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**REPORT TITLE: Procurement of Consulting Services for Net Zero Emission Building Retrofit Standard Development**

**FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services**

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## **RECOMMENDATION**

**That the contract (Document 2021-641P) for Consulting Services to Develop a Net Zero Emissions Standard for the Region of Peel awarded to Introba Canada LLP be increased in the amount of \$200,000, (excluding applicable taxes) for a total commitment of \$339,765 exclusive of applicable taxes, pursuant to Procurement by-law 30-2018, as amended.**

## **REPORT HIGHLIGHTS**

- Existing buildings are the largest source of corporate greenhouse gas (GHG) emissions, accounting for about 40% of the Region’s total emissions, which makes prioritizing and accelerating building decarbonization essential to achieve the Region’s GHG emissions reduction target of 45% below 2010 levels by 2030.
- Existing State of Good Repair (SOGR) plans have intensive capital work planned in 2023-2027 that present significant and timely opportunities to reduce building-based GHG emissions at an optimal cost with minimal occupant disruption.
- To leverage these opportunities, staff plan to develop a Net Zero Emissions Building Retrofit Policy, Standard, and Implementation Guide (the “NZE Building Retrofit Package”).
- The NZE Building Retrofit Package will define how the Region can achieve significant decarbonization for existing buildings in a technically sound, integrated, and cost-effective way and will be specific to the Region’s building types, age and condition. A standardized approach to building retrofits will streamline project design, expedite implementation, and ensure consistency in building systems operations.
- The streamlined and expedited approach to decarbonize existing buildings needs to start in Q1 2024 and, with consideration for phasing the implementation of the NZE Building Retrofit Package, make significant progress towards the 2030 corporate GHG emissions reduction target.
- In 2021, Introba Canada LLP was retained through a competitive procurement process to develop the Region’s first NZE Building Policy, Standard and Implementation Guide for **New Construction**. Introba Canada LLP met the Region’s expectations, and successfully delivered the project on time and budget. Introba Canada LLP also gained good understanding of Region’s processes, systems and key stakeholders, and therefore is in a strong position to develop the NZE Building Retrofit Package.

## Procurement of Consulting Services for Net Zero Emission Building Retrofit Standard Development

- Timely development of the NZE Building Retrofit Package is required to ensure the Region does not miss critical opportunities to streamline climate action into appropriate SOGR plans. It is estimated that extending the existing contract with Introba Canada LLP for the development of both standards will save about 12 weeks on the project.
- Staff recommend leveraging the existing contract with Introba Canada LLP (Document 2021-641P) having the knowledge and experience to develop the NZE Building Retrofit Package as a seamless delivery of both NZE Building Standards (New Construction and Retrofit).

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## DISCUSSION

### 1. Background

The Region's approved Climate Change Master Plan (2019) established a corporate greenhouse gas (GHG) emissions reduction target of 45 per cent reduction by 2030 compared to 2010 baseline. Within the Region's GHG emission inventory, buildings account for about 40 per cent of the total corporate GHG emissions, which makes prioritizing and accelerating building decarbonization essential to achieve the Region's 2030 GHG emissions reduction target.

The Region's existing building stock will undergo State of Good Repair (SOGR) projects over the next 5 years, which will focus on building components from windows, walls, roof to mechanical and electrical systems (e.g. HVAC). This work is critical to keep buildings in good working condition, but if considered with a climate lens, also provides the ideal opportunity to replace assets at end of life with low carbon technologies and bundle with envelop upgrades to improve the overall energy efficiency of the building.

To leverage these opportunities, staff plan to develop a Net Zero Emissions Building Retrofit Policy, Standard, and Implementation Guide (the "NZE Building Retrofit Package"). The NZE Building Retrofit Package will streamline project design, expedite implementation, ensure cost effective delivery of SOGR projects and consistency in building systems operations. The NZE Building Retrofit Package will be based on the best available industry standards, practices, and studies; and address the most common building types within the Region, offering building age- and condition-based solutions.

The streamlined and expedited approach to decarbonize existing buildings needs to start in Q1 2024 and, with consideration for phasing the implementation of the NZE Building Retrofit Package, make significant progress towards the 2030 corporate GHG emissions reduction target.

Introba Canada LLP is a leader in sustainability and decarbonization consulting and, in 2021, was awarded the contract to develop the Region's NZE Building Package for New Construction. Introba Canada LLP was awarded the original contract (Document 2021-641P) through the competitive procurement process.

## **Procurement of Consulting Services for Net Zero Emission Building Retrofit Standard Development**

Continuing to work with Introba Canada LLP on the NZE Building Retrofit Package would best ensure the appropriate knowledge, expertise and consistency across NZE policy and standards and allow seamless delivery of both NZE standards (New Construction and Retrofit), which would save up to 12 weeks due to; leveraging the existing procurement contract, efficient onboarding of the consultant team to the new project, and other process efficiencies established by the consultant through the development of the NZE Building Package for New Construction.

In view of the above, staff recommend authorizing the Director of the Office of Climate Change and Energy Management and the Commissioner of Corporate Services and Chief Financial Officer to extend the existing contract with Introba Canada LLP to develop a NZE Building Retrofit Package.

### **2. Procurement Process**

Upon receipt of Council approval, the proposed process to increase and extend this contract will meet the requirements of the Procurement by-law 30-2018, as amended. Execution of the associated contract document will follow the process outlined under the Document Execution Bylaw 30-2017, as amended.

### **FINANCIAL IMPLICATIONS**

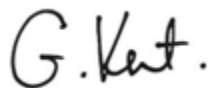
Staff have determined that the cost to develop the Net Zero Emissions Building Retrofit Package represents fair value to the Region of Peel.

There are sufficient funds in the approved capital budget to cover the contract extension.

### **CONCLUSION**

This report recommends extending the current contract (2021-641P) with Introba Canada LLP.

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Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

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