

BUDGET 2022

GOVERNMENT OF ALBERTA | 2022-25

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# Ministry Business Plan Infrastructure

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# Infrastructure

## Business Plan 2022-25

### Ministry Fact Sheet – Mandate and Structure

The ministry consists of the Department of Infrastructure.

Infrastructure provides innovative, high quality and well-designed public infrastructure for Albertans. Through leadership, expertise and collaboration with partners, the ministry provides public infrastructure that contributes to the province's economy and Albertans' quality of life. It forms the backbone of services through hospitals, schools, universities and colleges that households and communities rely on.

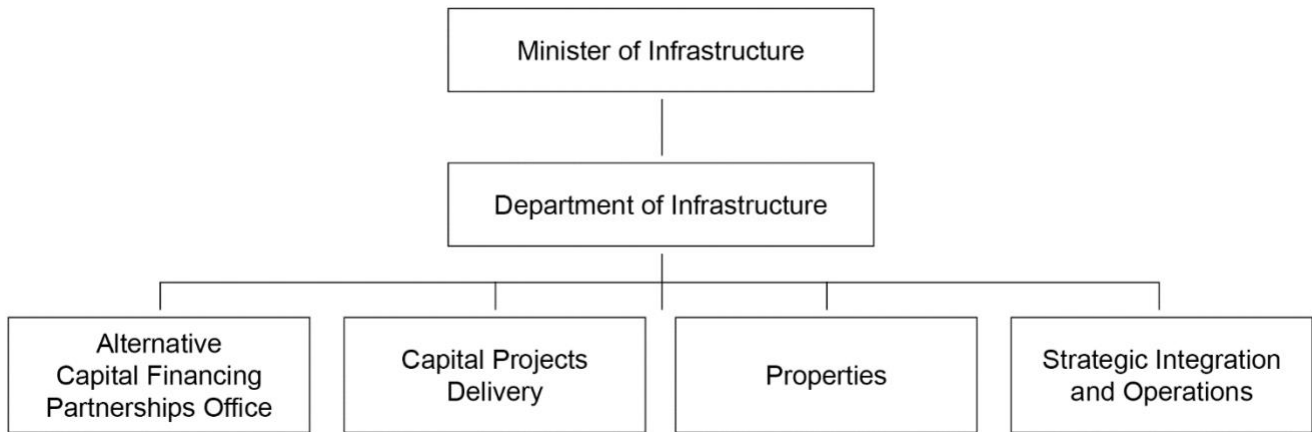
The ministry is accountable for the long-term planning of provincial public infrastructure to support key social programs and services and economic development. Infrastructure designs, builds, manages and maintains government-owned and operated facilities and collaborates with other ministries to ensure that school and health infrastructure meets the needs of all Albertans now and into the future. In addition, Infrastructure provides accommodation services and manages a large portfolio of owned and leased facilities while maintaining fiscal accountability and optimizing value for taxpayers.

Infrastructure is also establishing the Alternative Capital Financing Partnerships Office (ACFPO), which will serve as the central authority within the Government of Alberta for public-private partnerships (P3) and other innovative infrastructure partnerships. The ACFPO will focus on the oversight of centralized work of P3s, provide expertise required to engage in strategic partnership opportunities and explore alternative revenue generation options.

Alberta's response to the COVID-19 pandemic is multi-faceted, focusing on immediate supports, job creation, diversification and building infrastructure. The Government of Alberta is focused on making the right infrastructure decisions that carry the biggest impact for the province. The recently passed *Infrastructure Accountability Act* will support Alberta Recovery Plan by providing 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 and healthcare facilities.

Infrastructure investments are attractive because projects provide immediate employment and investment opportunities, tangible outcomes and spin-off benefits to suppliers, service providers and communities. The Government of Alberta budgeted \$353.7 million towards Capital Maintenance and Renewal (CMR) projects in 2021-22 and will invest a further \$375.5 million in 2022-23. Short-term impact, smaller, shovel-ready CMR projects will have the most immediate effect on the economy, while maximizing and leveraging 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.

For longer-term impact, larger strategic infrastructure projects will have a lasting effect on the overall recovery and economic productivity of Alberta. Investment in new infrastructure, such as hospitals and schools, creates jobs and delivers tangible assets that fuels 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 economy 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 continues to review programs to ensure Albertans receive efficient and client-focused services from their government. As part of this ongoing review, the ministry is committed to protecting and supporting Albertans and job creators by reducing red tape by one-third by 2023, modernizing regulations, eliminating unnecessary regulatory requirements, and reducing administrative burden through more efficient processes including digital solutions.

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.

# Business Plan – Core

## 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 now and for the future, grow Alberta’s economy and strengthen government’s fiscal sustainability.

#### Key Objectives

- 1.1 Manage new construction and major modernization projects for health, school and government-owned facilities, including the use of public-private partnerships and federal funding programs, to create jobs and grow the economy.
- 1.2 Deliver capital projects on time, on budget and to scope to ensure Albertans have access to the infrastructure that provide the high-quality public services on which they rely.
- 1.3 Reduce red tape to achieve a 33 per cent reduction by March 2023 by streamlining, simplifying and standardizing legislation, regulations, policies and processes and by evaluating recommendations submitted by priority stakeholders and industry panels.

#### Initiatives Supporting Key Objectives

- In 2022-23, \$661.1 million will be allocated to the construction of health facilities, including \$171.8 million for the Calgary Cancer Centre. \$710.4 million will be allocated to the construction of school facilities, including \$47.6 million for the Modular Classroom Program. \$114.0 million will be allocated to the construction of government facilities, including \$63.0 million for the Red Deer Justice Centre.
- In 2022-23, \$15.7 million will be allocated to 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 26 calendar days. Targets are based on average historical performance, maintaining best practices and incorporating further efficiencies.

In 2020-21, it took an average of 22.5 calendar days to complete procurements.

Targets	2022-23	26	2023-24	26	2024-25	26
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### 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. The targets are based on jurisdictional best practices.

In 2020-21, 97 per cent of Infrastructure capital projects were on budget.

Targets	2022-23	95%	2023-24	95%	2024-25	95%
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**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. The targets are based on jurisdictional best practices.

In 2020-21, 96 per cent of Infrastructure capital projects were on schedule.

<b>Targets</b>	<b>2022-23</b>	95%	<b>2023-24</b>	95%	<b>2024-25</b>	95%
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## 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.

#### 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 to support vital public services through effective long-term investments in core assets that stimulate the economy and through the disposition of inefficient or obsolete assets.

#### Initiatives Supporting Key Objectives

- In 2022-23, \$499.2 million will be allocated to the management of owned and leased space, including property operations, utilities, leases and accommodation projects that contribute to efficient use of government space.
- In 2022-23, \$375.5 million will be allocated to the maintenance of government-owned facilities, including the preservation work on government-owned facilities and the capital maintenance and renewal of health and school facilities. This includes \$6.0 million for the Government Centre – Power Distribution System Upgrade and \$5.4 million for the Legislature Building – Stone Cladding and Window Restoration.

## 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.

In 2020-21, the total cost in government-owned and operated office space facilities is \$8,613 per occupant.

<b>Targets</b>	<b>2022-23</b>	\$8,435	<b>2023-24</b>	\$8,350	<b>2024-25</b>	\$8,267
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**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. Targets are based on consumption trends and planned energy efficiency projects.

In 2020-21, the energy consumption intensity in government-owned and operated facilities is 1,523 megajoules per gross square metre.

<b>Targets</b>	<b>2022-23</b>	1,508	<b>2023-24</b>	1,500	<b>2024-25</b>	1,493
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## STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			<b>2022-23 Estimate</b>	2023-24 Target	2024-25 Target
	2020-21 Actual	2021-22 Budget	2021-22 Forecast			
<b>REVENUE</b>						
Transfers from Government of Canada	5,584	3,666	4,898	<b>6,857</b>	4,641	4,641
Premiums, Fees and Licences	917	2,070	2,070	<b>2,070</b>	2,070	2,070
Other Revenue	46,812	23,348	16,348	<b>28,744</b>	30,244	30,244
Ministry Total	53,313	29,084	23,316	<b>37,671</b>	36,955	36,955
Inter-Ministry Consolidations	(17,066)	(3,876)	(3,876)	<b>(15,301)</b>	(15,301)	(15,301)
Consolidated Total	36,247	25,208	19,440	<b>22,370</b>	21,654	21,654
<b>EXPENSE</b>						
Ministry Support Services	10,385	10,436	10,436	<b>10,286</b>	10,286	10,286
Capital Construction	1,150,119	1,563,495	1,240,697	<b>1,588,480</b>	1,181,219	1,022,363
Property Management	381,947	382,312	387,992	<b>387,504</b>	378,586	384,546
Asset Management	7,029	7,062	7,062	<b>6,454</b>	6,454	6,454
Realty Services	185,621	181,187	181,187	<b>180,046</b>	184,146	184,146
Alternative Capital Financing Partnerships Office	-	-	-	<b>1,839</b>	1,839	1,839
Ministry Total	1,735,101	2,144,492	1,827,374	<b>2,174,609</b>	1,762,530	1,609,634
Inter-Ministry Consolidations	(1,140,984)	(1,552,847)	(1,233,539)	<b>(1,592,881)</b>	(1,187,180)	(1,029,146)
Consolidated Total	594,117	591,645	593,835	<b>581,728</b>	575,350	580,488
Net Operating Result	(557,870)	(566,437)	(574,395)	<b>(559,358)</b>	(553,696)	(558,834)
<b>CAPITAL INVESTMENT</b>						
Capital Construction	1,143,885	1,669,693	1,270,850	<b>1,688,600</b>	1,293,929	1,141,288
Property Management	123,577	315,920	212,390	<b>263,218</b>	189,926	161,909
Realty Services	3,559	8,300	19,607	<b>8,300</b>	8,300	8,300
Ministry Total	1,271,021	1,993,913	1,502,847	<b>1,960,118</b>	1,492,155	1,311,497
Inter-Ministry Consolidations	(1,124,879)	(1,546,028)	(1,226,720)	<b>(1,574,603)</b>	(1,168,902)	(1,010,868)
Consolidated Total	146,142	447,885	276,127	<b>385,515</b>	323,253	300,629