

Bratislava, 31 May 2011

Dear Mr. Lauko,

Please be informed that UNDP agrees with an extension of the project "Removing barriers to the reconstruction of the public lighting systems in Slovakia", Atlas Nr. 00047936/PIMS Nr. 2144.

The decision was made based on your proposal dated 30 May 2011 as presented to UNDP. The considered extension is by 30 September 2011 and represents the second stage extension aiming to reach a final decision on the ongoing public procurement, in which the project Investment Facilitation Department (CEVO Ltd.) is participating. Upon success and award of the contract, further extension of 8 months, as proposed, will be subject of additional approval. Otherwise UNDP will undertake the necessary steps for closure of the project.

Current decision of extension of the project does not entitle the project for any additional funding. The remaining budget of 413,000 USD has been reserved for the realization of the energy efficiency measures on public lighting equipments

We look forward to our continued cooperation.

Yours sincerely,

Klara Tothova Environment Officer

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Bratislava, 30.05.2011

PIMS # 2144 / Proposal for Project Prolongation

The Energy Centre Bratislava as the Implementation Agency for the project "Removing barriers to the reconstruction of the public lighting systems in Slovakia" (PIMS # 2144 CC MSP) herewith proposes a prolongation of the project duration. The prolongation is recommended in two stages as follows:

- 1/ prolongation until completion of a public procurement organized by City of Snina for offer entitled "Operation, repairs and maintenance of public lighting system coupled with provision of energy efficiency measures on public lighting equipments", in which the project Investment Facilitation Department (CEVO Ltd.) is participating. Completion of the public procurement is expected in September 2011 at latest, what means a prolongation of the project by four months (as the actually planned closing date of the project is 31st May 2011).
- 2/ prolongation for realization of the energy efficiency measures on public lighting equipments in the City of Snina. This stage is conditional to success of the project Investment Facilitation Department (CEVO Ltd.) in the above mentioned public procurement. Duration of this stage is expected for eight months.

The aim of the proposed prolongation is to start up Energy Performance Contracting based investments within the Outcome 2 of the project. The proposed prolongation will not require additional financial resources from GEF. Further information's and explanations on development within the project in City of Snina are provided in attached Annex 1 – Current status of the IFD activities within Outcome 2.

Ing. Marcel Lauko, PhD.

Director

List of Annexes:

1/ Annex 1 – Current status of the IFD activities within Outcome 2 2/ Draft on Decision of Snina City Council on implementation of the PL project



PIMS # 2144

ANNEX 1 Current status of the IFD activities within Outcome 2

Prepared by:



Bratislava, 25th May 2011

Development of the Snina project since Project prolongation

As a result of the municipal elections held in November 2011, the composition of Snina City Council (SCC) has changed significantly. This has affected also the already running public procurement for the offer entitled "Operation, repairs and maintenance of public lighting system coupled with provision of energy efficiency measures on public lighting equipments".

In December 2011 the new SCC has decided to review contractual conditions and technical parameters of the offer approved by former SCC. Several significant changes in technical solution of the project were proposed by SCC members, including application of LED technology. After long-lasting negotiations on economical sustainability of proposed solutions between SCC and city administration, final requirements on changes in project technical documentation have been formulated. The project technical documentation is currently being adapted in regards to the requirements of the city. The adaptation should be finished in middle of June 2011.

Following different solutions proposed by respective applicants in the first round of the competition dialogue also final contractual conditions were specified. The final wording of the contract was approved on meeting of the SCC held on 19th May 2011 (draft of the resolution for this point is attached; memorandum of the SCC meeting will be delivered right after its publication on the city web site). The approved contract will be part of the background papers for the final round of public procurement.

The call for this final round of the public procurement (call for price offers for the selected solution) should be submitted to all participants of the public procurement after finalization of the project technical documentation (end of June 2011). It is expected that there will be at longest four weeks period for preparation and submission of price offers (until end of July 2011).

Evaluation of submitted price offers and selection of winner of the public procurement is expected to last for four additional weeks, but due to holiday season this may take longer (expected finalization until end of September 2011 at latest).

Information on other possible projects

Public procurement on similar basis as in the City of Snina has been launched by City of Senec. The call was published on 18th May 2011 in the Official publication of the Office for public procurement (http://www.e-vestnik.sk/EVestnik/Aktualne#EVestnik/Detail/23714). CEVO ltd. has requested background papers for this procurement and intends to take part in it. Finalization of the procurement in City of Senec is expected in four weeks after deadline for submission of price offers (28th June 2011).