



A.2. 1st BI-ANNUAL PROGRESS REPORT

Reporting period: 01/01/2018 - 30/06/2018

Rev.04

PROJECT DEVELOPMENT SERVICE:

GENI-US

(Genova – Innovative Urban Sustainability)



COMUNE DI GENOVA – MUNICIPALITY OF GENOVA

CONTRACT NUMBER: ELENA-2016-076

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First Draft Report	01 (to Project Coordinator)	19 July 2018
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Final Report	04 (to EIB)	31 July 2018

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A.2. 1st BI-ANNUAL PROGRESS REPORT – DETAILED WORK PROGRAMME

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

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The structure of following report refers to template A.2 in Annex III of the Elena Contract 2016-076.

1. Work progress of the PDS

We have not applied any significant changes on the work programme of the PDS as presented in Inception Report.

During the period of reference of this Report, the following activities have been performed and executed:

1.1 Selection of the Technical Assistance Supporting Staff (PDU)

In accordance with contract provisions, the selection process of the PDU- Programme Development Unit (Legal, Technical and Financial experts), for the “day-to-day management of the programme (administrative tasks, financial e technical monitoring, contacts with EIB, periodical reporting), coordination of all the municipalities involved and other Project Partners; coordination of the external auditors, definition and management of communication activities” began with the publication on April 4th 2018, of three open tender calls (as disciplined under D.lgs. n. 50/2016): one for PDU Technical expert, one for PDU Legal expert and one for PDU Financial expert.

Several candidates made formal applications and the nominated selection committee held several public and private meetings to examine the CV of each candidate. The selection procedure calls for the awarding of an overall score determined by the sum the scores given to each candidate in relation to the **specific experience as detailed in each CV** and a score awarded on the basis of and **interview** with the candidate. The interview was based on the discussion of the candidates experience as well as the discussion of specific items and issue relating to the specific field of expertise.

The candidates were called for the interview between the end of May and the beginning of June 2018. On the basis of the final standings, the respective contracts were awarded to the following professionals:

- Ing. Fabio Minchio – PDU Technical Expert
- Avv. Nicola Giampaolo - PDU Legal Expert
- Dott. Paolo Castrignanò - PDU Financial Expert

After completing selection activities and legal and administrative verifications for possible reasons for exclusion or conflicts of interest, as prescribed under the Public Contracts Code, the selected experts began activities on July 9th, by signing their contracts and by attending a kick-off meeting with a full agenda of activities. The three signed PDU Contracts are attached to Annex A2.1 of this report.

1.2 Existing staff of the Municipality of Genoa

In accordance with and as a follow-up to what is reported in the Inception Report, n. 5 specific staff members of the Municipality of Genova have been named and included in the 'Genius' Project.

For each person, a specific '**side letter**' has been prepared and approved and signed by the staff member concerned and by the Human Resources Director in charge of personnel employment contract documents (see Annex A2.2).

As specified in the contract, the letter has expressly indicated the amount of time dedicated to the Project Development Services for each member as well as the services performed. The letter includes the expected cost per hour/day/month and the functions and role of the staff member or the external expert concerned.

For each staff member, an hourly-based cost rate and the estimated time dedicated to the project will be determined and reported in the abovementioned side letter for each employed.

Each staff member shall records and justify their working hours using appropriate **timesheets** (see Annex A2.3), so to allow proper verification and monitoring of the costs and of the time employed in Project activities

1.3 External advisors

In accordance with EIB Contract provisions and definition of the selection of Technical assistance external experts, we are working currently working on the preparation of two calls for tenders: one for the "Legal and Financial Advisor" and one for technical "Auditors" for energy efficiency auditing and survey activities.

The tender documents are being closed at the current moment but we do not have the final draft completed with all the information required to launch the call. With regards to the 'Legal and Financial Advisor' this is assured within the first week of August during which we will send you the official 'note for comments on sub-contracts' as prescribed under art. II.7.5 and Annex V of the EIB Contract.

For the technical 'Auditors' call we expect to complete tender documents within August and send for EIB comments soon after.

1.3.1 Legal/Financial Advisor

In accordance to EIB contractual conditions for the engagement of external Technical Assistance experts as well as budget requirements, we are concluding the draft of tender documents to

launch the call for 'Legal and Financial Advisors' to assist the PDU and the Project Partners to deal with all the tendering and contracting activities as specifically required under contract conditions for the implementation and development of the Project investment objectives and to ensure support and management of all eventual legal and judicial issues -including litigation - that may arise during these activities.

In order to inform you about the fundamental characteristics of the call (objectives, services and activities to be delivered, participation requirements, criteria for evaluation of the technical e economic offer, services contract conditions) we attach an information note (see Annex A2.4) which contains this information in brief detail. Once we have the final draft of the tender documents, formal notification for EIB comments will be sent.

1.3.2 Technical auditors

In order to gather detailed and up-dated information on the state of the public buildings and public lighting, on the potential energy efficiency investment measures and solutions, on energy baselines (consumption – O&M) over the past three years and identify potential economic and financial investments, we are preparing a single tender call that will be divided into two separate lots.

The idea of a single 'call for tender' is to save time and costs and the division into lots depend on the different and diverse subject of auditing activities.

The first lot will be dedicated to auditing activities on n. 249 buildings and will concern:

- a) the updating of existing energy efficiency audits already filed by the Projects partners, to update baseline and O&M data and information. This concerns n. 23 buildings;
- b) the requirement of full detailed energy audits on n. 56 buildings not yet previously assessed.
- c) the requirement of full detailed energy audits on indoor building lighting consumption and possible domotics implementation with potential energy savings. This concerns n. 170 buildings.

The second lot will be dedicated to public lighting systems concerning n. 16668 lighting points and n. 23 municipalities.

The delay in completion of the tender documents is mainly due to the finalising of the complete acquisition of new municipalities to the project which are defining the buildings and light points they intend to dedicate to the Project as well as the decision by the Genova City Council to dedicate (or not) 49,000 circa lighting points which have been subject to a previous Project Financing procedure which has been recently subject to the judicial decisions of the Administrative Courts to nullify the procedure.

Once these issues will be clarified, we intend sending you the formal 'notice for comments' as under art. II7.5 of the contract and its Annex V.

2. Work progress on the Investment programme

With regards to the initial number of participants, 4 Municipalities have not confirmed their participation in the Investment Program. Therefore, Binding Agreements with 22 Municipalities have been signed, whereas, additional 9 Municipalities have made applications to join the Project. We are currently reviewing their proposals for energy efficiency measures before final approval and signature of the Binding Agreement. A copy of the Binding Agreement is attached in the Annex A2.5 of this report.

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 on buildings proposed by 13 of the Participants that have already signed our Binding Agreement and proposed new assets to be included in the Investment Programme.

By the end of this process we will be able to update a final version of the Investment Programme (overall Investment estimate and leverage factor levels not to change significantly). Therefore, the tender documents will be prepared based on the final version of the Investment Programme after evaluation of the energy audit reports.

3. Problems and risks for implementation of the Investment Programme

As mentioned in Inception Report a possible risk for implementation of the Investment Programme is the change in public procurement law and specifically in the D.lgs. 50/2016 with regards to the requirement of fully detailed design data to tender out works, supply and services implicitly impeding the possibility to provide the design of the E.E. interventions to the participating ESCO's.

The Municipality of Genova at this stage, based on local recent experiences similar to GENIUS (Genova's EnerShift, Torino's 20-20 Together, Savona's PROSPER), is monitoring similar tenders for E.E. investments to see their outcome and understand how the PA authorities on public contracts will react as well as await the ESCO market response to the tender calls. We believe that tender strategy will not change on the basis of the traditional procedures to assign EPC contracts as founded on the principles and objectives set out with the 'ELENA' facility.

The tender documents are carefully construed in order to avoid possible conflicts with general legislation relying on specific requirements and provisions set out in special legislation on energy efficiency such as D.lgs. 102/15 and D.lgs. 115/08 still currently in force and applicable to our tender procedures.

4. Contracts of technical assistance committed/completed

During the reporting period, no contracts for Technical Assistance have been signed so the Table A.2.1.a has not been completed for the purpose of this report.

As mentioned in the previous section, the 3 contracts with the PDU experts were signed on July 9th therefore after the reporting period for this Progress Report.

5. Description of the internal technical assistance committed/completed

During the reporting period, no contracts for internal technical assistance have been signed so the Table A.2.1.b has not been completed for the purpose of this report.

As mentioned in the previous section, n. 5 members of personnel from the Municipality of Genova have been included in the Genius Project during the month of July therefore after the reporting period.

6. Updated list of completed/committed and planned investment projects

During the reporting period, no investment projects have been completed nor committed, so the Table A.2.2 has not been completed.

7. Changes to the planned activities under the PDS or to the Investment Programme in comparison to the original work programme and other useful information

There are not changes to the planned activities; we are proceeding with the implementation of the activities as indicated in the inception report.

8. Financial statement (for the covered 6 months period)

During the reporting period, no expenses were incurred, so the Table A.2.3 has not been completed.

31 July 2018
Dr DIEGO CALANDRINO
GENI-IUS Project Coordinator
Municipality of Genoa

Annex A.2.1: PDU Contracts- signed copies on 9th July 2018

See files:

“A2.1.1_PDU Tecnico-Contratto_rev01.pdf”, for the PDU Technical Expert (Ing. Fabio Minchio)

“A2.1.2_PDU Legale-Contratto_rev01.pdf”, for the PDU Legal Expert (Avv. Nicola Giampaolo)

“A2.1.3_PDU Finanziario-Contratto_rev01.pdf”, for the PDU Financial Expert (Dott. Paolo Castrignanò)

Annex A.2.2: Direct Staff – Side letter, draft version

Genova, __/__/2018

Egr. _____

Oggetto: ordine di servizio in relazione al progetto dal titolo "Project Development Service (PDS), GENova – Innovative Urban Sustainability ("GEN-IUS") – Contract Number Elena 2016-076

Con riferimento all'iniziativa di cui all'oggetto, per la gestione del PDS la Direzione Generale del Comune di Genova ha creato con determina dirigenziale n. 6 del 18/01/2018 un gruppo di lavoro trasversale ai vari Settori dell'Ente, coordinato dal Settore Politiche Energetiche che in data 09/07/2018 ha istituito una unità di sviluppo detta PDU (Project Development Unit) nella quale sono integrate alcune professionalità specifiche all'uopo selezionate; tale unità interna sarà coadiuvata da esperti esterni (Advisor/Auditors), con esperienza nel campo tecnico energetico, legale, contrattuale e delle gare, business planning e studi di fattibilità; tali esperti esterni verranno selezionati tramite procedura ad evidenza pubblica cui conclusione è prevista per la fine dell'anno corrente.

All'interno del gruppo di lavoro, denominato "GDL GEN-IUS", ciascun rappresentante delle Direzioni/Settore individuate dalla determinazione dirigenziale di cui al punto precedente, ha comunicato al Coordinatore del Progetto il nominativo di un proprio referente tecnico che seguirà il PDS nel suo complesso. Le ore di lavoro di ciascun referente tecnico relativamente all'esecuzione del PDS verranno rendicontate secondo quanto previsto dal Contratto Elena 2016-076 relativamente alla gestione del "Direct Staff /Existing Staff".

Pertanto,

Le comunichiamo che

nel periodo intercorrente tra il mese di agosto 2018 ed il mese di dicembre 2020 svolgerà anche attività per il progetto di cui all'oggetto in qualità di referente tecnico della Direzione/Settore _____ all'interno del GDL GEN-IUS, secondo la tabella che segue:

Tempo complessivo stimato dedicato al PDS	
Costo orario/giornaliero/mensile	
Funzione e ruolo ricoperto	

Comunichiamo, inoltre, che il Coordinatore del progetto è il Dirigente responsabile del Settore Politiche Energetiche, l'ing. Diego Calandrino. Le ore dedicate all'iniziativa di cui all'oggetto dovranno essere preventivamente concordate con il Coordinatore del Progetto e rendicontate mediante apposita documentazione ("timesheet", ecc.) predisposta dallo stesso.

Cordiali saluti,

Il Direttore responsabile

Firma per accettazione dell'incaricato

Annex A.2.4: Call for “Legal/Financial Advisor” – Information Note to EIB**INFORMATION NOTE WITH REGARDS TO THE SUB-CONTRACT OF EXTERNAL EXPERTS TENDER FOR THE ‘LEGAL & FINANCIAL ADVISOR’ TO ASSIST AND ADVISE THE CITY OF GENOA AS PRESCRIBED IN ANNEX V.****CALL FOR TENDERS ‘LEGAL & FINANCIAL ADVISORS’****INTRODUCTION**

In accordance to the provisions of Annex I – Description of the Project Development Services and Planned Investment Programme, and with specific reference to the contractual provision which requires the procurement of external Legal and Financial experts “Advisor” to support the definition of tender procedures and documents both in the preparation and the selection activities and phases including the EPC contract design, the City of Genoa is currently preparing tender documents to launch the call for the position of ‘Legal and Financial Advisors’ to specifically assist the management and staff in the Project development and implementation.

This document does not represent the formal ‘notification for request of comments for TA sub-contracts’ under art. II.7.5 of the EIB contract as the final documents are currently undergoing final assessment and fine-tuning. Once the final draft is complete, formal notice will be submitted. This note has the scope to inform EIB of the immediate activation of activities by the PDU to accompany the First initial Progress Report of the Project. The format of the fiche under Annex V is being used for such purpose.

REASONS FOR UNDERTAKING EXTERNAL EXPERTISE

The PD management has engaged in intensive activity with the Partners and Municipalities involved in the Project over the first 6 months since kick-off, with a series of meetings with administrative and technical staff in order to acquire all the relevant information on the public buildings and public lighting systems and DHN conferred to the Project.

The selection of the 3 ‘in-house’ experts has been successfully completed therefore the PDU has procured the expertise of professionals in the legal, technical-engineering and financial-administrative fields and is therefore now in a position to push forward towards auditing activities on the one hand and the acquisition of the ‘Legal and Financial Advisor’ to deal with all the tendering and contracting activities as specifically required under contract conditions for the implementation and development of the Project investment objectives and to ensure support and management of all eventual legal and judicial issues that may arise during these activities.

SHORT DESCRIPTION OF CALL REQUIREMENTS

The call for tender documents include:

- Terms of References – (“Disciplinare di Gara”)
- Technical Specifications (“Capitolato Speciale”);
- Participation Documents/models

TERMS OF REFERENCES: Requirements and characteristics

Estimated base value of the Subcontract: € 273.000,00 (VAT included)

Assignment criteria: the most advantageous technical and economical offer

Technical offer: 90 points;
Economical offer: 10 points.

Technical Offer requirements:

- CANDIDATE SPECIFIC EXPERIENCE (35 points)

Candidate shall relate on its specific past experience in supplying services in the field of EPC public procurement tender documents indicating its former clients, contract values, date of commencement and closure of the contract and services performed. The candidate shall also indicate ISO 9001 certification details if it possesses such quality certification.

- CANDIDATE PROPOSED METHODS OF EXECUTION OF SERVICES (20 POINTS)

Candidate shall relate on how it proposes to perform services in line with investment objectives indicating priorities, condition requirements, critical aspects and supporting solutions to resolve such problems.

- CANDIDATE PROFESSIONAL EXPERTS ASSIGNED TO PROJECT (25 points)

Candidate shall indicate a Project Head Manager with proven experience in legal public procurement tendering, 2 senior experts (one legal – one financial), 2 junior experts in supporting role; supporting curricula and documents to confirm expertise

- TENDER TIMETABLE AND CONTRACT ASSIGNMENT (10 points)

Candidate shall describe its proposed implementation of preliminary activities leading to the final draft and publication of call for tender documents as well as contract signing preparation.

Economical Offer: proposed reduction of initial estimated base value.

Contract duration: 24 months as from assignment. In the event of EIB contract extension the first 3 months will be at no added costs for the City of Genoa; for any further month of extension after the third, the applicant shall receive fees equal to the contract value/24 per month reduced by 50%. The extension period shall be total discretion of the City of Genoa based on project progress and specific requirements.

Tender Participation requirements:

Single/associated/consortium formed registered economic operators;

General Requirements: as under art. 80 D.lgs. n. 50/2016 – criminal records regarding the company, its administrators and technical directors and work group experts/members; safety provisions; salary and social security status; tax status; public contracting status;

Official Registration Requirements: as under art. 83 D.lgs n. 50/2016 – company registration requirements and eventual specific professional registration requirements as single or associated operators (ex. registered and qualified Law Firm);

Economic & Financial Capacity Requirements: Legal and administrative services

and assistance are deemed as principle activities whereas financial services are deemed as secondary activities.

The operator must give evidence of revenue in these EPC and Third Party Financing activities over the past 3 financial years of a value not less than contract base value.

Technical and Professional Capacity Requirements:

a/ give evidence of previous experience over the past 3 years of performing these services and activities in EU or BEI financed or co-financed for Public Administrations or Private Enterprises with regards to energy saving contracts (EPC) or O&M with TPF application indicating the PA/operator, contract value, contract period and type of services performed.

b/ The formation of a professional team dedicated to contract activities and services execution that includes professional experts to cover the following positions: Head Project manager; two senior legal & financial experts; two junior legal & financial experts in a supporting role; a member of the team must have proven professional knowledge and use of the English language.

Document Presentation: sworn statements stating the possession of tender requirements including revenue documenting evidence, registration documents, Experts CV's;

Participation Bond (2% of contract value) / Definite Performance Bond (10% contract value) if assigned. Reductions may apply if the candidate presents specific qualifications as required under law provisions.

Insurance: Specific insurance policy to cover all possible professional liability claims and damages arising from the performance of the services contract, including management of litigation, with a minimum cover of at least 3 times the contract base-value.

TECHNICAL SPECIFICATIONS. The awarding operator shall be required to perform the following services and activities:

- evaluate, integrate and validate audit assessments of buildings and public lighting systems and DHN preliminary feasibility studies, in relation to guaranteed minimum levels of energy performance requirements included in tender specifications in accordance to public procurement procedure legislation within Private and Public Partnership (PPP) rules and regulations;
- prepare and file calls for tender documents for offers on EE investments including monitoring systems to gauge, measure and register performance;
- prepare and file EPC contracts with guaranteed minimum performance on the basis of the technical and economical offers proposed by the awarding candidate;
- support the Municipalities, Project partners and respective Project staff in the preparation of Project related internal documents, deliberations and resolutions;
- legal and administrative support in monitoring energy saving performance and achievements compared to proposed contractual obligations and guaranteed results;
- support in financial audits of Project development and activities to BEI and to eventual Financial Intermediary;
- drafting of legal papers and opinions to support le Municipality Legal Department for legal questions and issue occurring during Project development in line with current legislation, guidelines to protect Project Partners interest and achieve Project objective in EE investments and cost savings;

- full responsibility and professional liability and management for eventual litigation based on tender procedures and outcome with the Investment Program releasing and indemnifying EIB, the Municipality of Genoa and all the other Project partners from any eventual responsibility, liability, damages and costs arising from such litigation. The responsibility and liability of the Advisor is limited to eventual costs/damages/indemnifications directly ascribed and attributable to Advisor activities and deliverables (this is subject to definite last-minute approval by the Municipality Legal Department)
- support for any further subcontracting requirements.

The document also contains provisions on:

- contract resolutions and termination and its procedures;
- contractor responsibilities, liabilities and obligations;
- PA responsibilities and obligations;
- performance bonds and insurance;
- provision on subcontract of activities;
- conflict of interest provision;
- intellectual property rights and provisions;
- confidentiality;
- publicity, dissemination provision;
- monitoring con controlling procedures and standards;
- payments provisions

TIMETABLE OF ACTIVITIES

It is expected that the call be published in early September 2018 and tender proposals be submitted within in the end of October with final and definite assignment of the services contract within December 2018 and contract activities commencing soon after.

Annex A.2.5: GEN-IUS Binding Agreement

See file:

"A.2.5_GENIUS-BindingAgreement_rev09.pdf"