

Infrastructure

BUSINESS PLAN 2014-17

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of February 12, 2014.

original signed by

Ric McIver, Minister
February 19, 2014

THE MINISTRY

The ministry consists of the Department of Infrastructure. It works with partner ministries, boards, agencies and other stakeholders to plan, build and upgrade government-supported infrastructure, including health facilities, schools and post-secondary institutions. The ministry also leads the development of the Capital Plan for the Government of Alberta, delivers major government-owned capital projects, provides accommodation services, and manages a large portfolio of owned and leased facilities while maintaining fiscal accountability and improving value for Albertans. In addition, the ministry manages land acquisitions and dispositions for government and the Edmonton and Calgary Transportation and Utility Corridors.

Alberta Infrastructure aims to provide innovative and sustainable public infrastructure that provides value for Alberta's communities. This includes leading the lifecycle planning, provision and management of public infrastructure solutions, working in collaboration with our partners to contribute to the province's prosperity and quality of life, and preparing Alberta for future growth opportunities. While ensuring the safety of public facilities is paramount, the ministry balances new construction with opportunities to renovate, repurpose and revitalize existing facilities. The ministry provides infrastructure solutions that work for users, the communities they serve, and future generations of Albertans.

Key outcomes are focused on managing the facility lifecycle of the public asset base through:

- strategic planning of infrastructure for the Government of Alberta;
- building infrastructure facilities; and
- operating and maintaining existing inventory.

A more detailed description of Infrastructure and its programs and initiatives can be found at www.infrastructure.alberta.ca.

RESULTS-BASED BUDGETING AND THE GOVERNMENT OF ALBERTA STRATEGIC PLAN

Programs and services delivered by the ministry are reviewed for relevance, effectiveness and efficiency in accordance with the Government of Alberta's *Results-based Budgeting Act*.

This business plan supports the themes outlined in the *Government of Alberta Strategic Plan* in the following ways:

- Investing in Families and Communities. Infrastructure collaborates with Health and Alberta Health Services to ensure that health infrastructure is being constructed to meet the needs of Alberta's families and communities. This includes work that is well underway on major hospital projects in Edson, Grande Prairie, High Prairie, Lethbridge and Medicine Hat. These facilities will improve access to health care services in these communities. Planning for the Calgary Cancer Centre is underway which will improve access to cancer services in Southern Alberta.
- Securing Alberta's Economic Future. Infrastructure is responsible for leading the government's capital planning process, ensuring that the Capital Plan supports the priorities of Alberta and is fiscally responsible. As a part of that plan, Infrastructure is working with Education on the Premier's commitment to deliver 50 new schools and 70 modernizations.

The plan supports the achievement of the following strategic goals set out in the government's strategic plan:

- Goal 3: Healthy Albertans. The ministry works with Health and Alberta Health Services to plan and deliver the facilities that will meet the health and well-being needs of Albertans today and into the future.
- Goal 4: Invest in Learning. The ministry works with Education, Innovation and Advanced Education and stakeholders to ensure schools and post-secondary facilities meet program needs and enable Albertans to engage in life-long learning.
- Goal 5: Living Within Our Means. The ministry is responsible for leading and implementing the government's long-term capital plan to meet capital needs in a fiscally responsible manner. Infrastructure is also committed to implementing innovative technologies in government-owned and leased facilities to increase energy efficiency and reduce operating costs.

STRATEGIC CONTEXT

Alberta's population is now over four million, growing by 3.5 per cent in 2013 – approximately three times faster than Canada's national average. Infrastructure works with other ministries to ensure Albertans have the schools, hospitals and other public infrastructure necessary to support a strong economy and meet the needs of a growing population. The construction of new buildings, along with maintenance and renewal projects for existing buildings, ensures that Infrastructure maximizes asset value, while using effective infrastructure solutions to do so. Infrastructure continually pursues partnerships with industry to explore alternative financing, procurement and delivery methods.

In June 2013, devastating floods took place in Southern Alberta and the Regional Municipality of Wood Buffalo. Full recovery from the disasters will take years. The ministry is supporting the flood recovery and mitigation efforts through the development of policies and making decisions related to flood recovery efforts, including plans to create interim space and develop long-term accommodation solutions. Infrastructure is the lead ministry for the Floodway Relocation Program, a program to remove homes from the floodway.

The responsibility for capital planning across the Government of Alberta was transferred from Treasury Board and Finance to Infrastructure in 2013. Infrastructure is now responsible for leading the government's capital planning process, preparing the Capital Plan, and providing advice and analysis on planning, construction and capital spending. In collaboration with other ministries, Infrastructure continues to improve the capital planning process with a view to manage capital spending within fiscal constraints while providing needed infrastructure.

GOALS, PRIORITY INITIATIVES AND PERFORMANCE MEASURES

As a result of the ministry's review of its goals, environment, opportunities and challenges, a number of priority initiatives have been identified.

Goal One: Innovative public infrastructure solutions that provide value for Alberta's communities

Infrastructure is responsible for the planning, design and construction of public facilities to support the delivery of government programs and services for Albertans. The ministry provides professional and technical expertise to partner ministries on capital planning, design, construction, procurement, costing, project management, and facility evaluation and preservation.

Priority Initiatives:

- 1.1 Lead the development of the government's Capital Plan, in collaboration with key partners, to build priority public infrastructure based on strategic and fiscally sound investment principles that meet the needs of Albertans.
- 1.2 Work with community partners, industry stakeholders, partner ministries, school boards and post-secondary institutions to develop versatile multi-purpose public facilities.
- 1.3 Work with partners to coordinate and deliver the necessary present and future services to assist communities and organizations affected by the 2013 floods.

- 1.4 Deliver high quality, multi-purpose, cost effective and sustainable infrastructure projects, including health, learning and government-owned facilities.
- 1.5 Manage the acquisition and disposal of land as required to meet community and program needs.
- 1.6 Pursue alternative procurement methods and partnerships to provide needed infrastructure.
- 1.7 Ensure ministry accommodation effectively supports program and service delivery and accommodation projects optimize space utilization.
- 1.8 Integrate design excellence principles, value management, standard facility designs, procurement best practices including the Leadership in Energy and Environmental Design (LEED).

Performance Measures	Last Actual 2012-13	Target 2014-15	Target 2015-16	Target 2016-17
1.a Health facilities – physical condition:				
• Percentage in good condition	72%	74%	74%	75%
• Percentage in fair condition	24%	22%	22%	21%
• Percentage in poor condition	4%	4%	4%	4%
1.b School facilities – physical condition:				
• Percentage in good condition	56%	53%	50%	51%
• Percentage in fair condition	43%	44%	49%	48%
• Percentage in poor condition	1%	3%	1%	1%
1.c Post-secondary facilities – physical condition:				
• Percentage in good condition	71%	70%	68%	66%
• Percentage in fair condition	24%	25%	29%	32%
• Percentage in poor condition	5%	5%	3%	2%
1.d Government-owned and operated facilities – physical condition:				
• Percentage in good condition	70%	65%	67%	68%
• Percentage in fair condition	29%	33%	30%	29%
• Percentage in poor condition	1%	2%	3%	3%

Goal Two: Safe and sustainable public assets contribute to Alberta's prosperity

Infrastructure maintains and preserves all government-owned and leased properties. The objective is to manage this inventory of facilities in an efficient, safe and sustainable manner so as to support Alberta's prosperous development.

Priority Initiatives:

- 2.1 Operate and maintain our building and land inventory using innovative asset management solutions.
- 2.2 Ensure that industry best practices for the operation of government-owned and leased facilities are in place, implementing energy efficient technologies and achieving independent third party certification through the Building Owners and Managers Association Building Environmental Standards (BOMA BEST) program.
- 2.3 Advance the implementation of the Greening Government Strategy to reduce the environmental impact of government's operations and procurement practices.
- 2.4 Ensure appropriate physical building and site security standards are in place for government facilities.

Performance Measures	Last Actual 2012-13	Target 2014-15	Target 2015-16	Target 2016-17
2.a Energy consumption in megajoules per square metre in government-owned and operated facilities	1,617	1,635	1,630	1,595
2.b Percentage difference between average operating costs per rentable square metre of government-owned and operated office space and privately operated leased space	5%	±5%	±5%	±5%

OPERATIONAL PLAN

(thousands of dollars)	Comparable			2014-15 Estimate	2015-16 Target	2016-17 Target
	2012-13 Actual	2013-14 Budget	2013-14 Forecast			
OPERATIONAL EXPENSE						
Ministry Support Services	16,074	19,090	19,090	25,221	25,214	25,357
Health Facilities Support	8,574	12,011	12,011	15,476	25,376	45,156
Capital Construction Program	80,706	26,024	27,252	22,853	22,855	23,038
Strategic Partnerships Office	1,388	2,563	2,563	1,977	1,977	1,991
Property Management	239,422	315,911	318,661	319,315	321,018	324,182
Property Development	29,367	25,267	25,808	22,558	22,558	22,592
Realty Services	240,214	285,460	252,826	259,529	281,855	264,274
2013 Alberta Flooding	-	-	147,800	35,300	1,000	1,000
Consolidation Adjustments	(13,561)	(3,060)	(3,060)	(3,060)	(3,060)	(3,060)
Total	602,184	683,266	802,951	699,169	698,793	704,530

CAPITAL PLAN SPENDING

Ministry Support Services	4,158	4,161	4,169	4,161	4,161	4,161
Health Facilities Support	431,358	576,494	393,675	817,108	755,268	664,916
Capital Construction Program	190,135	166,687	223,305	226,660	222,229	186,460
Property Management	22,464	24,543	26,838	29,657	25,000	25,000
Property Development	8,908	10,000	18,847	15,000	20,000	25,000
Realty Services	5,248	8,300	25,876	29,588	31,988	24,794
Capital for Emergent Projects	9,770	-	7,985	-	-	-
2013 Alberta Flooding	-	-	5,550	24,000	25,850	15,000
Total	672,041	790,185	706,245	1,146,174	1,084,496	945,331