



**City of Kingston  
Report to Council  
Report Number 15-025**

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<b>To:</b>	<b>Mayor and Members of Council</b>
<b>From:</b>	<b>Cynthia Beach, Commissioner, Corporate &amp; Strategic Initiatives</b>
<b>Resource Staff:</b>	<b>Paul MacLatchy, Director, Environment &amp; Sustainable Initiatives</b>
<b>Date of Meeting:</b>	<b>January 6, 2015</b>
<b>Subject:</b>	<b>Award of Contract - Municipal Energy Planning Project</b>

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**Executive Summary:**

The Corporation of the City of Kingston was awarded grant funding from the Ontario Ministry of Energy in the amount of \$53,300, representing 50% of the funding, up to a maximum of \$106,600, for the purpose of undertaking a municipal energy planning project.

In December 2013, Council approved the matching capital budget of \$53,300 towards the project. In October 2014, the City of Kingston released RFP F31-CSI-ESI-2014-10 requesting proposals from experienced and qualified firms to provide professional services for the completion of a municipal energy planning project. The RFP closed on November 5, 2014 and 11 proposals were received.

Staff evaluated all proposals utilizing the criteria outlined in the RFP. The evaluation team concluded that the proposal by IndEco & Sustainability Solutions Group received the highest ranking and provided the most comprehensive submission and the best value for the community. With a bid price of \$92,000 + HST, the IndEco & Sustainability Solutions Group proposal is within the approved project budget and is third lowest bidder.

The purpose of this report is to seek Council approval to award a contract to IndEco & Sustainable Solutions Group for the purpose of completing a municipal energy planning project. In accordance with By-law 2000-134, A By-Law to Establish Purchasing Policies and Procedures, City Council approval is required to award a contract that will exceed \$50,000 where the successful proponent was not the lowest price.

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**Recommendation:**

**That** IndEco & Sustainability Solutions Group be awarded the contract for the provision of professional services for the completion of a municipal energy planning project at the total bid price of \$92,000 plus HST; and

**That** the Mayor and City Clerk be authorized to execute a contract with IndEco & Sustainability Solutions Group for the above noted services in a form satisfactory to the Director of Legal Services.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

Cynthia Beach, Commissioner

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

**Consultation with the following Members of the Corporate Management Team:**

Lanie Hurdle, Community Services	Not required
Denis Leger, Transportation, Facilities & Emergency Services	Not required
Jim Keech, President and CEO, Utilities Kingston	Not required
Desiree Kennedy, Chief Financial Officer & City Treasurer	Not required

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## Options / Discussions

A municipal energy planning project is a comprehensive approach to energy planning by a community considering the broader and longer term context of energy generation, consumption, infrastructure, and land use planning. It includes all sectors in the community - residential, commercial, industrial, institutional, municipal, and transportation.

## Project Objectives and Opportunities

A municipal energy planning project supports local economic development, identifies 'Smart City' opportunities for conserving energy, improving energy efficiency and reducing GHG emissions, considers the impact of future growth and options for local clean energy generation, and builds awareness of energy use, energy generation and supply, energy efficiency and conservation principles.

A municipal energy planning project is particularly useful in understanding how, where and when energy is used within the community and allows planners and infrastructure managers to identify opportunities for programs, delivered at a neighborhood or sector level, that focus on energy conservation, fuel switching, renewable generation or other smart energy related outcomes.

A municipal energy planning project also allows for the rationalization of energy use and growth, specifically identifying the energy and greenhouse gas emission implications of different types of growth within residential, commercial, industrial and institutional land uses.

## Economic and Environmental Impacts of Successful Energy Planning

Energy and GHG emission inventories conducted for the reporting year 2011 identified that the entire City of Kingston spends approximately \$600 million each year on purchasing energy of all forms, all uses and in support of all land uses resulting in approximately 1.5 million tonnes of CO<sub>2</sub> emissions. A majority of this annual spending on energy does not stay within Kingston. A major outcome of a municipal energy planning project will be to identify measures to reduce energy spending by increasing efficiency. A 1% reduction in community energy use would equate to \$6 million in avoided energy costs and the elimination of 15,000 tonnes (CO<sub>2</sub> eq) of greenhouse gas emissions annually.

## Project Plan

The municipal energy planning project, undertaken by the City of Kingston will be managed by the Corporate and Strategic Initiatives Group and will require participation from a number of key stakeholders and members of the public including, but not limited to:

- Planning and Development, Transportation Services, Facilities and other departments;
- Local utility companies and energy suppliers;
- Kingston Construction and Kingston Home Builders Associations;
- Major employers and institutions; and
- KEDCO, Chamber of Commerce, SWITCH and the DBIA.

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A municipal energy plan project will require approximately 18-24 months to complete and would involve the following major stages:

- Stage 1: Stakeholder Engagement;
- Stage 2: Baseline Data Collection, Energy Mapping and Analysis; and
- Stage 3: Creation of the Plan.

The final deliverable of the project will be a community plan to be called the Kingston Community Energy Plan. To be approved by City Council in 2016, this community plan may include recommendations for capital projects, timelines and commitments to integrate smart energy recommendations into other relevant municipal planning instruments such as the Official Plan, strategic plans, community economic strategies and smart growth plans.

### **RFP Proposal Evaluation Process**

In October 2014, the City released RFP F31-CSI-ESI-2014-10 seeking proposals from experienced and qualified firms to provide professional services for the completion of a municipal energy planning project for up to a 2-year period (2015 & 2016). RFP F31-CSI-ESI-2014-10 closed on November 6, 2014. 11 proposals were received by the Clerk's Office from the following firms with bids ranging from \$90,948 to \$168,000.

1. IndEco Strategic Consulting
2. Lura Consulting
3. Posterity Group
4. Leidos Canada
5. Stantec
6. Blue Sky Energy Engineering
7. MMM Group
8. AET Group
9. BPA
10. Burman Energy Consultants Group
11. Cole Engineering Group

The City of Kingston Purchasing Bylaw 2000-134 instructs that for the procurement of professional services above \$50,000, the selection must be based on the weighting criteria set out in the Request for Proposal (as outlined below), including but not limited to the factors of ability, qualifications and experience in similar projects, personnel assigned to the project, reputation, location, knowledge, work load and fees.

Staff members from the Planning and Development Department, Environment & Sustainable Initiatives Department and the Corporate and Strategic Initiatives Commissioner's Office reviewed and evaluated all 11 proposals using the evaluation criteria outlined in the RFP as follows:

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Bid Price	40%
Understanding of Objective	10%
Experience and Qualifications of the Company	10%
Experience and Qualifications of the Project Team	20%
Proposed Work Plan and Quality of Approach	17%
Accessibility Standards for Customer Service	3%

### Proposal Recommendation

Upon completion of an evaluation of all submitted proposals using the above criteria as outlined in the RFP, Staff concluded that the proposal from IndEco & Sustainability Solutions Group was the most comprehensive submission, the best value for the City within the approved budget and met the schedule requirements. Their awareness of the importance of land use planning, transportation master planning, and their experience in data mapping stood out above all others.

Staff invited IndEco & Sustainable Energy Solution to Kingston for a short-listed interview to further determine the team's ability to fulfill the requirements outlined in the RFP. In addition, staff contacted the municipal references provided by IndEco and Sustainability Solutions Group.

The proposed team presented by IndEco & Sustainability Solutions Group have been community energy and community engagement consultants for 20 years, exceeding the level of experience above all other proposals. They have worked with over 35 Canadian municipalities such as Halton Hills, the County of Oxford, the City of Brantford, the towns of Caledon and Whitby in the past five years developing energy and GHG emission plans, including energy and GHG mapping and modelling. They previously provided services to St. Lawrence College, Utilities Kingston and Kingston Hydro in energy conservation performing at a high standard. They were the only proponent to have actually completed a community energy plan using a community engagement model.

Ranked #1 by the evaluation team using the criteria outlined in the RFP, Staff is recommending that IndEco & Sustainability Solutions Group be awarded the contract for the provision of professional services for the completion of a municipal energy planning project at the total bid price of \$92,000 plus HST and that the Mayor and City Clerk be authorized to execute a contract with IndEco & Sustainability Solutions Group for the above noted services in a form satisfactory to the Director of Legal Services.

As per Section C: General Terms and Conditions of RFP F31-CSI-ESI-2014-10 and in accordance with the City of Kingston Purchasing Bylaw 2000-134, the pricing component and the ranking of all accepted submissions may be reported to Council for bids over \$50,000.

The City of Kingston Purchasing Bylaw 2000-134 directs that Council approval is required to proceed with a recommended proposal in the event that the proposal does not represent the lowest bid price. IndEco & Sustainability Solutions Group was the third lowest bidder. The lowest bid of \$89,700 was ranked 6<sup>th</sup> by the evaluation team using the criteria outlined in the RFP. The evaluation team reported that the proposed team did not meet the level of experience required to complete a municipal energy planning project. The second lowest bid of \$90,948 was ranked 3<sup>rd</sup> by the evaluation team indicating also that the level of experience and

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understanding of the project objectives did not compare to that of the first place proposal ranked much higher.

**Existing Policy/By-Law:**

All purchases of Goods and Services for the City of Kingston are subject to the provisions of By-law No. 2000-134 – A By-Law to Establish Purchasing Policies and Procedures. Section 10.4 of the By-Law instructs that for the procurement of professional services above \$50,000, the selection must be based on the weighting criteria set out in the Request for Proposal, including but not limited to the factors of ability, qualifications and experience in similar projects, personnel assigned to the project, reputation, location, knowledge, work load and fees.

The City of Kingston became a member of the Federation of Canadian Municipalities Partners in Climate Protection Program and in so doing resolved to take actions toward reducing Kingston's contribution to global climate change. Specifically, the City of Kingston resolved to adopt a target of a 10% reduction in community GHG emissions by 2014.

The City has confirmed its commitment to sustainability in the Official Plan which states that the municipality will promote, "compatibility between different functions; that reduces energy, land or resource consumption in order to reduce greenhouse gas emissions with the objective that all new buildings are carbon neutral by 2020."(Section 2.1, Sustainability, Official Plan)

**Notice Provisions:**

None

**Accessibility Considerations:**

The development of a Municipal Energy Plan will require significant stakeholder and public consultation. Documentation prepared for the project and consultation methods used will be designed and delivered in accordance with the Accessibility for Ontarians with Disabilities Act. Accessibility was one of the criteria used to evaluate the proposals. IndEco & Sustainability Solutions Group demonstrated the ability to comply with current accessibility legislation.

**Financial Considerations:**

The cost of completing the Municipal Energy Plan was approved as a capital project as part of the Environment and Sustainable Initiatives Operating Budget. Completion of a Municipal Energy Plan is expected to require a project budget of \$106,300 utilizing \$53,300 from the Working Fund Reserve and another \$53,300 of grant funding from the Ministry of Energy.

**Contacts:**

Paul MacLatchy, Director, Environment & Sustainable Initiatives      613-546-4291 ext. 1226

Daniel Shipp, Sustainable Initiatives Coordinator, Corporate & Strategic Initiatives

613-546-4291 ext. 1263

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**Other City of Kingston Staff Consulted:**

Jason Budd, Senior Planner, Planning and Development

**Exhibits Attached:**

None