SUBJECT: Transfer of Funds – Greenhouse Gas Inventory (PED09038) (City Wide)

RECOMMENDATION:

That the unused funds in the Contractual Services account in the amount of $40,000 in the Strategic Services and Special Projects budget “814005” be transferred to the existing Capital Account 8099655601 which is to be used for the Air Pollutants and Greenhouse Gas (GHG) Emissions Inventory and Research Services Study to be completed by June 2009.

EXECUTIVE SUMMARY:

The City of Hamilton’s Air Pollutants and GHG Inventory and Research Services Study began in December 2008 and will be completed in June 2009.

The work was originally to begin in September 2008. Given the delay in the project start up, the consultant will not have completed the required tasks within the 2008 fiscal year.

Staff is requesting a transfer of the $40,000 earmarked for this project from the 2008 Contractual Services operating budget to 2009 into the existing Capital Budget Account 8099655101 in order to cover part of the costs of the $80,000 Study.
The source of funding was to be $40,000 from the Climate Change Air Quality Capital Project Account 8099655101 and the balance of $40,000 from the 2008 Contractual Services Operating Account 55916-814005 for clean air programs.

The air pollutant and greenhouse gas inventory and research is a key component in the Corporate Air Quality and Climate Change Plan that will measure and quantify Corporate and community actions and results on addressing climate change and improving air quality, measure against the emissions targets of 10% and 20%, and provide necessary information for further corporate and community action.

**BACKGROUND:**

In May 2008, City Council endorsed the Corporate Air Quality and Climate Change Plan (PED06336a). Under the Corporate Air Quality and Climate Change Plan the City has committed to emission targets of 10% reduction of 2005 greenhouse gases levels by 2012 followed by a 20% reduction of 2005 greenhouse gases levels by 2020.

An immediate need identified by the Plan was a Corporate and community air pollutant and GHG Emissions Inventory. The Inventory quantifies actions, measures results and targets, provides necessary information including costs for further Corporate and community strategic actions.

In October 2008, a Request for Proposals (RFP) was issued seeking a consultant to undertake an air pollutant and GHG Emissions Inventory and research services.

The project has 4 components:

A) An air pollutant and Greenhouse Gas (GHG) Emissions Inventory database that is easily updated to track Corporate and Community emissions.

B) An assessment of existing Corporate and community actions against the emissions targets set out by the City.

C) Identification of additional Corporate actions or modifications to current Corporate actions to meet established emissions targets.

D) A review and evaluation of carbon and energy markets to determine advantages for the City in the creation of carbon/energy credits.

Fourteen interested parties confirmed interest in the services, with two submissions received in November 2008. The winning submission was from Jacques Whitford with a total budget of $80,000. Work began on the air pollutant and GHG Emissions Inventory and research in early December 2008. The work is to be completed by June 2009.
ANALYSIS/RATIONALE:

The original target dates for the air pollutant and GHG Emissions Inventory and Research was September 2008 to June 2009. Planning Economic and Development staff began writing the Terms of Reference for the services in consultation with other City Departments – Public Works and Public Health Services in June 2008. Due to the uniqueness and complexity of the Request for Proposal, it was posted in October 2008. Bidders were notified and permitted four weeks to submit Proposal submissions for the services. Fourteen Bidders confirmed interest in the services, with only two submissions received in November 2008. Jacques Whitford was awarded the contract and began work in December 2008.

Budget for Project:

Planning and Economic Development Staff budgeted $80,000 for the air pollutants and emissions inventory: The source of funding was to be $40,000 from the Climate Change Air Quality Capital Project Account 8099655101 and the balance of $40,000 from the Contractual Services Operating Budget Account 55916-814005 for clean air programs.

Given the delay in the project start up, the consultant will not have completed the required tasks within the 2008 fiscal year. Staff is requesting a transfer of the $40,000 earmarked for this project from the 2008 Contractual Services operating budget to 2009 into to the existing Capital Budget Account No. 8099655101.

ALTERNATIVES FOR CONSIDERATION:

(a) **Cancel the Consultant’s services** is not recommend as the City issued an RFP, chose a winning submission and entered into an Agreement with the Consultant for the services in 2008. The Consultant has begun the work as of December 2008. Cancelling or not paying for serviced rendered have associated legal and financial penalties under the Agreement for Services.

(b) **Do not transfer the funds to the 2009 year** is not recommended as the City has supported air quality programs and Clean Air Hamilton with a budget of $80,000 a year. Shortening the amount of funding for programs to improve air quality in 2009 could be seen as the City not engaging on issues that the community and the City has identified through the Corporate Plan to address air quality and climate change.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial:

Planning and Economic Development Staff budgeted $80,000 for the air pollutants and emissions inventory: The source of funding was to be $40,000 from the Climate
Change Air Quality Capital Project Account 8099655101 and the balance of $40,000 from the Contractual Services Operating Budget Account 55916-814005 for clean air programs.

Staff is requesting a transfer of the $40,000 earmarked for this project from the 2008 Contractual Services Operating Budget to 2009 into the existing Capital Budget Account 8099655101. If the transfer is not approved, funding for clean air programs including Clean Air Hamilton for 2009 will be severally limited from $80,000 to $40,000.

Information from other municipalities and through the Federation of Canadian Municipalities (FCM) suggests costs associated with air pollution and GHG emissions inventories range from $40,000 - $200,000. The Hamilton air pollutant and GHG Emissions Inventory being undertaken has a total budget of $80,000.

**POLICIES AFFECTING PROPOSAL:**

The City of Hamilton’s Air Pollutants and GHG Emissions Inventory and Research Services Study supports the Corporate Air Quality and Climate Change Strategic Plan to measure and quantify Corporate and community actions and results in addressing climate change and improving air quality and achieving the emissions targets of 10% reduction of 2005 greenhouse gases levels by 2012 followed by a 20% reduction of 2005 greenhouse gases levels by 2020.

The Air Pollutants and GHG Emissions Inventory and Research Services Study will help the City of Hamilton meet the commitments made under the FCM Partners for Climate Protection Program, Vision 2020, the Corporate Plan, the Clean Air Hamilton Strategic Plan, and the Provincial Policy Statement by providing measures that can track actions in Hamilton in improving air quality and combating climate change.

The Air Pollutants and GHG Emissions Inventory and Research Services Study incorporates data from Corporate and City policies that address air quality and climate change either directly or indirectly including: the Corporate Energy Policy, the Green Fleet Implementation Plan; the Solid Waste Master Plan; the Transportation Master Plan; GRIDS; and the new Official Plan and Zoning By-law.

The Air Pollutants and GHG Emissions Inventory and Research Services Study supports the City’s 2008-2011 Strategic Plan in Focus Area 6: Environmental Stewardship, and addresses the Desired End Result 6.2 - reduce air and GHG emissions in City operations starting with a 10% reduction of 2005 levels, by 2012.

**RELEVANT CONSULTATION:**

Staff has consulted with the Corporate Services Department.
CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No

Actions to identify and reduce greenhouse gases and improve the local air quality will translate into actions to improve the quality of life within the City and reduce health impacts associated with poor air and climate change.

Environmental Well-Being is enhanced. ☑ Yes ☐ No

The air pollutant and GHG Emissions Inventory will identify measures and areas to help further actions to ensure that the City of Hamilton has the best air quality of any major urban area in Ontario and reduce greenhouse gases. Areas identified under the inventory include energy conservation and management, alternative transportation means, promote green space and trees, compact form, improve water quality, respond to impacts, improved health, and improve infrastructure.

Economic Well-Being is enhanced. ☑ Yes ☐ No

Efforts to reduce greenhouse gases and air pollutants form municipal operations and in the community could produce economic benefits for the Corporation and improve the quality of life in the City. Economic indicators are incorporated in the Air Pollutants and GHG Emissions Inventory and Research Services Study. Actions identified in the study would produce energy and operating cost savings, encourage renewal of physical assets, and improve the delivery of municipal services.

Does the option you are recommending create value across all three bottom lines?

☑ Yes ☐ No

The reduction of air pollutants and greenhouse gases affect all three “bottom lines” of sustainability – social, economic and environmental. Reductions that help retard climate change and improve air quality have other social/health, economic and environmental benefits to the community and the Corporation.

Do the options you are recommending make Hamilton a City of choice for high performance public servants?

☐ Yes ☑ No

BM: dkm