LOCAL GOVERNMENT
CLIMATE ACTION PROGRAM

CONTRACTED SERVICES EMISSIONS GUIDANCE

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This guidebook was originally developed by the Green Communities Committee, drawing on input and feedback from B.C. local governments through an ongoing collaborative process to establish a common approach to traditional services greenhouse gas emissions reporting, in addition to contributions from UBCM and provincial staff. It aims to meet local governments' expressed interests in a practical approach that is fair and credible. Updates in line with the new Local Government Climate Action Program (LGCAP) have been added by Climate Action Secretariat (CAS) staff.

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Glossary

B.C. Climate Action Charter: A voluntary agreement signed by local governments in British Columbia (B.C.). Signatories commit to working to achieve three goals: becoming carbon neutral in respect of their operations; measuring and reporting on community greenhouse gas (GHG) emissions; and creating compact, complete and energy-efficient communities.

Carbon neutral local government: For the purposes of the Climate Action Charter, a local government is carbon neutral if it has (1) calculated the total emissions for which it is responsible; (2) pursued actions to minimize those emissions; (3) balanced and / or offset all remaining emissions; and (4) reported publicly on their results. Note that carbon neutrality is not a component of the Local Government Climate Action Program (LGCAP).

Climate Action Revenue Incentive Program (CARIP): A retired grant program that concluded in 2021 was available to signatories of the B.C. Climate Action Charter and provided a grant equal to one hundred percent of the carbon tax paid by local governments as a direct expenditure.

Contracted emissions: For the purposes of LGCAP, contracted emissions are those GHG emissions generated by the consumption of fossil fuels in the delivery of a traditional service by a third party (e.g., a contractor).

Green Communities Carbon Neutral Framework: A B.C.-specific Carbon Neutral Framework developed by the Green Communities Committee to enable local governments to meet their Climate Action Charter goal of carbon neutrality.

Green Communities Committee: A joint committee of the Province of British Columbia and the Union of BC Municipalities established under the Climate Action Charter with a mandate to provide tools and supports to assist local governments to meet their Climate Action Charter goals.

Greenhouse gas (GHG): A gas emitted to the atmosphere from natural sources and as the result of human activity. GHGs both absorb and reflect the sun's radiation. GHGs reported under LGCAP include carbon dioxide, methane, nitrous oxide, while omitting hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride sources.

Community Emissions: GHG emissions generated from community activities.

Traditional Services GHG Emissions: GHG emissions generated through local government operations (see also traditional services emissions boundary).

Included contracts: For the purposes of LGCAP, new or renewed contracts over $25,000 for the delivery of a traditional service other than administration and governance. Emissions from included contracts should be incorporated into a local government's traditional services inventory on an annual basis.

Local government: In British Columbia, a term that includes both regional districts and municipalities.

Local Government Climate Action Program (LGCAP): Provides local governments and Modern Treaty Nations with funding to support the implementation of local climate action that reduces emissions and prepares communities for the impacts of a changing climate.

Traditional services emissions boundary: As defined in the LGCAP Traditional Services Boundaries and Scope Guidance, GHG emissions produced as a result of a local government's or Nation's delivery of "traditional services", including fire protection, solid waste management, recreational / cultural services, road and traffic operations, water and wastewater management, and local government administration.

Modern Treaty Nations: Self-governing Nations distinct from municipalities, regional districts, and other levels of government. Modern Treaties are nation- to-nation relationships between Indigenous Peoples, the federal and provincial/ territorial Crown.

Please note: Most resources linked throughout this document can be found on the Local Government Climate Action Program (LGCAP) webpage.

Section 1: Contracted Emissions

All local governments in British Columbia have signed the Climate Action Charter, voluntarily committing to develop strategies and take actions to achieve three goals:

- Becoming carbon neutral in respect of their corporate operations by 2012
- Measuring and reporting on their community greenhouse gas (GHG) emissions; and
- Creating complete, compact and energy efficient rural and urban communities.

There is no requirement to achieve carbon neutrality in traditional services operations under LGCAP. This means that offsets and reduction credits are not accounted for under the Program and therefore all in-scope emission sources must still be included. Resources are still available in the Emissions Data Planning section of the resources webpage, including options for local governments and Modern Treaty Nations to balance their traditional services emissions to zero through investments in local emissions reduction projects and/or by purchasing offsets.

As noted in the LGCAP Traditional Services Boundaries and Scope Guidance, local governments are required to include GHG from some contracted services ("contracted emissions") as part of their traditional services GHG emissions inventory. This applies to new contracts and upon renewal of existing contracts.

Modern Treaty Nations are encouraged and supported to, but not required to, report their traditional services GHG inventory through LGCAP.

What Contracts are Included?

When reporting on contracted emissions, local governments and Modern Treaty Nations should include contracts that are:

- over $25,000 in value in the reporting year; AND
- "in scope" based on the traditional services boundaries described in the LGCAP Traditional Services Boundaries and Scope Guidance EXCEPT FOR administration and governance services.
    - Traditional services included in the operational GHG emissions boundary are:
        - Drinking, storm and waste water
        - Solid waste collection, transportation and diversion
        - Roads and traffic operations
        - Arts, recreation and cultural services
        - Fire protection

These are "included contracts". Note: once a contract has been established as part of the traditional services inventory (assuming you are able to collect fuel consumption, operating hours or distance travelled data), it should be included every year for the entire term of the contract.

What Needs to be Tracked and Reported?

For included contracts, local governments and Modern Treaty Nations are only required to track and report on contracted emissions that are derived from fossil fuel consumption used to operate vehicles, equipment and machinery. These include (but are not limited to) gasoline, diesel, natural gas, propane, and bio-fossil fuel blends.

Section 2: Accounting for Contracted Emissions

Requiring contractors to provide fuel consumption data encourages behavioural change by raising awareness of fuel consumption sources as well as associated costs and GHG emissions. As contractors begin to understand where their emissions are coming from, they are better able to minimize both their fuel costs and emissions (for example, through fuel switching, regular maintenance and right-sizing vehicles).

Planning ahead for the inclusion of contracted emissions in traditional services inventories will:

- Make it easier for local governments and Modern Treaty Nations to identify, collect and manage the emissions data coming from their contractors;
- Make it easier for contractors to understand what is required of them and to understand their role in operational GHG reduction activities; and,
- Provide a basis for local governments and Modern Treaty Nations to build relationships with contractors and encourage them to reduce their emissions over time, in ways that reduce costs for both contractors, local governments and Modern Treaty Nations.

While these benefits may take time to be realized, undertaking this work demonstrates climate leadership by local governments, Modern Treaty Nations and their contractors that will support broader behavioural change throughout their communities and regions.

Local governments and Modern Treaty Nations are encouraged to follow the five-step best practices process outlined below, which supports early engagement between staff and contractors as well as ongoing tracking and monitoring of contract data. While it is possible to manage contracts from the "back end" (i.e., to collect and identify fuel consumption data at the end of each reporting year), this will be harder to do and can be avoided by planning ahead.

Table 1: The 5 Steps

Step 1	Ensure that the appropriate staff are aware of the need to build requirements for contractors to track and report on the fuel consumed in the delivery of applicable traditional services on behalf of the local government or Nation.
Step 2	Build requirements for tracking fuel consumption into all Requests for Proposals for the delivery of applicable traditional services
Step 3	Include provisions in the contract requiring the contractor to provide fuel consumption data.
Step 4	Establish a process to ensure that staff tasked with managing the traditional services emissions inventory are aware of all new and renewed 'included contracts' and have access to associated fuel consumption data
Step 5	Report through the LGCAP annual reporting survey on total traditional services emissions, directly delivered emissions and contracted emissions.

Step 1: Build Staff Awareness

Make sure that all staff involved in contract negotiation or renegotiation processes are aware of the definition of "included contracts", and the need to be able to collect fuel consumption data for these. It may be helpful to develop a corporate policy or provide organization-wide communications to staff, especially for larger organizations that have many different individuals involved in contract processes.

Step 2: Include Requirements into RFPs

Local governments and Modern Treaty Nations may wish to notify existing contractors that they will be required to track their fossil fuel consumption if / when their existing contracts are renewed. In new contracts, Requests for Proposal (RFPs) and tenders, they should note that this will be a requirement. This will clarify the local government's or Modern Treaty Nation's expectations up front and ensure that contractors are aware that this data will need to be provided as part of their contract.

Step 3: Build Provisions into Contracts

In order to obtain fuel consumption data from contractors, as part of the contract negotiation or renegotiation process, it is recommended that local governments and Modern Treaty Nations build provisions into included contracts that require the service provider to track and provide fuel consumption data to the local government or Modern Treaty Nation.

The information below provides guidance on what data to request from contractors, and information on how to estimate contracted emissions in instances where direct data may not be available. Sample language that can be built into contracts to request fuel consumption data using either of these approaches is provided in **Appendix C**.

What Data to Request from Contractors

Local governments and Modern Treaty Nations may use one of two options to gather data. While the first option (specific data) requires slightly more work on the part of the contractor, it will provide the local government or Modern Treaty Nation with the most accurate representation of real fuel consumption and resulting GHG emissions, as well as detailed information to identify possible GHG reductions.

The second option (total fuel consumption) requires less work on the part of the contractor but may result in some overstatement of total GHG emissions generated from that contract. Local governments and Modern Treaty Nations should choose the approach that is the most suitable for them.

Option 1: Request Vehicle and Specific Fuel Consumption Data

Data required from the contractor:

- Vehicle class (heavy duty, light duty or off road—see **Appendix A** for a description of classes);
- Type of fuel used by each vehicle; and
- Amount of fuel consumed from the operation of vehicles, equipment and machinery for the contracted service.

This data will allow a local government or Modern Treaty Nation to apply emission factors that are accurate for the type of fuel consumed by vehicle type.

Option 2: Request Total Fuel Consumption Data

Under this option the local government or Modern Treaty Nation would request the following data from the contractor:

- Total fuel consumption from the operation of vehicles, equipment and machinery for the contracted service.

When entered into a carbon inventory and converted to t CO_2e (GHG emissions using a carbon dioxide equivalent), the local government or Modern Treaty Nation should **apply the relevant emission factor for a given fuel type** (i.e., gasoline or diesel). If the contractor cannot provide total consumption for specific fuel types, then apply **the emission factor for heavy diesel**. This represents a conservative estimate of the predominant vehicle and fuel type that is typically used to deliver contracted services.

Estimating Emissions When Actual Data Cannot be Provided

While local governments and Modern Treaty Nations are encouraged to work with their contractors to get actual emissions data, it is recognized that in some cases this may not be possible. If this is the case, the local government or Modern Treaty Nation may choose to use one of the estimation methodologies provided in **Appendix B**. While these methodologies will not generate an exact accounting of contracted emissions, they provide a reasonable proxy that a local government or Modern Treaty Nation can utilize while they are transitioning to a point where they are able to collect actual reported data.

Step 4: Track and Add New and Renewed Contracted Emissions

All emissions data from included contracts will need to be tracked and added to the local government's or Modern Treaty Nation's traditional services inventory on an ongoing basis as the data becomes available.

Fossil fuel consumption data from new or renewed included contracts will likely be provided at various times throughout the year depending on when the
contract was negotiated and the reporting schedule set up under the contract. It is recommended that local governments and Modern Treaty Nations establish a process to manage incoming GHG emissions data in order to ensure that staff with responsibility for developing the inventory are aware of new and renewed included contracts and have access to fuel consumption data from those contracts. By tracking and entering contracted emissions throughout the year, local governments and Modern Treaty Nations can better monitor the emissions intensity from a given contract on an ongoing basis, providing the basis for conversations with contractors about fuel consumption and the reduction of GHG emissions.

Statement of Financial Information (SOFI)

If a local government or Modern Treaty Nation has not established a process for tracking new and renewed contracts, they may wish to refer to the list of suppliers of goods and services contained in their annual Statement of Financial Information. Required under the Financial Information Act, a SOFI lists all of a local government's or Modern Treaty Nation's contracts over $25,000, so it can be used as a starting point to determine what contracts may need to be included in the traditional services GHG emissions inventory.

Step 5: Report Through LGCAP Annual Reporting Survey

To be eligible for LGCAP funding, participants are required to:

- be a signatory to the B.C. Climate Action Charter or a B.C. Modern Treaty Nation;
- for local governments with populations of 5000 or more (based on 2020 BC Stats populations), measure and report on traditional services GHG emissions;
- report on projects linked to one or more objectives from the CleanBC Roadmap to 2030 and/or Climate Preparedness and Adaptation Strategy (CPAS);
- complete an online reporting survey where local governments and Modern Treaty Nations (with populations exceeding 5000 residents) will be required to report emissions from directly delivered services, contracted services and their sum;
- have the Chief Financial Officer, or equivalent position, attest that all funds were, or will be, used towards climate action; and
- publicly post a completed version of the survey and attestation form.

Section 3: Changes to the Contracted Services Emissions Guidance

The Contracted Services Emissions Guidance is a living document that may be amended or refined based on local government and Modern Treaty Nations feedback and emerging best practices. To this end, when applying estimation methodologies for calculating fuel consumption, local governments and Modern Treaty Nations should ensure that they are using the most up to date version of the Guidance.

Local government and Modern Treaty Nation feedback is an important part of ensuring that the approach meets the needs of its users, and the LGCAP Team looks forward to receiving feedback. All comments and questions on this document can be directed to LGCAP@gov.bc.ca.

Appendix A: Vehicle Class Descriptions

Table 2: Vehicle Class Descriptions

Vehicle Class	Includes:
Motorcycles and Scooters	2 or 3-wheeled vehicle
Light Duty Vehicle	2 door passenger cars 4 door passenger cars Station wagons
Light Duty Truck	SUV's, minivans Full- size vans Pickup trucks with a gross vehicle weight rating (GVWR) under 3856 Kg (8500 lbs) and a curb weight under 2722 Kg (6000 lbs)
Heavy Duty Truck	Road vehicles with a gross vehicle weight rating (GVWR) over 3856 Kg (8500 lbs) and a curb weight over 2722 Kg (6000 lbs)
Off Road Vehicle	Vehicles and equipment not licensed for road use (e.g. snowmobiles, ATVs, lawnmowers and trimmers, tractors, construction equipment)

Appendix B: Estimating Contracted Emissions

In instances where a local government or Modern Treaty Nation cannot provide actual emissions data for included contracts, they may choose to use an estimation instead. Recognizing local governments and Modern Treaty Nations will have access to different types of fuel information, three different options for estimating fuel consumption have been developed:

- Option 1: Ask your contractor
- Option 2: Proxy fuel consumption value based on a sample of contracts
- Option 3: Vehicle/equipment type and hours or kilometers of usage

Each option should yield a reasonable proxy measure of the emissions from any given contract. It is expected that a local government or Modern Treaty Nation will select the option that can be most reasonably implemented and that will yield the most accurate results given the particular circumstances and data available.

Option 1: Ask Your Contractor to Provide an Estimate

This option is appropriate for local governments and Modern Treaty Nations who may be able to get a reasonable estimation of fuel consumption directly from their contractors.

1. Compile a list of new and renewed contracts for the reporting year (refer to the SOFI Sidebar on page 9).

2. Review the contract list and exclude:

    a. All contracts that are out of scope, based on the traditional service boundaries described in the LGCAP Traditional Services Boundaries and Scope Guidance;

    b. Any contacts valued less than $25,000 in the reporting year;

    c. Any activities that are difficult to measure and contribute less than 1% of the total traditional services inventory and

    d. Any contracts for administration and governance services and stationary sources.

3. Once a list of included contracts has been established, contact each of the contractors and request fuel consumption data. If the actual amounts are not available, the contractor may be able to provide a reasonable estimate based on their professional experience, familiarity with the operating equipment and time spent delivering the contract.

4. Convert fuel data to GHG emissions using a carbon inventory and reporting tool. The Province has provided a Traditional Services Emissions Inventory Reporting Tool for LGCAP. For questions or assistance on using the tool, please contact LGCAP@gov.bc.ca. Please follow the methodology in the 2025 BC Best Practices Methodology for Quantifying GHG Emissions and use the emissions factors in the Emissions Factors Catalogue if using your own inventory reporting tool.

5. Report emissions from directly delivered services, contracted services and their total through the LGCAP reporting survey and make completed survey and attestation form public.

Option 2: Proxy Fuel Consumption Value Based on a Sample of Contracts

This option is appropriate for local governments and Modern Treaty Nations that have fuel consumption data for a limited sample of their contracts. This method incorporates a level of administrative ease when Option 1 is not feasible.

1. Open the Contracted Services Emissions Calculator.

2. In the calculator, compile a list of new and renewed contracts for the reporting year:

    a. Consult with your financial officers to identify your local government's or Modern Treaty Nation's most current SOFI list (see sidebar on page 9); and

    b. Input your community's complete SOFI list in the calculator.

3. Review the contract list and exclude:

    a. All contracts that are out of scope, based on the traditional service boundaries described in the Workbook; and

    b. Any contacts valued less than $25,000 in the reporting year;

    c. Any activities that are difficult to measure and contribute less than 1% of the total traditional services inventory and

    d. Any contracts for administration and governance services and stationary sources.

4. Take a 25% sample of the contract list.

    There are many different approaches that can be used to develop a sample of the contracts list. Local governments and Modern Treaty Nations should select the one that seems to be the most reasonable based on the type and number of contracts that they are working with. For example:

    - Order the Step 3 contract list by dollar value and use the highest 25% as the sample.

    OR

    - Using professional judgment, categorize each contract on the list according to their general level of emissions intensity. Once categorized, take a 25% random sample from each category.

5. For each of the included contracts identified in the sample and based on cost, determine what proportion of each one is fuel consumption (e.g., $16,000 in fuel costs for a $40,000 contract = 40%)

6. Calculate the average percentage of fuel consumption from the sample contracts. Input the average fuel estimate for the flagged sample into "Estimated fuel % cost of overall contracted service cost" in the calculator and it will automatically apply this value to included contracts.

7. Report through the LGCAP annual reporting survey and make the completed survey and attestation form public.

Option 3: Vehicle/Equipment Type and Hours (Or Kilometres) of Usage

This option is appropriate for local governments and Modern Treaty Nations that are able to identify the type of vehicles and equipment being used to deliver their contracted services and the approximate number of hours (or kilometres) that they are in use during the term of the contract.

1. Compile a list of new and renewed contracts for the reporting year. (Refer to the SOFI Sidebar on page 9).
2. Review the contract list and **exclude**:
    a. All contracts that are out of scope, based on the traditional service boundaries described in the guidance; and
    b. Any contacts valued less than $25,000 in the reporting year;
    c. Any activities that are difficult to measure ***and*** contribute less than 1% of the total traditional services inventory and
    d. Any contracts for administration and governance services and from stationary sources.
3. Examine your internal fleet by class (**Appendix A**) and assess:
    a. The total amount of fuel consumed for all vehicles in each corresponding class; and
    b. The total hours (or kilometres [km]) of usage for all vehicles in each class.

    Based on this information, calculate average fuel use per hour (or per km) for each class in your fleet (Equations 1 or 2).
    - Equation 1: Fuel Type (L/m^3/kg) class type / Time (hour) class type
    - Equation 2: Fuel Type (L/m^3/kg) class type / Distance (km) class type

    Given that contracted services are typically calculated by billed hours, local governments and Modern Treaty Nations can multiply the values derived from Equation 1 by contracted hours to estimate total fuel consumptions for contracted services that use vehicles of similar class. Alternatively, if contracted services track their kms, local governments and Modern Treaty Nations can multiply the values derived from Equation 2 by contracted kms to estimate total fuel consumption for contracted services that use vehicles of similar class.
4. Convert fuel data to GHG emissions using an appropriate energy and emissions inventory and reporting tool or the tool provided by the Province.

    For those using an inventory tool not provided by the Province, please follow the methodology in the 2025 BC Best Practices Methodology for Quantifying GHG Emissions and apply the emissions factors in the Emissions Factors Catalogue.
5. Report through the LGCAP annual reporting survey and make the completed survey and attestation form public.

Appendix C: Sample Contract Language

Vehicle And Fuel Data

Requirement for fuel consumption data provision

Commencing on [start date] the [name of local government/Nation] will require [name of contractor] to communicate the quantity of fuel used to operate vehicles, equipment and machinery as part of the delivery of the services described in this contract on a [frequency of reporting] basis. Fuel consumption associated with the provision of these services must be provided to the [name of local government/Nation] within thirty (30) days of the following dates: [dates on which fuel consumption data will be required by the local government/ Nation].

Data provided should include the following information:

- Number of vehicles, by vehicle class, used to deliver the contracted service (heavy duty, light duty, off road);
- Type of fuel consumed by each vehicle class (e.g. diesel / gasoline / natural gas / ethanol blend/ biodiesel blend); and
- Litres of fossil fuels consumed in relation to the service delivered under the contract in each vehicle class, up to the dates specified above.

Fuel Consumption Data

Requirement for fuel consumption data provision

Commencing on [start date] the [name of local government/ Nation] will require [name of contractor] to communicate the quantity of fuel used to operate vehicles, equipment and machinery as part of the delivery of the services described in this contract on a [frequency of reporting] basis. Fuel consumption associated with the provision of these services must be provided to the [name of local government/Nation] within thirty (30) days of the following dates: [dates on which fuel consumption data will be required by the local government/Nation].