



A.3. INTERIM REPORT

Reporting period: 01/01/2018 – 30/06/2019

PROJECT DEVELOPMENT SERVICE:

GEN-IUS
(GENoa – Innovative Urban Sustainability)



COMUNE DI GENOVA – MUNICIPALITY OF GENOA

CONTRACT NUMBER: ELENA-2016-076

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A.3. INTERIM 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 the following report refers to template A.2 in Annex III of the Elena Contract 2016-076.

Preliminary information regarding the change of Head of Energy Management Department of the Municipality of Genoa

Since the previous Head of the Energy Department, Ing. Diego Calandrino's, contract expired on March 30th 2019, the Municipality of Genova immediately started the procedure for the appointment of the new energy manager.

The selection procedure, as disciplined under D.Lgs 165/2001, commenced with a Public Notice for the Selection the Position of Director of the Department of Energy and Environment for a period of 3 years, published on April 17th with closure for applications scheduled for May 3rd, 2019. The notice focused its attention on extensive previous directing experience in the energy sector as well as specific professional technical qualifications.

N. 25 candidates made formal application within closing date submitting their respective professional CV's. A specific evaluation committee was named to assess applications and the first assessment saw the list cut to 7 candidates who all underwent an interview with the committee. The committee then drew up a final ranking list of the candidates based on their CV's and the outcome of the interview.

On the basis of this ranking list the Genoa City Executive Council approved the resolution 169/19 on June 13th 2019, which approved the selection procedure and the assessment reported by the evaluation committee and assigned the position and contract to the Engineer Massimiliano Varruciu, who took office on July 1st 2019 and therefore takes charge of the position of Project Coordinator of the Genius project. The Council Resolution was formally adopted by the Mayor with Resolution n. 224 og July 3rd 2019.

It is important to point out that in the meantime a caretaker - interim project coordinator - Eng. Michele Prandi - was named and supported project activities and development to ensure that there was no interruption in progress.

1. Work progress of the PDS

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

During the period of reference of this Interim Report (from the start of the project to June 30th 2019), the following activities have been performed and executed:

1.1 Selection of the Technical Assistance Supporting Staff (PDU)

Legal, Technical and Financial experts for PDU

As prescribed under contract provisions, the selection process of the PDU, Programme Development Unit (Legal, Technical and Financial experts), began with the publication on April 4th 2018 of three separate public notices for selection (as regulated under art. 7, comma 6 of the D.Lgs. n. 165/2001 and Internal Regulation of the Municipality of Genova): one for PDU Technical expert, one for PDU Legal expert and one for PDU Financial expert.

Several candidates made formal applications and the nominated evaluating commission 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 of the scores given to each candidate in relation to the **specific experience as detailed in each CV** and the score awarded following an **interview** with the candidate. The interview focused the discussion of the candidates experience as well as the discussion of specific items and issues 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. Based on 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, 2018 by signing their respective contracts and by attending a kick-off meeting with a full agenda of activities. The three signed PDU Contracts have been attached to the 1st PR.

The three experts are fully integrated into all GENIUS project activities and assist and cooperate in operational activities as well as providing advice on technical issues to help the Coordinating team make strategic decisions.

1.2 Existing staff of the Municipality of Genoa

Following to what is reported in the Inception Report, a number of 10 (ten) specific staff members of the Municipality of Genova have been appointed and included in the GENIUS Project.

For each staff a specific '**side letter**' has been prepared, approved and signed by each staff involved and by the Director in charge of personnel employment contract documents.

As specified in the contract, the letter has expressly indicated the amount of working time dedicated to the Project Development Services for each member as well as the

specific 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 employee.

Each staff member recorded and justified their working hours using appropriate **timesheets**, so to allow proper verification and monitoring of the costs and of the time employed in Project activities.

The side-letter (and consequent time sheet) of Eng. Michele Prandi, interim project coordinator from 2019, is attached to this report together with the others sideletters.

The table below summarized the staff member of the project, the role and the time dedicated to the project; for each cost, see Table A.2.3:

Name	Role	Hours dedicated to the project (from the Appointment letter to December 31 st 2018)	Hours dedicated to the project in the period January 1 st – June 30 th 2019)	Hours dedicated to the project (from the Appointment letter to June 30 th 2019)
Diego Calandrino	Project Coordinator (until March 30 th 2019)	171	0	171
Michele Prandi	Interim Project Coordinator (until June 30 th 2019)	0	98	98
Mariella Schenone	Communication assistant	0	0	0
Corrado Conti	Project assistant	90	274	364
Giovanni Cadili Crispi	Senior project assistant	85	141	226
Linda Pagani	Senior technical expert	23	328	351
Ornella Armiliato	Accounting expert	16	4	20
Aurelio Domenico Masuelli	Legal senior expert	15,5	4	19,5
Ilaria Busca	Admin expert	5	0	5
Giovanni Della Valle	Technical expert	0	71,5	71,5
Paola Poggi	Admin expert	71	41	112

1.3 External advisors

Under the EIB Contract, according to the activities schedule and its provisions, for the further selection of the External Experts for Technical Assistance, two calls for tenders were prepared and launched: one for the “**Legal and Financial Advisor**” and one for technical “**Auditors**” for energy efficiency auditing and survey activities.

1.3.1 Legal/Financial Advisor

Under the EIB contractual conditions, for the engagement of External Technical Assistance Experts, as well as budget requirements, on October 12nd 2018 an open call for tender was published in order to select the “Legal/Financial” Advisor.

According to the Technical Specifications and ToR’s conditions, the Legal/Financial Advisor shall be required to perform the following services and activities:

- ✓ To evaluate, integrate and validate audit assessments of buildings and public lighting systems and DHN preliminary feasibility studies, in relation to guarantee minimum

levels of energy performance requirements included in the tender specifications in accordance to public procurement procedure legislation within Private and Public Partnership (PPP) rules and regulations;

- ✓ To prepare and file calls for tender documents for offers on EE investments including monitoring systems to gauge, measure and register performance;
- ✓ To prepare and file EPC contracts with guaranteed minimum performance on the basis of the technical and economical offers proposed by the awarding candidate;
- ✓ To support the Municipalities, Project partners and respective Project staff in the preparation of Project-related internal documents, deliberations and resolutions;
- ✓ To provide legal and administrative support in monitoring energy saving performance and achievements compared to proposed contractual obligations and guaranteed results;
- ✓ To provide support in financial audits of Project development and activities to BEI and to eventual Financial Intermediary;
- ✓ drafting of legal papers and opinions to support the Municipality Legal Department for legal questions and issues 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;
- ✓ To provide full guidance, expertise and support to the Municipality of Genova Legal Department staff, management and counsel concerning any eventual litigation arising from the Project tender for the implementation of the Investment Program in GEN-IUS. The support includes full cooperation with Legal Department providing support on judicial and non-judicial claims or issues including legal opinions and advice and participation in discussions to construe defensive strategies to be brought before a Court of Law, if and when required.
- ✓ To assume full responsibility and liability for eventual costs / damages / indemnifications directly ascribed and attributable to Advisor activities and deliverables.
- ✓ To provide additional support for any further subcontracting requirements.

In brief, the main features and aspects of the call are:

Contract base value of the sub-contract: € 263,794.50= (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 PROPOSED METHODS OF EXECUTION OF SERVICES (20 POINTS)
- CANDIDATE PROFESSIONAL EXPERTS ASSIGNED TO PROJECT (25 points)
- TENDER TIMETABLE AND CONTRACT ASSIGNMENT (10 points)

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 Municipality 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 at total discretion of the Municipality of Genoa based on project progress and specific requirements.

A number of two (2) tender offers were received within the deadline and the selection committee admitted all applications as the participation requirements by all candidates were all satisfied and fulfilled.

The candidates were both Temporary Consortium of operators and specifically:

- 1) RTI Studio Legale Gianni Origoni Grippo Cappelli & Partners
SINLOC Sistema Iniziative Locali

- 2) RTI LEGANCE - Avvocati Associati/
Studio Legale Avv. Giovanna Landi
CAMPAGNOLA ADVISERS
Dott. Angelo Capone

Services Contract assigned for “Legal and Financial Advisor”

The nominated selection committee held several public and reserved meetings to examine the technical and economical offers.

After several months of work and final assessment, based on points allocated for the technical and economical offer, the evaluation committee filed its recent final report (18-7-2019) **assigning the services contract to the Consortium/RTI lead by LEGANCE**. The awarding operator made an economic bid offering 23,691% less than the initial base value therefore the service shall cost € 201.298,94 (VAT included) with a saving of € 62.495,56 compared to initial call base-value.

Operator	Points score for Technical Offer	Points Score for Economic Offer	Total and final points score
1) RTI Studio Legale Gianni Origoni Grippo Cappelli & Partners SINLOC	90	2,11	92,11
2) RTI LEGANCE - Avvocati Associati/ Studio Legale Avv. Giovanna Landi, CAMPAGNOLA ADVISERS Dott. Angelo Capone	84,14	10,00	94,14

All participating operators were notified of the contract award on July 18th 2019 by certified emails. In accordance to the Code of Public Contracts, a standstill period of 35 days shall apply from the date of such notification during which the 2nd placed operator may make access to tender documents and committee reports to evaluate possible infringements or questions that allows them to take legal action against the contract award. During the same period, the Municipality contracts office shall collect from the operator documents that prove the tender requirements declared in the application form and shall collect from public registers the certifications and documents that prove

the regular status of the criminal/legal/administrative/social security records of the awarding Consortium members.

If no legal issues arise within the standstill timeframe, we expect to conclude the collection of documents within August and sign the services contract in the beginning of September 2019.

1.3.2 Technical auditors

Under art. II.7.5 of the Elena Contract n. 2016-076, its Annex I “*Description of the Project Development Services and Planned Investment Programme*”, and with specific regards to its timetable, (which requires the procurement/selection of external energy auditors and survey technical services companies to support the Project objectives in identifying, collecting and processing energy consumption information and data of the Municipalities and Public Administrations, to define and determine energy baselines and potential efficiency measures as the technical basis to launch the subsequent investment tenders), on November 19th 2018, an open call procedure for tenders was published.

Below we point out the main features of the call:

Type of tender: open call for tender procedure, on electronic platform divided into 3 lots;

Estimated base value of the sub-contract: € 421,300.00 (+ VAT) divided into:

LOT A – base value € 142,400.00= + VAT subject to reduction in the tender offer
ENERGY AUDITING SERVICES FOR PUBLIC BUILDINGS – Full audits and the up-dating of existing audits
25 Public Administrations and 98 Buildings

LOT B – base value € 184,700.00= + VAT subject to reduction in the tender offer
ENERGY AUDITS FOR INDOOR LIGHTING AND DOMOTIC IMPLEMENTATION
N. 9 Public Administrations involved, for a total of 174 buildings

LOT C – base value € 94,200.00= + VAT subject to reduction in the tender offer
SURVEY & ENERGY AUDITING SERVICES FOR MUNICIPALITY PUBLIC LIGHTING SYSTEMS
n. 24 Municipalities for a total of 16,161 Light Points

Assignment criteria: the most advantageous technical and economical offer

Technical offer: 80 points / Economical Offer: 20 points

Technical Offer requirements:

- CANDIDATE PROPOSED METHODS OF EXECUTION OF SERVICES AND CONTRACT MANAGEMENT (35 POINTS)
- CANDIDATE SPECIFIC EXPERIENCE EXPERTS DEDICATED TO THE CONTRACT EXECUTION (20 points)
- CANDIDATE TECHNICAL EXPERTISE (20 points)
- CANDIDATE SUPPLY OF DEDICATED INSTRUMENTS AND RESOURCES FOR SERVICE EXECUTION (5 points)

Economical Offer: proposed reduction of initial estimated base value.

Contract duration: 180 days for lot A and B; 150 for Lot C.

Several candidates made formal applications and offers for this tender:

LOT A: 9 applications

LOT B: 1 applications

LOT C: 2 applications.

The appointed evaluating commission has held several public and private meetings to discuss and examine the offers.

Services Contract assigned for “Technical Auditors”

The table below shows the selections final results divided for each Lot.

Lot A: was awarded to the consortium “**RINA SERVICE S.p.A**’ for a total cost of € 128.263,38 (VAT included) with cost savings of € 45.464,62 compared to tender base value:

Company	Technical Offer Score	Economic Offer Score	Total Score
RTI I.Q.S. INGEGNERIA E SERVIZI SRL/ENVIROMENT PARK SPA	68,28	7,424	75,704
Rina Services spa	80,00	19,428	99,428
Rti Fabryca srl/Lapis srl	59,58	13,930	73,510
Rti Energynet srl/More Energy srl	67,35	20,00	87,35
Rti Alens srl/Ecobioservice srl	68,79	19,079	87,869
IPI Ingegneria per l’industria srl	12,27	3,822	16,092
Rti Gruppo Eden/Caster srl	74,32	8,169	82,489
Ambiente Italia srl	72,80	3,858	72,80
La Esco del Sole srl	68,90	19,079	87,979

Lot B: was awarded to the “**I.P.I. Ingegneria per l’industria srl**’ for a total cost of € 195.705,76 (VAT included) with cost savings of € 29.628,24 compared to tender base value:

Company	Technical Offer Score	Economic Offer Score	Total Score
I.P.I. Ingegneria per l’industria srl	80	20	100

Lot C: was awarded to the consortium **“Costituendo RTI ENERGINET Srl/STUDIO ALBERTI”** for a total cost of € 80.509,75 (VAT included) with cost savings of € 34.414,25 compared to tender base value

Company	Technical Offer Score	Economic Offer Score	Total Score
RESTART PROGETTI STUDIO TECNICO	76,737	20	96,737
costituendo RTI ENERGINET Srl/STUDIO ALBERTI	80	19	99

Final award notices were sent to all the participating companies on July 2nd 2019. As previously indicated for the ‘Legal Advisors’, in accordance to the Code of Public Contracts, a standstill period of 35 days shall apply from the date of such notification during which the other operators may make access to tender documents and committee reports to evaluate possible infringements or questions that allows them to take legal action against the contract award. During the same period, the Municipality contracts office shall collect from the awarding operator, documents that prove the tender requirements declared in the application form and shall collect from public registers the certifications and documents that prove the regular status of the criminal/legal/administrative/social security records of the awarding operators and members.

If no legal issues arise within the standstill timeframe, we expect to conclude the collection of documents within August and sign the services contract in the beginning of September 2019 and begin formal proceedings with a kick-off meeting.

On July 25th the Genius Project staff met the 3 awarding companies for informal discussion of the upcoming activities to arrange preparation documents and set out initial priorities especially with regards to collecting data and baseline information from the single municipalities.

1.3.3 Technical Expert Auditors for Audit Review and Validation

In the wake of the results of the energy efficiency audits to be delivered by the auditors as specified above (1.3.1), in consideration and implementation of the guidelines of the Elena Contract n. 2016-076, it has been decided to engage four (4) experienced auditors to help the PDU carry out the necessary reviewing activities. These activities, in fact, will require significant time, technical experience and diligence in order to better identify:

- the technical and financial feasibility and potential energy efficiency measures and investments;
- the buildings that have sufficient elements to be included in the efficiency investments tenders and
- the minimum sustainable investments and guaranteed savings to function as base value for the upcoming investments tender;

The extra 4 “Technical expert auditors for audit review and validation” are experts that will be required to assist the PDU to carry out the important work of reviewing, validating and assessment activities of the audit reports carried out and submitted by the auditors, including intermediate evaluation of ongoing auditor activities and intermediate reports. They will validate energy audits and related attached documents delivered by the technical auditors selected for lots A, B, and C. Their costs are related to the technical services without variation of the overall budget.

Pursuant to Article 36, paragraph 2, letter A) – D.Lgs n.50/2016, the procedure for the Direct Engagement of the 4 professionals has commenced. Through the MEPA (Electronic Procurement Platform for the PA) 17 selected professionals with the required technical qualifications were invited to produce their curricula and, among these, by September 2019, the 4 will be identified. It is expected that the reviewer services contracts will be signed by September and the activities will start in October. The cost of the 4 "Technical experts auditors for audit review and validation" is included in the items "Technical Services on energy efficiency, on public lighting on indoor lighting and domotica." for which, following the 3 auditor contract assignments described above, we have obtained a cost savings of about € 110.000.

1.3.4 Technical Experts for District Heating Feasibility Design

Under the Elena Contract n. 2016-076, in activating the schedule of activities and objectives, the PDU is in the process of drafting and preparing call selection documents for technical experts to elaborate and submit Feasibility Studies and Designs for the development of the two (2) District Heating Networks included in the GEN-IUS Project Development Service.

The PDU is currently drafting tendering documents as well as estimating costs and conditions for selection. We expect to launch the selection within September.

2. Work progress on the Investment programme

Partners

With respect to the initial number of Public Administration participants, four (4) Municipalities have not confirmed their participation in the Investment Program. Therefore, binding Agreements with 22 Municipalities have been formally signed, and an additional 9 Municipalities have subsequently made applications to join the Project. The Binding Agreement with these additional Municipalities were signed between the months of December 2018 and January 2019 (a copy of the Binding Agreement was attached in the previous report).

On October 8th 2018 at Palazzo Doria Spinola, in the hall of the Metropolitan Council, the second meeting of the steering committee and the technical committee of the project took place in order to update the progress of the project and define the activities to be carried out.

The meeting was also attended by the municipal representatives of the new member municipalities to which the project staff (PDU) was presented.

The total number of partners currently involved in GENIUS are:

- 32 Municipalities which includes Genoa itself i.e Agreements between Genoa and 31 other Municipalities. This includes the 22 original municipalities as stated in the ELENA application plus 9 agreements with 9 additional municipalities
- 4 other PA entities i.e Genoa signed 4 agreements with 4 other PA entities.
- Totally = $(1+22)+4+9 = 36$ partners in GEN-IUS.

2.1 Genoa City Public Lighting System – Project Financing Proposals

The Municipality of Genova received on March 12th 2019, a formal proposal by a Consortium of 4 ESCO Companies, qualified and proactive in the energy market, to submit a Proposal of 'Project Finance' for investments in energy efficiency interventions and measures on the City Public Lighting System covering the entire municipality territory (55.000 circa light points) in accordance to the PPP Public Private Partnership procedure disciplined under art. 183, commas 15-19, of the Public Contracts Code.

The documents submitted by the 'Promoter' are composed of a technical report on the measures designed and planned, a feasibility study on the technical and financial sustainability of the investment, a draft of the Agreement Energy Performance Concession contract for the duration of 12 years with proposed € 23 mln worth of investments and 64% savings on energy consumptions.

The proposal has been examined by the PDU and Municipality offices and the objectives and key fundamental aspects are in line with ELENA objectives and conditions: guaranteed savings, no energy supply (pure EPC), length of the contract under 15 years.

The EIB was immediately informed (email 2-4-2019) of the private operator initiative and provided detailed description of the proposal and the procedure. This type of proposal from a private operator has been confirmed to be in line with Italian procurement law. With email sent on 4-4-2019, the EIB confirmed the eligibility of the proposed investments as long as there is a direct link between ELENA funded staff and the proposed investments will be in line with ELENA eligible investments. The Elena funded staff will be involved in assessing the Esco bid, organizing the tender process, evaluating all offers and the signature of final contract (with original bidder or another body). This is eligible as there is a link between Elena funded staff and the final investment contract.

Italian PPP procedure

This PPP procedure requires the execution of intensive supporting technical/legal/financial activities that need to be executed in order to evaluate the proposal and to launch the subsequent open call for tenders on the basis of the technical

and economical offer submitted by the Promoter. This has been performed by the Genius PDU - TA and Advisory staff of experts with repeated in-depth reports and comments filed on the proposal documents and by participating in 3 meetings with the Promoter representatives to discuss modifications and integrations to the proposal in order to establish the public utility of the proposal itself.

This Proposal is in line with a PPP procedure disciplined under art. 183 of our Code of Public Contracts which indicates the requirements for this proposal to become a legally binding public contract.

In fact, the sole proposal is not binding nor can the PA just simply accept the proposal and sign the contract with the Promoter. Art. 183 indicates that the proposal be evaluated under technical, financial, administrative and legal conditions and requirements with the right for the PA to require the promoter to make changes to its proposal in order to regulate technical/financial/legal aspects and elements of the proposal in accordance to standards, terms and conditions specifically required by the PA to be in line with Administration strategic objectives regarding the management of its assets.

Once these have been agreed, the proposal becomes the 'base project' of a normal open tender launched to the Energy/ESCO market to seek further proposals (technical and economical) that improve the proposal submitted by the promoter. This will require the preparation of the Tender Notice, Tor's, Technical Specifications, EPC draft, energy audits, and all those documents which are normally prepared for any open tender call procurement procedure.

If there are offers that improve the 'base project' the promoter, which has a pre-emptive right and priority claim in the subsequent call, is asked whether it is prepared to execute the improved proposal or not. If it accepts, the contract is awarded to the initial promoter under the improved conditions; if it does not accept, the contract is awarded to the ESCO that has made the better proposal.

In the event that there are no new offers that improve the 'base project', the contract is awarded to the promoter to perform the 'base project'.

This is a typical PPP procedure used and disciplined under Italian public contract laws.

On the basis of these considerations, the Genius staff would be required to perform all the technical, financial and legal activities, evaluations, including city council resolution drafts to examine the proposal and follow the process towards the open tender procedure preparing all the tender documents and the contract documents after the award.

ELENA support

The ELENA support is fundamental for the success of the investment proposal as the whole PDU staff and experts as well as Legal Advisors, will be involved in the execution of the supporting and preliminary activities required to award and sign the EPC Concession contract.

This substantial and fundamental support will ensure that the final investment deriving from the open tender procedure outcome will be eligible to be counted towards the Elena leverage factor.

The PDU also performed a 'Value For Money' comparison of the proposal comparing the economic/financial implications and outcome of the concession contract as proposed by the private promoter compared to the same investment made directly by the City of Genoa by taking on a financial loan to sustain the same investments.

The final outcome of the VFM analysis confirmed the substantial advantage for the City of Genoa to accept the Proposal rather than making the investments directly.

The Genoa City Council examined all the reports filed by the Project staff and PDU as well as the VFM analysis and on June 12th 2019 declared the public utility of the Proposal.

Project Financing proposal 2

Unfortunately, the immediate execution of this resolution has been suspended as, in the meantime, another similar Project Financing proposal has been submitted (3-6-2019) by another ESCO operator which the Municipality of Genoa is obliged to assess in the very same manner and then compare with the previous proposal to choose which of the 2 proposals represents the best in the interest of the City.

The PDU is currently assessing the 2nd proposal and meeting the Promoter to improve the proposal and make it in line with Council objectives. The assessment process is expected to conclude within the beginning of September 2019.

The City Council of Genoa will then need to make a comparison and choose which proposal represents the best interest for the city and declare the public utility of the proposal and assigning the Promoter with the pre-emptive right and priority claim in the subsequent public call for tenders.

Because it is still under assessment and there is a previous proposal that has already been assessed by the Genoa City Council, the technical and financial contents of this 2nd proposal cannot be disclosed.

Future

Therefore, at this stage, we are well into a PPP procedure which we hope will bring substantial energy efficiency investments in favor of the City of Genoa.

We hope to give final results of this procedure in the next Periodic Report. In the meantime, updates will be made to our EIB representative.

3. Problems and risks for implementation of the Investment Programme

As mentioned in the Inception Report, a risk for the implementation of the ours PDS is a potential change in public procurement law (i.e.: the D.Lgs. 50/2016) about a requirement for fully-detailed design to tender out works and O&M. This interpretation of the law would implicitly impede the possibility of the participating ESCOs to provide its own design of the energy efficiency measures, causing a no allocation of the design risk on the ESCo.

The Municipality of Genoa, at this stage, based on others' local recent experiences similar to GEN-IUS (i.e.: Genova's EnerShift, Torino's 20-20 Together, Savona's PROSPER, Padova's 3L), has been monitoring their tenders for EPC to see their outcome and understand how the PA authorities will react on public procurement of ESCo as well as await the ESCo market response to the tender calls.

The market response has been very positive. All the abovementioned projects have seen the active participation and interest of ESCO's that have made important bids to secure EPC investments and O&M contracts on buildings and public lighting. Offers By ESCOs based on detailed design in tenders have been bypassed through the use of special regulations on energy efficiency (Legislative Decree 115/08) which prevails over the general legislation envisaged by public procurement law. The special legislation explicitly refers to the EPC contracts and provides that in the tender phase it is not necessary to provide a detailed design, leaving the same to ESCO. With this in mind, we believe that tender and procurement strategy will not change and will continue to implement and follow 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.

The GEN-IUS project is laying down solid technical and legal foundations to allow it to proceed towards its objectives.

As previously described at point 2.1 of this Report, even at this early stage of the Project we have the possibility to generate substantial investments in e.e. through the Project Finance proposals. Unfortunately, due to the fact that two proposals have been submitted, it cannot be excluded that, once the Genoa City Council has made its choice, the Promoter that has not been accepted may well decide to take legal action to interrupt the procedure. Of course this is not automatic nor it can be taken for granted and certain that the legal action shall be successful but we must always be aware of this possibility when it comes to public contracts in a competitive market context.

4. Contracts of technical assistance committed/completed

Till now, three (3) contracts for external technical assistance (PDU) have been committed and signed. During this period report no contracts were signed.

See table A.3.1 b.

5. Description of the internal technical assistance committed/completed

Until this stage, ten (10) members of personnel from the Municipality of Genova (Mr. Calandrino has been replaced (interim) by Mr. Prandi) have been included in the Genius Project.

See table A.3.1 a.

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.3.2 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 relevant changes to the planned activities; we are proceeding with the implementation of the activities as indicated in the previous reports. See the attached detailed work programme.

8. Calculation of leverage factor

During the reporting period, no investment projects have been completed nor committed, so the leverage factor is not calculated

9. Other useful comments of information's

The Genius Project is clearly arising significant interest in the national energy sector. The fact that 2 Project Finance proposals for the PL of the City of Genoa have been put forward by leading ESCOs with substantial investments and detailed documentation is indicative of the strategic interest in the Project as well as the awareness the Project has developed.

The significant number of highly qualified auditors and audit firms that took part of the 'energy auditors' selection is also indicative of the interest raised by Gen-Ius and that the energy efficiency investment expectations are in line with the initial objectives.

10. Request for changes in work programme and/or budget allocation

There are not relevant changes to the planned activities so at the moment we do not need to make any change request.

11. Supporting documents to provide

Attached to this interim report:

- Side-letter of internal staff (n. 11);
- Time-sheets of internal staff (for the 18 months)
- Published calls and other documents for the externals services:
 - o PDU technical expert:
<https://smart.comune.genova.it/content/avviso-pubblico-il-conferimento-di-nl-incarico-quale-esperto-materie-tecnicoenergetiche-la-c>
 - o PDU legal expert
<https://smart.comune.genova.it/content/avviso-pubblico-il-conferimento-di-nl-incarico-quale-esperto-materie-giuridiche-la-costituzi>
 - o PDU financial expert

<https://smart.comune.genova.it/content/avviso-pubblico-il-conferimento-di-nl-incarico-quali-esperto-materie-economico-finanziarie-la>

- external LEGAL advisors:
<http://www.comune.genova.it/content/procedura-aperta-1%E2%80%99affidamento-dell%E2%80%99appalto-del-servizio-di-assistenza-legale-amministrativa>
- external TECHNICAL advisors:
https://appalti.comune.genova.it/PortaleAppalti/it/ppgare_bandi_scaduti_lista.wp?actionPath=/ExtStr2/do/FrontEnd/Bandi/view.action¤tFrame=7&codice=G00070&ext=
- Published call for the selection of Head of Energy Management Department of the Municipality of Genoa:
<https://smart.comune.genova.it/contenuti/avviso-di-selezione-la-ricerca-di-dirigente-tempo-determinato-il-settore-politiche>
- Photographs of the meeting with the technical advisors
- Detailed work programme (Gantt)
- Invoiced received from external experts

12. Financial statement (for the covered 18 months period)

See Table A.2.3.

13. Outlook (main achievements and milestones planned for the next six months)

See detailed workprogramme

Genoa, 31/07/2019
Eng. Michele Prandi
GEN-IUS Interim Project Coordinator
Municipality of Genoa

A.3.1.a Contracts of technical assistance (external experts / subcontracts) committed/completed during the reporting period

Nb of subcontract	Name of external consultant / subcontractor	Short description of mission	Expected total costs of subcontracts [EUR]	Duration of subcontracts (start and end date)	Procurement procedure applied	Tender publication references (e.g. OJEU announcement)	Comments
ETA1	Dott. Castrignanò Paolo	PDU – Financial/Accounting expert	€ 99.450,01 (including VAT)	From 09/07/2018 to 31/12/2020	Open tender procedure	Determinazione Dirigenziale n.	N.A.
ETA2	Avv. Giampaolo Nicola	PDU –Jurist	€ 122.850,00 (including VAT)	From 09/07/2018 to 31/12/2020	Open tender procedure	Determinazione Dirigenziale n.	N.A.
ETA3	Ing. Minchio Fabio	PDU – Engineer	€ 99.450,01 (including VAT)	From 09/07/2018 to 31/12/2020	Open tender procedure	Determinazione Dirigenziale n.	N.A.

A.3.1.b Internal Technical Assistance committed/completed during the reporting period

Internal Technical Assistance	Name of Staff employed	Short description of work performed	Duration of assistance provided (start and end date)	Comments
ITA1	Diego Calandrino	Project manager	From October 2018 to March 2019	N.A.
ITA2	Mariella Schenone	Communication assistant	From August 2018 to December 2020	N.A.
ITA3	Corrado Conti	Project assistant	From August 2018 to December 2020	N.A.
ITA4	Giovanni Cadilli Crispi	Senior project assistant	From October 2018 to December 2020	N.A.
ITA5	Linda Pagani	Senior technical expert	From October 2018 to December 2020	N.A.
ITA6	Ornella Arminiato	Accounting expert	From August 2018 to December 2020	N.A.
ITA7	Aurelio Domenico Masuelli	Legal senior expert	From August 2018 to December 2020	N.A.
ITA8	Ilaria Busca	Admin expert	From August 2018 to December 2020	N.A.
ITA9	Giovanni Della Valle	Technical expert	From October 2018 to December 2020	N.A.
ITA10	Paola Poggi	Admin expert	From August 2018 to December 2020	N.A.
ITA 11	Michele Prandi	Project manager	From March 2019 to December 2019	N.A.
ITA12	Massimiliano Varrucchi	Project manager	From July 2019 to December 2020	N.A.

A.3.3 FINANCIAL STATEMENT					
European Investment Bank ELENA - European Local Energy Assistance Financial Statement					
Name of the project:			GEN-IUS		
Number of the project:			ELENA-2016-076		
Reporting Period:			01/01/2018 - 30/06/2019		
Currency Used:			EUR		
STAFF COSTS (Justification for labour costs may be requested by the Bank)					
LINE N.	NAME	CATEGORY NAME	NUMBER OF MAN HOURS (a)	HOURLY RATE (b)	STAFF COSTS AMOUNT (a X b)
ITA1	Diego Calandrino	Project manager	171	€ 65,95	€ 11.277,45
ITA2	Mariella Schenone	Communication assistant	0	€ 20,87	€ 0,00
ITA3	Corrado Conti	Project assistant	364	€ 20,40	€ 7.425,60
ITA4	Giovanni Cadili Crispi	Senior project assistant	226	€ 21,95	€ 4.960,70
ITA5	Linda Pagani	Senior technical expert	351	€ 21,95	€ 7.704,45
ITA6	Ornella Arminiato	Accounting expert	20	€ 29,93	€ 598,60
ITA7	Aurelio Domenico Masuelli	Legal senior expert	19,5	€ 62,43	€ 1.217,39
ITA8	Ilaria Busca	Admin expert	5	€ 20,39	€ 101,95
ITA9	Giovanni Della Valle	Technical expert	71,5	€ 20,70	€ 1.480,05
ITA10	Paola Poggi	Admin expert	112	€ 23,89	€ 2.675,68
ITA11	Michele Prandi	Project manager	98	€ 71,26	€ 6.983,48
TOTAL			1438,0		€ 44.425,35
The cost of staff assigned to the action, comprising 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 beneficiary's usual policy on remuneration					

STAFF COSTS EXTERNAL EXPERTS/SUBCONTRACTING					
LINE N.	NAME OF SUBCONTRACTOR	DESCRIPTION OF THE WORK UNDERTAKEN	Invoice n.	date of invoice	AMOUNT
ETA1	Dott. Castrignanò Paolo	PDU – Financial/Accounting expert	7	05/09/2018	€ 12.325,00
ETA2	Avv. Giampaolo Nicola	PDU –Jurist	2	06/08/2018	€ 15.225,01
ETA3	Ing. Minchio Fabio	PDU – Engineer	1	21/08/2018	€ 12.325,00
	ANAC	Mav ¹ - Contribution Anac for Auditor's tender			€ 225,00
	ANAC	Mav - Contribution Anac for Advisors's tender			€ 225,00
ETA1	Dott. Castrignanò Paolo	PDU – Financial/Accounting expert	13	20/02/2019	€ 12.537,50
ETA2	Avv. Giampaolo Nicola	PDU –Jurist	8	08/02/2019	€ 15.487,50
ETA3	Ing. Minchio Fabio	PDU – Engineer	16	21/02/2019	€ 12.537,50
TOTAL					€ 80.887,51
TOTAL ELIGIBLE COST FOR THE PERIOD					
	Direct Staff Costs				€ 44.425,35
	External Experts/Subcontracting				€ 80.887,51
	TOTAL				€ 125.312,86
FUNDING					
	Requested funding from ELENA (max. 90%)				€ 0,00
	Own funding				€ 0,00
	Other sources				€ 0,00

Date:

¹ "technical cost" paid for every bid/tender published under Italian law. This amount is the contribution due to the National Authority (ANAC) in implementation of the art. 1, paragraphs 65 and 67, of the law of 23 December 2005, n. 266 and refers to published tenders

Mr. Michele
Prandi

Statement by the
beneficiary

We certify that:

the above costs correspond to the resources
employed for the work under the agreement and
that those resources were necessary for the
work,

the costs were incurred and fall within
the definition of eligible
costs,

where necessary, authorisations have been obtained from
the EIB, and

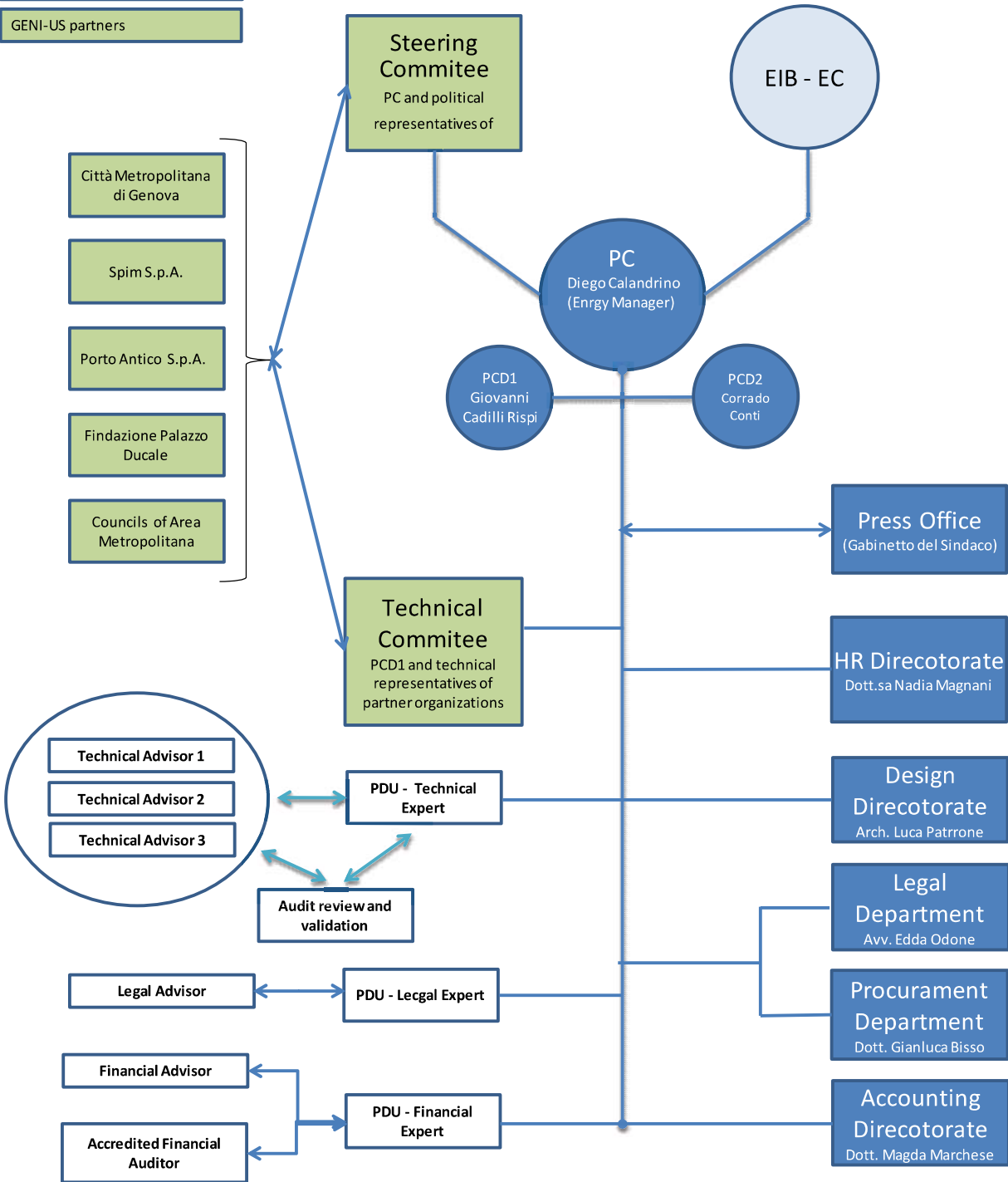
all the documents supporting the allowable costs reported above, including the
time records

are available for the purposes of audit by the EIB

EC and its authorised representatives or the
Court of Auditors and reflect the costs actually
incurred.

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