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## Ministry Business Plan

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# Infrastructure

## Business Plan 2024-27

### Ministry Fact Sheet – Mandate and Structure

The ministry consists of the Department of Infrastructure.

Infrastructure provides innovative, adaptive and responsible Infrastructure solutions that meet current and future Albertan’s needs. Through continuous improvement, leadership, expertise and collaboration with partners, the ministry of Infrastructure builds and maintains public infrastructure that contributes to the province’s economy and Albertans’ quality of life. It forms the backbone for the delivery of effective and accessible services that Albertan’s rely on, such as health (including mental health and addiction), school and government-owned facilities.

The ministry is committed to long-term infrastructure planning of provincial public infrastructure that supports social programs and services, and stimulates economic development. In addition, the ministry provides accommodation services and manages a large portfolio of owned and leased facilities while maintaining fiscal accountability and optimizing value for taxpayers.

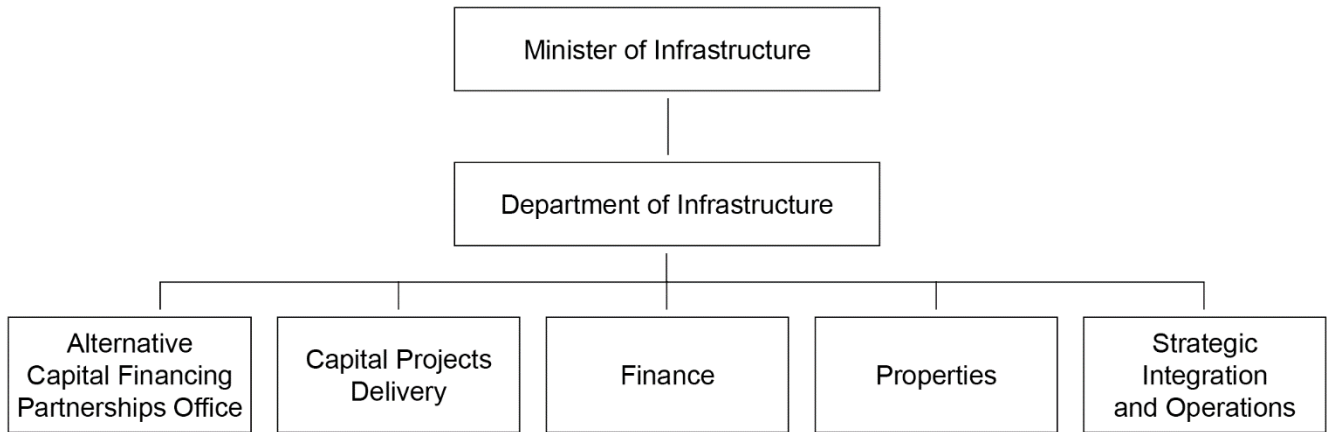
Infrastructure supports the Government of Alberta’s commitment to partner with private sector entities in providing public infrastructure, ensuring the projects Albertans need are delivered on time and on budget. By leveraging public-private partnerships (P3s) and evaluating unsolicited proposals (USPs), Infrastructure utilizes creative approaches to financing projects that deliver value for money, create new job opportunities, generate revenue, stimulate Alberta’s economy, and strengthen government’s fiscal sustainability.

The ministry will deliver the capital plan and continue to administer the Investing in Canada Infrastructure Program (ICIP) and next generation federal infrastructure funding programs. The ministry will continue to engage with the federal government to advocate for flexible and stable federal funding to meet Alberta’s unique infrastructure needs, grow the economy through job creation and stimulate the economy in local communities. Infrastructure investments are attractive because projects provide immediate employment and investment opportunities, tangible outcomes and spin-off benefits to suppliers, service providers and local economies.

Government will continue to fund Capital Maintenance and Renewal (CMR) projects in 2024-25. Short-term impact, smaller, shovel-ready CMR projects will have the most immediate effect on the economy, while potentially leveraging additional federal dollars. These projects typically also support small and medium-sized contractors, which tend to be locally based, and can promote agile investment delivery and local economic stimulus as contracts can be awarded quickly.

The Government of Alberta is focused on making the right infrastructure decisions that are multi-faceted, focused on immediate supports, job creation, and diversification. The *Infrastructure Accountability Act* and *Building Forward: Alberta’s 20-Year Strategic Capital Plan* continue to provide clarity on how government invests in planning, constructing, renewing, and maintaining public infrastructure, such as provincial buildings, recreation and cultural facilities, schools, post-secondary institutions, healthcare, and mental health and addiction facilities.

Larger strategic infrastructure projects, with a longer-term impact, will have a lasting effect on the overall growth and economic productivity of Alberta. Investment in new infrastructure, such as recovery communities, hospitals and schools, creates jobs and delivers tangible assets that fuel economic growth. Building new infrastructure boosts productive capacity and enables sustained economic activity. When construction is completed, these projects continue to support ongoing, long-term local job opportunities and community-based economic activity related to operations, maintenance and program delivery.



A more detailed description of Infrastructure and its programs and initiatives can be found at: [www.infrastructure.alberta.ca](http://www.infrastructure.alberta.ca)

The Ministry of Infrastructure remains committed to regulatory approaches and program delivery that reduce unnecessary government oversight and emphasizes outcomes, in order to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

Ministry business plans should be considered in conjunction with all budget documents - including the Fiscal Plan, Government Strategic Plan, and Estimates - which work together to provide a complete overview of government’s commitment to responsible fiscal management.

# 2024-27 Business Plan

## Outcome 1

**Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs**

Infrastructure collaborates with partner ministries, boards, agencies, industry and other stakeholders to plan, build and deliver government-owned and supported capital infrastructure that will support the enhancement of government services to ensure the effective and accessible delivery of services on which Albertans rely.

### Key Objectives

- 1.1 Deliver new construction and major modernization projects for health, school, and government-owned facilities, including the use of alternative financing, to create jobs and strengthen the economy.
- 1.2 Deliver capital projects on time, on budget and to scope to ensure high-quality public services.
- 1.3 Reduce red tape and costs and accelerate construction timelines by simplifying, modernizing and standardizing regulations, policies, guidelines and building contracts, and by evaluating priority stakeholder recommendations such as prompt pay.

### Initiatives Supporting Key Objectives

- For 2024-25, \$696.7 million is allocated to the construction of health facilities, including \$67.7 million for new recovery communities in key locations throughout the province.
- Infrastructure is allocating \$655.7 million for the construction of school facilities in 2024-25, including \$50.0 million for the Modular Classroom Program.
- Construction of government facilities in 2024-25 has been allocated \$82.5 million, including \$22.7 million for the Red Deer Justice Centre.
- In 2024-25, \$22.5 million is allocated for the planning, design and implementation of capital infrastructure projects.

## Performance Metrics

### 1.a Performance Measure: Average number of calendar days required to complete Infrastructure-managed over threshold procurements

This performance metric evaluates how effectively the ministry is managing procurements by aiming to complete them within 24 calendar days. The measure supports the ministry’s ability to deliver projects on time, on budget and to specification by developing more accurate project schedules, while also gaining efficiencies in the procurement phase of the overall project schedule. Targets are based on average historical performance, maintaining best practices and incorporating further efficiencies.

In 2022-23, it took an average of 20.8 calendar days to complete procurements.

|                |                |    |                |    |                |    |
|----------------|----------------|----|----------------|----|----------------|----|
| <b>Targets</b> | <b>2024-25</b> | 24 | <b>2025-26</b> | 24 | <b>2026-27</b> | 24 |
|----------------|----------------|----|----------------|----|----------------|----|

### 1.b Performance Measure: Percentage of Infrastructure-managed and delivered capital projects that are on budget

This performance metric demonstrates how effectively Infrastructure manages and delivers capital projects on budget. Projects are considered to be On Budget if they are forecasting completion within their current approved budget, or Total Project Cost. The targets are based on jurisdictional best practices and are set based on historical results, taking the average of the results from the past two years.

In 2022-23, 96 per cent of Infrastructure capital projects were on budget.

| Targets | 2024-25 | 95% | 2025-26 | 95% | 2026-27 | 95% |
|---------|---------|-----|---------|-----|---------|-----|
|---------|---------|-----|---------|-----|---------|-----|

### 1.c Performance Measure: Percentage of Infrastructure-managed and delivered capital projects that are on schedule

This performance metric demonstrates how effectively Infrastructure manages and delivers capital projects on schedule. Projects are considered to be On Schedule if they are forecasting completion within their current approved schedule. The targets are based on jurisdictional best practices and are set based on historical results, taking the average of the results from the past two years.

In 2022-23, 87 per cent of Infrastructure capital projects were on schedule.

| Targets | 2024-25 | 95% | 2025-26 | 95% | 2026-27 | 95% |
|---------|---------|-----|---------|-----|---------|-----|
|---------|---------|-----|---------|-----|---------|-----|

## Outcome 2

### Alberta's public infrastructure is effectively and responsibly managed and sustainable

Infrastructure optimizes the value of government-owned and operated facilities through sound financial stewardship, quality and efficient use of government assets to deliver high-quality public services to those who need them, when they need them.

#### Key Objectives

- 2.1 Manage government assets through effective decision-making related to facilities, land and leasing to aid in cost-effective delivery of public services.
- 2.2 Maximize the efficiency of government-owned and operated infrastructure, support vital public services and the economy, and achieve annual operating savings through effective long-term investments in core assets and by disposing of assets government no longer needs.

#### Initiatives Supporting Key Objectives

- The 2024-25 allocation for management of government-owned and leased space (including property operations, utilities, leases, and accommodation projects that contribute to efficient use of space) is \$534.6 million.
- In 2024-25, \$324.6 million is being allocated for the maintenance and preservation of government-owned facilities. This includes \$1.5 million for the Lac La Biche Provincial Building chiller replacement, \$1.1 million for Reynolds Alberta Museum roofing replacement and repairs in Wetaskiwin, and capital maintenance and renewal for health and school facilities.

## Performance Metrics

### 2.a Performance Measure: Total cost per occupant in government-owned and operated office space facilities

This performance metric demonstrates the government's per occupant expenditure on office space, with the intent to reduce overall operating costs. Targets are based on improving office space density and incorporating operational efficiencies. The target is set at a year-over-year one per cent reduction in cost per occupant,

representing an attainable target with the continued focus of efficient use of government owned and operated office facilities. The result is reported on a one-year lag.

In 2022-23, the total cost in government-owned and operated office space facilities was \$8,576 per occupant.

| <b>Targets</b> | <b>2024-25</b> | \$8,457 | <b>2025-26</b> | \$8,372 | <b>2026-27</b> | \$8,288 |
|----------------|----------------|---------|----------------|---------|----------------|---------|
|----------------|----------------|---------|----------------|---------|----------------|---------|

**2.b Performance Measure: Energy consumption intensity in megajoules per gross square metre in government-owned and operated facilities**

This performance metric measures the consumption of energy and associated costs in government-owned and operated facilities, with the aim to lower overall consumption. It assists Infrastructure in identifying and implementing energy saving initiatives to achieve cost and environmental benefits and is also an indicator of success in reducing energy consumption through efficiencies and green technologies. Targets are set at a year-over-year 0.5 per cent reduction, by reviewing previous year trends in consumption and the potential impact of planned capital energy efficiency projects.

In 2022-23, the energy consumption intensity in government-owned and operated facilities was 1,457 megajoules per gross square metre (MJ/m<sup>2</sup>).

| <b>Targets</b> | <b>2024-25</b> | 1,463 | <b>2025-26</b> | 1,456 | <b>2026-27</b> | 1,428 |
|----------------|----------------|-------|----------------|-------|----------------|-------|
|----------------|----------------|-------|----------------|-------|----------------|-------|

## STATEMENT OF OPERATIONS

(thousands of dollars)

|   | Comparable        |                     | 2024-25<br>Estimate | 2025-26<br>Target | 2026-27<br>Target |
|---|-------------------|---------------------|---------------------|-------------------|-------------------|
|   | 2023-24<br>Budget | 2023-24<br>Forecast |                     |                   |                   |
| <b>REVENUE</b>                                    |                   |                     |                     |                   |                   |
| Transfers from Government of Canada               | 8,755             | 13,800              | <b>10,500</b>       | 10,500            | 10,500            |
| Premiums, Fees and Licences                       | 2,070             | 2,070               | <b>2,070</b>        | 2,070             | 2,070             |
| Other Revenue                                     | 98,499            | 151,956             | <b>30,682</b>       | 30,019            | 30,019            |
| Ministry Total                                    | 109,324           | 167,826             | <b>43,252</b>       | 42,589            | 42,589            |
| Inter-Ministry Consolidation Adjustment           | (83,556)          | (83,438)            | <b>(15,964)</b>     | (15,301)          | (15,301)          |
| Consolidated Total                                | 25,768            | 84,388              | <b>27,288</b>       | 27,288            | 27,288            |
| <b>EXPENSE</b>                                    |                   |                     |                     |                   |                   |
| Ministry Support Services                         | 10,492            | 10,492              | <b>10,669</b>       | 10,843            | 10,982            |
| Capital Construction                              | 1,351,839         | 1,099,228           | <b>1,485,198</b>    | 1,737,811         | 1,424,894         |
| Property Management                               | 413,354           | 432,240             | <b>438,750</b>      | 461,943           | 460,990           |
| Asset Management                                  | 6,580             | 6,580               | <b>6,728</b>        | 6,835             | 6,917             |
| Realty Services                                   | 184,238           | 184,238             | <b>189,233</b>      | 190,651           | 190,856           |
| Alternative Capital Financing Partnerships Office | 1,874             | 1,874               | <b>1,915</b>        | 1,945             | 1,968             |
| Ministry Total                                    | 1,968,377         | 1,734,652           | <b>2,132,493</b>    | 2,410,028         | 2,096,607         |
| Inter-Ministry Consolidation Adjustment           | (1,355,485)       | (1,100,874)         | <b>(1,482,876)</b>  | (1,736,092)       | (1,423,047)       |
| Consolidated Total                                | 612,892           | 633,778             | <b>649,617</b>      | 673,936           | 673,560           |
| Net Operating Result                              | (587,124)         | (549,390)           | <b>(622,329)</b>    | (646,648)         | (646,272)         |
| <b>CAPITAL INVESTMENT</b>                         |                   |                     |                     |                   |                   |
| Capital Construction                              | 1,504,953         | 1,254,638           | <b>1,623,792</b>    | 1,849,476         | 1,605,298         |
| Property Management                               | 238,022           | 277,213             | <b>212,958</b>      | 175,442           | 188,273           |
| Realty Services                                   | 14,136            | 350                 | <b>12,963</b>       | 18,960            | 8,300             |
| Ministry Total                                    | 1,757,111         | 1,532,201           | <b>1,849,713</b>    | 2,043,878         | 1,801,871         |
| Inter-Ministry Consolidation Adjustment           | (1,337,207)       | (1,082,596)         | <b>(1,464,598)</b>  | (1,717,814)       | (1,404,769)       |
| Consolidated Total                                | 419,904           | 449,605             | <b>385,115</b>      | 326,064           | 397,102           |