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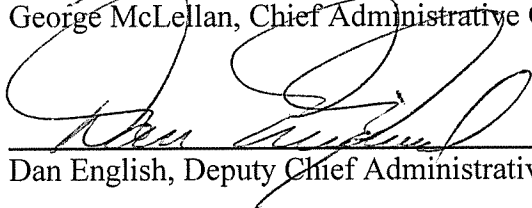
Halifax Regional Council
October 12, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



George McLellan, Chief Administrative Officer



Dan English, Deputy Chief Administrative Officer

DATE: October 6, 2004

SUBJECT: Climate Smart - Sole Sourced Partnership Contract

ORIGIN

This report originates from staff. Council approval is being requested to comply with procurement policy with respect to sole source awards. The Climate Smart Project was identified in the 2004/05 approved EMS business plan, with no net cost or financial implications to HRM. An earlier report (copy attached) was presented to Council on March 30, 2004, which described the corporate Climate Change and Greenhouse Gas Reduction Strategies.

RECOMMENDATION

It is recommended that Regional Council approve the sole sourced contract for consulting services - Climate Smart (Climate Change Mitigation and Adaptation) to Dillon Consulting Limited (lead consultant in the ClimAdapt partnership) in the amount of \$250,000, net HST with funding authorization as per the Budget Implications section of this report.

BACKGROUND

The March 30, 2004, Information Report to Council (copy attached) provides background to the corporate Climate Change and Greenhouse Gas Reduction Strategies. In summary a \$35,000 in-kind contribution from HRM has leveraged over \$500,000 in funding from other sources. The March 30th report lists the partners and funding from other sources. This report also lists the partners and funding breakdown.

The funding from Natural Resources Canada (NRCan) in the amount of \$150,000 is a direct funding contract between NRCan and ClimAdapt (Dillon as the lead) with HRM as the direct beneficiary of the deliverables, i.e. Risk Assessment Plans, Cost Benefit Analysis, etc., relating to climate change adaptation and preparedness planning and management tools.

Climate Smart combines both Climate Change Mitigation and Adaptation, a first of its kind for North America. The project's unique approach towards climate change is what drew federal and provincial government interest and support.

The NRCan component and the expertise and experience of the local ClimAdapt Network was then used as the collateral piece to obtain matching FCM funds to complete the climate change mitigation strategies.

The ClimAdapt Network (Dillon as the lead consultant) was the lead applicant for the FCM Green Municipal Enabling Funds (GMEF) in the amount of \$200,000 and for funds from the Provincial Department of Energy in the amount of \$50,000.

Private (i.e. ClimAdapt) and government agencies can apply for FCM GMEF, however must partner with a municipality. Therefore, HRM became the lead municipality in the Climate Smart partnership/ application with the FCM.

DISCUSSION

Earlier this summer, HRM finalized the Grant Agreement (#5285) with the FCM that would enable us to receive and then disburse funds for the Climate Smart project. The funding from NS Energy is based on the Climate Smart partnership and letters of request from HRM.

The Climate Smart project is phased over two years and includes a twelve page detailed Work Plan with eight major Task areas, each with objectives and deliverables all linking back to HRM Business Plans and environmental corporate strategies.

Although the Climate Smart partnership involves no cash from HRM, the FCM agreement specifically identified HRM as the administrative and governance authority, as a result, Procurement Services has advised that provisions of the Procurement Policy for sourcing this contact would apply.

Further, both major partnerships with the NRCAN and the FCM are collaterally connected based on the experience and technical expertise of the local ClimAdapt Network. The reliance and integration of technical expertise developed by Dillon in Phase One of the Project with NRCAN, and the integration of this information with HRM - Phase Two of the Climate Smart Project, necessitates sole source award of contract.

Therefore, staff is recommending Regional Council approve the sole sourced partnership/ contract for consulting services for Climate Smart (Climate Change Mitigation and Adaptation) to Dillon Consulting Limited, the lead consultant in the ClimAdapt partnership.

BUDGET IMPLICATIONS

Although HRM is the administrative lead in the Climate Smart partnership, there is no financial impact to HRM.

The funding contributions will be shown in the revenue projections and expenditures for the Climate Smart project in account 6399, within Cost Centre D945 - Projects - Strategic and Sustainable Resource Management.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

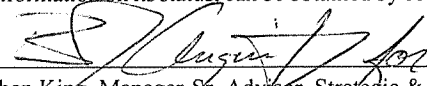
1. Without external partnering, HRM does not have funding to complete its corporate Climate Change and Greenhouse Gas Reduction Strategies through Climate Smart, or the specific expertise or resources internally.
2. An alternative would be to Call For Proposals for this work which is not recommended due to the reliance and integration of technical expertise developed by Dillon in Phase One of the Project with NRCAN, and the integration of this information with HRM - Phase Two of the Climate Smart Project.

ATTACHMENTS

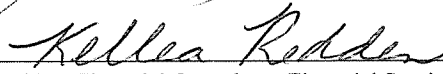
March 30, 2004, Information Report to Council - Climate Change and Greenhouse Gas Reduction Strategies.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

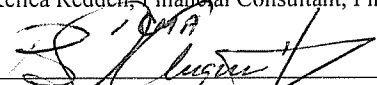
Report Prepared by:


Stephen King, Manager-Sr. Advisor, Strategic & Sustainable Resource Management, 490-6028

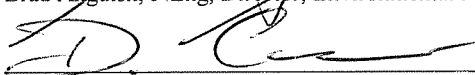

Report Prepared by:


Kellea Redden, Financial Consultant, Financial Services, 490-6267

Report Approved by:


Brad Anguish, P.Eng, Director, Environmental Management Services, 490-4825

Report Approved by:


 Peter Ross, Manager, Procurement, Financial Services, 490-6499

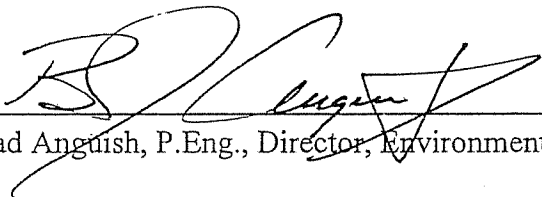


PO Box 1749
Halifax, Nova Scotia
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Halifax Regional Council
March 30, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


Brad Anguish, P.Eng., Director, Environmental Management Services

DATE: March 18, 2004

SUBJECT: Climate Change and Greenhouse Gas Reduction Strategies

INFORMATION REPORT

ORIGIN

January 21, 2003 Information Report, "Greenhouse Gas (GHG) Emissions and the Kyoto Accord"

BACKGROUND

In a January 21, 2003 Information Report to Regional Council, entitled, "Greenhouse Gas (GHG) Emissions and the Kyoto Accord" staff provided requested updates on Kyoto Accord implications/opportunities for HRM.

The January, 21, 2003 report advised that the CAO had recently (January 1, 2003) brought a number of HRM work groups, dealing with issues of environmental sustainability, together in the new Environmental Management Services business unit.

The report stated that it was timely to develop a GHG Reduction Plan for HRM and to build this into the 2003-04 Business Plan for Environmental Management Services business unit. This was done.

The report also suggested that Council be provided with further updates on the GHG Reduction Strategies and Plans as they emerge. Staff are pleased to provide an update on several climate change and greenhouse gas reduction initiatives that are now underway.

DISCUSSION

Climate change and greenhouse gas emissions are significant environmental issues. The attached brochure, "Climate Smart" provides a succinct overview of the causes, impacts and remedies required.

In 1998, HRM officially joined the Federation of Canadian Municipalities (FCM) 20% Club, committing to reduce its GHG emissions. The program is now called Partners for Climate Protection and includes completing the following five Milestones:

1. GHG Inventories
2. GHG Targets
3. Local Action Plan
4. Implementation Plan
5. Monitoring

Corporate GHG emission inventories were completed in 1998. However, these need to be updated along with the completion of the balance of Milestones.

Over the past several months EMS staff have been actively networking and facilitating numerous meetings and discussions with others levels of government, local community, private sector and others. This has resulted in the creation of some specific partnerships, external funding and projects that will enable HRM to move forward its Climate Change and Greenhouse Gas Emission Strategies, and at very minimal financial impact to HRM taxpayers.

Climate Change and Greenhouse Gas Emission Partnerships, Initiatives and Strategies

A. Climate Smart (Sustainable Mitigation, Adaptation, Risk Toolkit)

This is a leading edge collaborative partnership involving the public and private sectors. The attached brochure, "Climate Change - Climate Smart" briefly describes the project, the partners involved and deliverables. The official launch of this initiative is scheduled for March 30, 2004, at Halifax Hall.

Key deliverables include:

- Climate Change Strategy for HRM
- Greenhouse Gas Emission Reduction Management Plan (tied into Milestones 3-5)
- Community Based Vulnerability and Risk Management
- Climate Change Adaptation Planning and Management Options Guide
- Cost/ Benefit Adaptation Assessment
- Communications and Outreach

A \$35,000 in-kind contribution from HRM will leverage more than \$500,000 in total funding.

- \$200,000 - FCM GMEF

- \$150,000 - Natural Resources Canada
- \$50,000 - Nova Scotia Energy Department
- \$25,000 - Nova Scotia Dept. of Environment & Labour
- \$50,000 - Environment Canada
- plus private sector contributions

B. Partners for Climate Protection (PCP) - Greenhouse Gas Reduction Strategy for HRM
Regional Council had committed to meeting the federal Partners for Climate Protection (PCP) objectives by 2007. This project will help enable this.

Key deliverables include:

- Refreshing the original GHG Inventories (Milestone 1)
- Setting GHG Reduction Targets (Milestone 2)
- Strategies for Local Action Plan, Implementation Plan and Continuous Monitoring (Components of Milestones 3-5)
- GHG Reduction Modelling for HRM overall (Components of Milestones 1-5)

This project is cost-shared 50-50 through the Federation of Canadian Municipalities (FCM) Green Municipal Enabling Fund (GMEF).

- \$65,000 - FCM
- \$65,000 - HRM

C. Whole Systems Methodology - Corporate Wide Sustainability Analysis (The Natural Step)

One of the four cornerstone corporate scorecard themes is, "Healthy Sustainable Vibrant Community". This includes environmental sustainability. Therefore, an environmental strategic management tool is needed to help determine sustainability, set standards and determine performance measures.

Environmental Management Services (EMS) has engaged The Natural Step, a whole systems leading edge methodology that is used in Europe and by several multinational companies such as Nike and McDonalds. Whistler, B.C. (site of the next world Winter Olympics) and HRM are the first two North American Communities to engage The Natural Step (TNS) as an environmental strategic management tool.

Key deliverables include:

- Corporate wide Sustainability Analysis
- Staff training and workshops
- Determine gaps, opportunities, risks, costs, etc. toward sustainability

This project is cost-shared 50-50 with the FCM GMEF.

- \$10,000 - FCM
- \$10,000 - HRM

D. District Energy Concept

A natural gas fired, centrally located, thermal electrical generation station that burns cleaner natural gas and reuses the waste steam to heat buildings has major economic and environmental potential for HRM.

From an environmental perspective there is an opportunity to reduce greenhouse gas emissions by several hundred thousand metric tonnes per year and substantially reduce air borne particulates.

To put this into perspective, as a corporation, HRM releases approximately 110,000 metric tonnes of greenhouse gases annually, mostly through the burning of fossil fuels to heat the buildings and operate the fleets.

However, a District Energy Concept may be moot if natural gas cannot be delivered to optimum plant locations in Halifax; therefore, the key deliverable includes a feasibility study for crossing the harbour with natural gas.

This project is cost-shared with the FCM GMEF.

- \$20,000 - FCM
- \$20,000 - HRM*

* HRM's share is covered by Heritage Gas who has undertaken the feasibility study, so in essence there is no net cost to HRM, other than staff time to support the process.

E. Ongoing Related Activities-Action Items

Items A to D are part of a more formal overall environmental strategic planning process.

However, while these more formal planning processes are taking place, and where capacity and resources permit, predictable recommendations and outputs are already being started in various business units. This includes Public Works and Transportation, Real Property and Asset Management and Governance & Strategic Initiatives.

Initiatives to date include:

- Regional Plan;
- applied science bio-fuel trials in buses, vehicles and buildings;
- commuter trip reduction programs;
- alternate transportation accesses; and
- "reduced idling" programs.

Additionally, as part of the 2004/05 Business Plan, RPAM will be initiating an overall strategy to reduce energy usages in HRM owned buildings. Recently an Energy Auditor has been hired and will work with EMS to bring about greenhouse gas emission reductions in the portfolio of HRM owned buildings.

F. Future Green Initiatives

Staff will be providing updates to Regional Council on other leading edge green initiatives over the next coming months as additional partnerships and external funding opportunities fall into place.

A future, "State of the Environment Report" for HRM and its citizens is a targeted goal of Environmental Management Services. This includes air, land, water and community components.

BUDGET IMPLICATIONS

HRM's portion of funding (\$75,000) has been recommended by the Corporate Scorecard Theme Teams and is provided for in the 2004/05 budget, subject to Regional Council approval.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

N/A

ATTACHMENTS

Climate Change - Climate Smart

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Stephen King, Manager-Sr. Advisor, SSRM, Environmental Management Services, 490-6188

Climate SMART

"An Integrated Strategy for Climate Change Preparedness and Planning"

Climate Change - Global Warming is when we experience a significant variation in the climate or in its variability, persisting for an extended period (typically decades or longer).

What causes it?

Contributing to global warming (climate change) are increased levels of greenhouse gas, an invisible gas that traps heat from the sun. The increasing levels of such gases upset a natural balance in the atmosphere, which scientists say will make the Earth's climate warmer.

The highest contributor to greenhouse gas is carbon dioxide (CO₂), a by-product released when fossil fuels such as oil, gas and coal are burned.



Are there Negative Impacts?

In Nova Scotia, experts expect more severe weather events such as droughts, floods, heat waves, flooding and erosion in coastal areas, more forest fires and northward movement of pests and diseases. Public and private infrastructure is also vulnerable to extreme weather events.



All of this will result in additional stress on wildlife and all ecosystems along with increased risk to public health and safety.



Big Fixes

The surest method to reduce greenhouse gas emissions is to reduce the use of fossil fuels through energy efficiency, alternate fuels, and to protect carbon sinks such as forests and farmland, which absorb carbon from the atmosphere. One of the planned big fixes is through the Kyoto Accord.



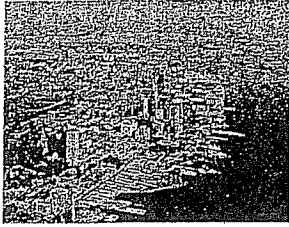
Kyoto Accord

The Kyoto Accord is an international agreement negotiated by more than 160 countries in 1997 in Kyoto, Japan. It is designed to cut greenhouse gas emissions (caused mainly by burning fossil fuels) to 5.2 per cent below 1990 levels by 2012.

In December 2002, the House of Commons passed a motion that Canada will ratify Kyoto and Environment Minister Anderson deposited the ratification with the UN.

So what is Climate SMART, who is involved and how can it help?

What? Climate SMART (Sustainable Mitigation and Adaptation Risk Toolkit) is a leading edge collaborative partnership involving both the public and private sectors. Its goal is to help municipalities integrate "greenhouse gas" emission reduction and climate change impact/adaptation issues into the decision making process for policy makers, practitioners and vulnerable communities. With HRM as the prototype municipality, lessons learned can be replicated in other Nova Scotia and Atlantic Canada communities, as well as in municipalities across Canada.



Plainly put, Climate SMART will help HRM to develop management and planning tools to prepare for climate change impacts, and to

develop strategies to mitigate practices that contribute to it in the first place - primarily the reduction of greenhouse gas emissions.

Who? A partnered approach with Climate SMART

Federal

Environment Canada
Natural Resources Canada
Atlantic Canada Opportunities Agency

Provincial

Nova Scotia Department of Energy
Nova Scotia Department of the Environment and Labour

Municipal

Federation of Canadian Municipalities
Halifax Regional Municipality

Private Sector

Select member companies of the ClimAdapt Network and the Nova Scotia Environmental Industries Association

How? Climate SMART tools include:

Greenhouse Gas Emissions Reduction Management Plans - for HRM and the greater community.

Community Based Vulnerability and Risk Management - for infrastructure, built environment and natural assets from global climate change impacts.



Climate Change Adaptation Planning and Management Options Guide - planning and management mechanisms, adaptation strategies, and environmental emergency preparedness and planning.

Cost/ Benefit Adaptation Assessment - to help determine potential social, economic and environmental impacts and costs.

Communication and Out-reach - to inform the public and enhance community stewardship.

Need More Information?

For more information about the Climate SMART Project or on climate change in general, please contact us or visit us on-line at www.climadapt.com.

