties.

As part of the Communication Plan an official Website has been developed: it is up, running, and accessible from the official Municipality's homepage at the following link: <http://www.comune.genova.it/content/gen-ius>

Reference to ELENA - Horizon 2020 funding and legal disclaimer has been applied to every communication, newsletters and PDS website so far developed, according to the Annex VI of the ELENA Contract.

### *2.1 Progress on hiring or allocation of staff needed for the PDS*

**External PDU staff** are due to be in place by May and the other consultant experts by September according to the activities reported in the ANNEX A.1.3.

With respect to the **advisory services** by the consultant experts we are going to send the ToR for EIB review beforehand as the tender will be over EUR 209,000 as detailed in the ANNEX A1.2. We are scheduling to send the Fiche of Annex V of the ELENA Contract, filled in, by mid Jun.

**Existing staff** of Municipality of Genova will be assigned, part-time, for works related to the Project Development Services described in this Contract and according to the Governance Structure reported in the ANNEX A.1.1.

With respect to this, it understood the Municipality will provide:

- (a) **a side letter** signed by the staff member concerned and by the appropriate Human Resources Director in charge of employment contract signatures. The letter will explicitly mention:
  - the time dedicated to the Project Development Services;
  - the expected cost per hour/day/month; and
  - the functions and role of the staff member or the external expert concerned.
- (b) The Municipality ensures that the staff member concerned records and justifies their working hours using appropriate **timesheets**, so as to make possible proper justification of the costs and control of time used.

It is understood that direct staff costs comprise actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does

not exceed the average rates corresponding to the Final Beneficiary's usual policy on remuneration. In order to come up with an hourly-based cost rate, productive hours are to be calculated by default: 140 hours/months (1680 hours/ year).

## *2.2 Changes in relation to initial programme and their justification*

With respect to the initial number of participants, 4 Municipalities have not confirmed their participation to the Investment Program. Therefore, a Binding Agreement with 22 Municipalities has been signed, whereas, additional 7 Municipalities are intending to join, (see Annex A.1.4 for further details). We are now reviewing their proposals for energy efficiency measures before final approval and signature of the Binding Agreement.

Following a detailed review of our working programme, we require an amendment to allocate Municipality staff as Direct Staff cost. The reviewed budget of the PDS is reported in Annex A.1.2, showing that the overall budget has not changed. In addition to the provision of direct staff costs, we have allowed for the additional costs of hiring a accredited and independent Financial Auditors by months 18, and other eligible costs for additional contracted services as reported in Annex A.1.2.

Therefore, the overall cost for advisory service has been reduced accordingly.

We have experienced about a 3 month-delay on our initial scheduling due to the delay for approval of the overall annual Municipality budget. Only after its approval we have been allowed to issue the call for hiring the PDU staff.

## *2.3 Identified issues affecting the implementation of the PDS work programme*

### **Managing the Participants and their intervention updating**

Since we are evaluating the requests of 7 additional councils to enter into the programme by signing the Binding Agreement with us, we are now reviewing their assets and the energy efficiency measures proposed by each one of them. We are applying the eligibility rules for the PDS and the planned Investment Programme as set out in the Annex III of the ELENA Contract.

We are also reviewing the interventions proposed by 13 of the Participants that have already signed our Binding Agreement and proposed news assets to be included in the Investment Programme.

By the end of this process, scheduled by end of July, will we able to update a final version of the Investment Programme (overall Investment cost and leverage factor not to change significantly). Therefore, the tender documentation will be prepared based on the final version of the Investment Programme.

### **Final audit invoice**

It is understood that under the current rules all of the expenses need to have documentation linked to the 36 month ELENA contract period.

Therefore, in relation to the work for the final audit the contract with the auditor should be issued before the end of month 36.

Work may continue and we do not have to pay until the work is complete. However, we should arrange it so that the auditor will be hired before the end of month 36. The invoice may be issued after month 36 as long as the work carried out related to the ELENA 36 month contracted period

**Change in public procurement law**

Regarding to your question on a recent change to public procurement law in Italy requiring detailed design data in the tender, the Municipality of Genova at this stage, based on local recent experiences similar to GENIUS ( Genova's EnerShift, Torino's Twenty-Twenty Together; Savona's PROSPER), believes that there won't be any changes to the EPC concept we wants to use.

We understand that the recent change to public procurement law your referred on, regards art. 181 of Italian Public Procurement Code D.lgs. 56/2017. Nevertheless, Art. 15 of the D.lgs. 115/2018 still allows to tender without detailed design data for the specific case of an EPC contract financed by Third-Parties.

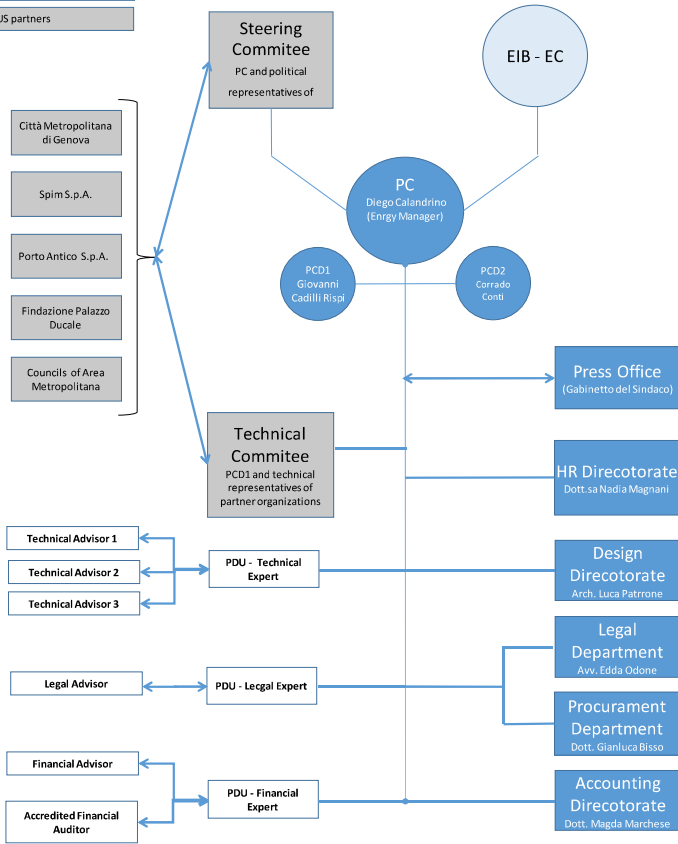
We intend to further investigate on the appropriateness of this position by asking our next legal expert to undertake a detail analysis on the matter.

Annex A.1.1: Governance structure

GEN-IUS PDS - Governance Structure Rev. 02 30/04/2018

Key

- GEN-IUS Team at Beneficiary
- External Staff hired by Elena
- GENI-US partners



Acronyms

- EIB European Investment Bank
- EC European Commission
- SC Steering Committee
- PC Project Coordinator
- PCD Project Coordinator Deputy
- PDU Project Development Unit

**Annex A.1.2: Revised budget of Project Development Services (11 May 2018)**

ESTIMATED ELIGIBLE COSTS			
<b>Direct staff costs</b>			
Categories of staff to work on the project	Monthly salary (EUR)	Number of work months on project	Direct Staff costs (EUR)
(e.g. senior expert, expert, junior expert; project assistant, etc.)	(A)	(B)	(A x B)
1 Legal senior expert	50.000	0,8335	41.675
2 Technical expert	30.000	0,85	25.500
3 Admin expert	30.000	1,15	34.500
4 Accounting expert	30.000	0,85	25.500
5 Communication Assistant	20.000	0,85	17.000
	-	0	-
Subtotal direct staff costs			144.175
<b>External experts / subcontracts</b>			
Type of activities / support	Description of tasks to be carried out	Total [EUR]	
PDU	Jurist	Public Procurement and EPC	122.850
	Engineer	Energy Efficiency project preparation	99.450
	Financing/Accounting Expert	Public Procurement and Financial reporting	99.450
Communication Expert	Communication	20.000	
External Advisors	Legal/financial		263.000
	Technical services on energy efficiency and district heating		151.000
	Technical services on public lighting		247.000
	Technical services on indoor lighting and domotics		151.000
Financial Auditors	Independent Auditor for Audited Financial statement	50.000	
Other external services (eligible costs)	Publication of tenders, reproduction		14.500
	Work monitoring, controls and audits		43.000
	1st year independent M&V Auditor		30.500
	Translations		2.325
	Dissemination of Information		3.500
Subtotal external experts / subcontracts			1.297.575
Direct staff costs			144.175
External experts / subcontracts			1.297.575
<b>Estimated TOTAL eligible costs [in EUR]</b>			<b>1.441.750</b>





**Annex A.1.4: Updated List of Participants****Confirmed List of Participants**

N°	Participants with their own assets	Approval Act of GENIUS Binding Agreement under art. 30, D.lgs. 267/2000	Agreement signed data	Requested an asset upgrading
1	Comune di Genova	Deliberazione GC n. 20 del 08/02/18	07/03/2018	Yes
2	Città Metropolitana di Genova	Deliberazione SM n. 32 del 02/03/18	07/03/2018	Yes
3	Comune di Avegno	Deliberazione CC n. 5 del 24/01/18	07/03/2018	Yes
4	Comune di Bargagli	Deliberazione GC n. 18 del 19/02/18	07/03/2018	Yes
5	Comune di Bogliasco	Deliberazione GC n. 19 del 07/02/18	07/03/2018	Yes
6	Comune di Busalla	Deliberazione GC n. 8 del 26/01/18	07/03/2018	Yes
7	Comune di Campo Ligure	Deliberazione GC n. 12 del 31/01/18	07/03/2018	No
8	Comune di Carasco	Deliberazione CC n. 6 del 13/03/18	07/03/2018	No
9	Comune di Casarza Ligure	Deliberazione GC n. 42 del 01/02/18	07/03/2018	Yes
10	Comune di Cogorno	Deliberazione GC n. 22 del 05/02/18	07/03/2018	No
11	Comune di Coreglia Ligure	Deliberazione GC n. 17 del 01/02/18	07/03/2018	No
12	Comune di Fontanigorda	Deliberazione CC n. 3 del 08/02/18	07/03/2018	No
13	Comune di Isola del Cantone	Deliberazione GC n. 2 del 29/01/18	07/03/2018	Yes
14	Comune di Masone	Deliberazione CC n. 04 del 30/01/18	07/03/2018	Yes
15	Comune di Mele	Deliberazione CC n. 02 del 31/01/18	07/03/2018	Yes
16	Comune di Montoggio	Deliberazione CC n. 4 del 30/01/18	07/03/2018	No
17	Comune di Montebruno	Deliberazione GC n. 2 del 24/01/18	07/03/2018	Yes
18	Comune di Pieve Ligure	Deliberazione GC n. 15 del 12/02/18	07/03/2018	No
19	Comune di Recco	Deliberazione GC n. 17 del 25/01/18	07/03/2018	No
20	Comune di Ronco Scrivia	Deliberazione GC n. 10 del 31/01/18	07/03/2018	Yes
21	Comune di Rossiglione	Deliberazione GC n. 19 del 01/03/18	07/03/2018	Yes
22	Comune di Savignone	Deliberazione GC n. 5 del 26/01/18	07/03/2018	Yes
23	Comune di Sori	Deliberazione GC n. 30 del 30/01/18	07/03/2018	Yes
24	Comune di Vobbia	Deliberazione GC n. 8 del 31/01/18	07/03/2018	No
25	Genova Porto Antico	Non Required	07/03/2018	No
26	SPIM	Non Required	07/03/2018	No
27	Fondazione Palazzo Ducale	Non Required	07/03/2018	No

**New adhesions to the GEN-IUS program**

Interventions to be reviewed before signature.

1	Comune di Borzonasca
2	Comune di Ceranesi
3	Comune di Leivi
4	Comune di Lorsica
5	Comune di Mezzanego
6	Comune di San Colombano Certenoli
7	Comune di Tribogna

**Entities that have not confirmed their membership in the GEN-IUS program**

1	Comune di Camogli
2	Comune di Davagna
3	Comune di Serra Riccò
4	Comune di Valbrevanna