

# Infrastructure

BUSINESS PLAN 2009-12

---

---

## ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 2009 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of March 12, 2009 with material economic or fiscal implications of which I am aware have been considered in preparing the business plan.

The Ministry's priorities outlined in the business plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this business plan.

Jack Hayden, *Minister of Infrastructure*  
March 19, 2009

## THE MINISTRY

The Ministry supports the government in building a stronger Alberta by planning, designing and constructing innovative and environmentally friendly public facilities to meet the social and economic needs of Albertans and their communities. The Ministry works with partners and stakeholders to:

- support the provision of health, learning, and other public infrastructure;
- operate, maintain and preserve government-owned and leased properties;
- provide professional expertise on capital planning, design, construction, procurement, costing, project management and facility evaluation and preservation;
- provide accommodation and realty services to all government ministries, including space planning and leasing as well as the purchase and sale of property; and
- manage the Edmonton and Calgary Transportation and Utility Corridors, and the Swan Hills Treatment Centre.

In carrying out its mandate, the Ministry provides expertise to achieve high standards of leadership in energy-savings and environmental design for all new provincial infrastructure.

## VISION

*Innovative, high quality, and well-designed public infrastructure for Albertans.*

## MISSION

Through leadership, expertise, and collaboration with our partners, we support the provision of public infrastructure that contributes to the province's prosperity and quality of life.

## LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

The Ministry Business Plan supports the following goals in the *Government of Alberta Strategic Business Plan*:

### **Goal 2: Albertans will be well prepared for lifelong learning.**

- The Ministry provides technical expertise to partner ministries and stakeholders to ensure schools and post-secondary facilities meet program needs and enable Albertans to engage in life-long learning. This includes standard facility designs and best practices to increase the efficiency of health and education infrastructure.

### **Goal 3: The high quality of Alberta's environment will be sustained.**

- The Ministry sustains the quality of the province's environment by adopting, as a minimum, the Leadership in Energy and Environmental Design (LEED) Silver rating as an environmental standard for the design of new government funded buildings, and implementing the Building Owners and Managers Association "BEST" certification for larger government-owned buildings throughout the province. The Ministry also operates the Swan Hills Treatment Centre to dispose of hazardous materials.

### **Goal 4: Alberta will have a financially stable, open and accountable government and maintain its strong position nationally and internationally.**

- The Ministry supports this goal by using open and transparent processes to effectively plan and manage government-owned and leased facilities, and by implementing innovative technologies to increase energy efficiency and reduce operating costs.

### **Goal 5: Albertans will be healthy.**

- The Ministry works with Health and Wellness to plan and deliver the facilities that will meet the health and well-being needs of Albertans today and into the future.

### **Goal 10: Alberta will have effective and efficient transportation infrastructure.**

- The Ministry supports this goal by negotiating the purchase and sale of land to facilitate the delivery of government initiatives.

Looking forward, building now. The Ministry provides the professional expertise to support the Government of Alberta's strategic priority *provide the roads, schools, hospitals and other public infrastructure to meet the needs of a growing economy and population* through the efficient provision of public infrastructure in Alberta.

## **SIGNIFICANT OPPORTUNITIES AND CHALLENGES**

### **Longer Term Economic and Urban Growth**

In the longer term, Alberta will continue to attract people and business. The province's economic and social changes over the next 5 to 10 years will continue to fuel a need for health, education, training, and other facilities. The urban growth and consequent need to regenerate inner cities, along with shifting demographics and an aging population, will add to the complexity of building public facilities. The Ministry will continue to adopt best practices in the planning, design and construction of public facilities necessary to meet the changing needs of Albertans.

### **A Volatile Economy**

A volatile economy, along with shifts in the costs of construction, and aging workforce demographics will continue to challenge the Ministry to find innovative and alternative ways to support the building and maintenance of public facilities. Therefore, the Ministry will continue to adopt the most efficient and cost effective options, including public-private partnerships, to provide essential infrastructure for Albertans.

### **Maintaining Existing Infrastructure**

Alberta currently spends more per capita than other provinces on capital construction to support the economic and social needs of Albertans. However, the building of new infrastructure also fuels a corresponding need for an appropriate and sustainable level of operating and maintenance funding. Regular maintenance protects and extends the useful life of public buildings and other infrastructure. Major repairs can cost more than routine maintenance, and complete replacement of major systems can cost up to five times that of repair. The Ministry will need to address critical capital maintenance projects since many of our buildings now require major upgrading and refurbishment because of their age.

### **Environmental Sustainability**

A healthy environment is fundamental to the well-being and prosperity of Albertans. Increasingly, Albertans are concerned about climate change and the need to protect our environment. Effective infrastructure planning and construction can help protect the environment by reducing the impact of human activity and focusing on issues that matter to Albertans such as renewable energy, clean air, safe drinking water, and waste management. Infrastructure will continue to embed environmentally responsible practices in all its core businesses. The Ministry will also continue its efforts to develop new and environmentally friendly technologies, practices, and standards in the planning, construction, and operation of provincial facilities, as well as the Swan Hills Treatment Centre.

### **Smart Buildings, Cities and Communities**

Albertans recognize that high quality infrastructure boosts commerce, helps create employment opportunities, and attracts skilled workers. Like many people around the world, Albertans are also increasingly concerned about the quality of life in their communities. They want to see infrastructure planning and investment that moves beyond smart buildings to smart communities. Integrated urban development, public facilities, and transport infrastructure can promote the use of green energy, improve access to community and recreational facilities, and enhance quality of life. The Ministry will work with all levels of government and stakeholders to continue supporting provincial infrastructure planning and investments that help build strong, healthy and safe communities.

### **New Technologies for Security**

New technologies are being used to advance the safety and security of individuals as well as the delivery of programs and services for Albertans. The Ministry will work with all its partners to ensure government infrastructure supports the use of new technologies and enhances security requirements in government facilities.

## STRATEGIC PRIORITIES 2009-12

Through the Ministry's review of external and internal challenges, the strategic priorities described below have been identified. These are in addition to the ongoing core activities of the Ministry.

### CREATING AND PROTECTING OUR OPPORTUNITIES

- 1. Adopt standard facility designs and best practices to increase the efficiency of health and education infrastructure design and construction**

Health and education are priorities for Albertans and the Government of Alberta. In keeping with the Government's *20-Year Strategic Capital Plan*, the Ministry will support partners with the technical expertise to determine the most appropriate design, construction, and maintenance of: health, Kindergarten to Grade 12, and post-secondary learning facilities to meet the needs of Albertans and support access to health care and life-long learning. The Ministry will place priority on adopting standard facility designs and best practices to increase the efficiency of health and education infrastructure design and construction.

**Linkage: Goal 1**
- 2. Increase capacity for evaluation and analysis of Public-Private Partnership (P3) opportunities**

Albertans look to government for direction and innovative ways to provide the best possible and most cost effective public infrastructure. The government has a high level of interest in developing infrastructure through partnerships to provide Albertans with much needed facilities. Where feasible and cost effective, the Ministry will continue to pursue alternative procurement options for new facilities in partnership with Treasury Board and other ministries.

**Linkage: Goals 1 and 2**
- 3. Continue to address critical maintenance projects for government-owned and supported buildings**

As buildings age, the rate of deterioration can increase. The Ministry will continue to undertake critical maintenance projects required in existing building infrastructure to protect the health and safety of occupants, and the investment of Albertans. It will also continue to balance the need for new facilities that address growth pressures with the need to address the maintenance requirements of government-owned and supported buildings.

**Linkage: Goal 2**
- 4. Ensure effective environmental stewardship of public infrastructure**

Albertans expect public facilities to promote environmental sustainability. The Ministry will continue to integrate high environmental standards into all new infrastructure projects to promote sustainable development and operations, including the use of environmentally friendly materials and green energy initiatives.

**Linkage: Goal 3**

- 5. Evaluate and address priority accommodation pressures at government owned and leased properties** Albertans need safe and efficient access to government services and facilities that meet their changing needs. Infrastructure will continue to work with all ministries to evaluate, plan and implement projects to address priority accommodation needs. The Ministry will evaluate and renovate existing government-owned buildings to address the space needs for services as well as manage the delivery of new capital projects such as the new Edmonton Remand Centre and the redevelopment of the Federal Building.

**Linkage:**  
Goals 2 and 4

## CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

### Core Business One: Supporting the efficient provision of public infrastructure in Alberta

Looking forward, delivering now. The Ministry works with other ministries and stakeholders to plan, design and construct the public facilities essential for our economy, safe environment, and vibrant communities. The Ministry supports the provision of health and learning facilities, and leads the design and delivery of capital projects such as court buildings, museums, and other public facilities for Albertans. The Ministry ensures standards are met and best practices are used throughout the life-cycle of a facility. Effective partnerships with program ministries, school boards, post secondary institutions, and Alberta Health Services in the design and construction of projects, ensure that taxpayers receive good value for their investment.

The Ministry also manages government-owned and leased facilities to promote the delivery of services to Albertans, including the Legislature Building, courts and research centres. The Ministry works to ensure the health and safety of all visitors and occupants at government-owned and leased facilities by promoting barrier-free access, leading environmental practices, and emergency and safety planning. It monitors and evaluates energy efficiency and operating costs, and assesses the condition of facilities to identify preservation and replacement needs.

## GOAL ONE **1 Safe, innovative and cost-effective health and education infrastructure for Albertans**

### What it means

Infrastructure shares Albertans’ expectation for quality health services and education. Our goal is to support government ministries, partners and stakeholders with technical expertise in the innovative planning, design, construction, and financing of public facilities that promote the delivery of our health services and lifelong learning. Our focus is on standard facility designs and best practices to increase the efficiency of health and education infrastructure.

### Strategies

- 1.1 Work with ministries, school boards, post-secondary institutions and the Alberta Health Services Board in the planning and delivery of approved health and learning facility projects to ensure they include standard facility designs and best practices in project planning, design, cost management and delivery.

- 1.2 Collaborate with ministries and stakeholders to provide technical expertise and cost analysis to ensure capital plans reflect the highest priority projects and life-cycle costing.
- 1.3 Monitor and report the physical condition of existing schools, health facilities and post-secondary institutions to support the planning of facility requirements and effective delivery of health and education programs in Alberta.
- 1.4 Enhance accountability of capital projects by working with program ministries to develop frameworks and policies to guide the review, approval and implementation of capital projects.
- 1.5 With partner ministries, implement the Alberta Schools Alternative Procurement project (ASAP Phase I) to deliver 18 schools in the Edmonton and Calgary areas, and develop the ASAP Phase II project to deliver an additional 14 schools through a public-private partnership approach.
- 1.6 Work with Treasury Board and partner ministries to evaluate the opportunities for alternative procurement options such as public-private partnerships to provide health and post-secondary facilities.
- 1.7 Enhance the Ministry's role as a centre of excellence which supports stakeholders in facility project management, design and architecture, and building sciences by continuing to undertake research and implement best practices such as Integrated Design practices, Building Information Modeling, lean design, evidence-based design, the Building Performance Evaluation framework for health facilities, and post-occupancy reviews.
- 1.8 Continue strategies to manage costs and mitigate market conditions. Enhance project planning through initiatives such as the use of value management processes and standard core designs for supported facilities.

Performance Measures	Last Actual 2007-08	Target 2009-10	Target 2010-11	Target 2011-12
<b>1.a Health Facilities – Physical Condition<sup>1</sup>:</b>				
• Percentage in good condition	65.0	68.0	70.0	70.0
• Percentage in fair condition	26.0	25.0	23.0	24.0
• Percentage in poor condition	9.0	7.0	7.0	6.0
<b>1.b School Facilities – Physical Condition<sup>1</sup>:</b>				
• Percentage in good condition	69.0	73.0	73.0	73.0
• Percentage in fair condition	27.0	25.0	25.0	25.0
• Percentage in poor condition	4.0	2.0	2.0	2.0
<b>1.c Post-Secondary Facilities – Physical Condition<sup>1</sup>:</b>				
• Percentage in good condition	65.0	60.0	60.0	65.0
• Percentage in fair condition	25.0	30.0	30.0	30.0
• Percentage in poor condition	10.0	10.0	10.0	5.0

**Note:**

- 1 “Good” is defined as adequate for intended use and expected to provide continued service life with average maintenance. “Fair” means aging components are nearing the end of their life cycle and require additional expenditure for renewal or refurbishing. “Poor” means upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary. Targets reflect the anticipated condition of facilities based on current level of program funding. Infrastructure Maintenance and Renewal / Infrastructure Maintenance Program funding is administered by Health and Wellness, Education, and Advanced Education and Technology. Facility upgrades are managed by Boards.

## Excellence in the planning, delivery, and operation of government-owned properties and facilities

### What it means

The Ministry builds, renovates, and manages government-owned and operated facilities to promote safe and cost effective access to provincial programs and services for Albertans.

### Strategies

- 2.1 Manage the delivery of major capital projects, including the life-cycle planning, cost modeling, design, and construction of government-owned facilities such as Phase II of the Calgary Courts Centre, the new Edmonton Remand Centre, and the redevelopment of the Federal Building.
- 2.2 Undertake facility evaluations to identify facility upgrading needs, and work with Treasury Board to address priority maintenance in government-owned and operated facilities.
- 2.3 Work with partners and stakeholders to ensure that barrier-free access for seniors and persons with disabilities continues to be fully considered in government building design standards, policies, programs, and all planned infrastructure projects.
- 2.4 Continue with the approved physical building and site security implementation plan for government facilities, which will initially focus on the higher risk facilities by installing new or replacing obsolete security systems.
- 2.5 Work with Treasury Board and other ministries to identify and evaluate opportunities for public-private partnership procurement for government facilities.
- 2.6 Working closely with internal and external stakeholders, identify key issues and opportunities to improve procurement policies and best practices.

Performance Measures	Last Actual 2007-08	Target 2009-10	Target 2010-11	Target 2011-12
<b>2.a Government Owned and Operated Facilities – Physical Condition<sup>1</sup>:</b>				
• Percentage in good condition	59.0	55.0	54.0	54.0
• Percentage in fair condition	38.0	43.0	44.0	44.0
• Percentage in poor condition	3.0	2.0	2.0	2.0
<b>2.b Average Operating Cost per Square Metre of Government-Owned and Operated Office Space:</b>				
• Percentage of operating cost compared to industry average	76.0	90.0	90.0	90.0

### Note:

- 1 “Good” is defined as adequate for intended use and expected to provide continued service life with average maintenance. “Fair” means aging components are nearing the end of their life cycle and require additional expenditure for renewal or refurbishing. “Poor” means upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

## Core Business Two: Ensuring effective environmental stewardship of public infrastructure

The Ministry integrates high environmental and energy efficiency standards into all new infrastructure projects to help ensure that the province will have a safe and healthy environment for current and future generations. Initiatives are undertaken to monitor air quality and improve energy efficiency, enhance the comfort of facility occupants, generate a cost savings, and lessen the environmental impact of operating government-owned facilities. In addition, the Ministry is responsible for the management of Swan Hills Treatment Centre to dispose of hazardous wastes.

### GOAL THREE **3** Environmental sustainability of public infrastructure

#### What it means

Albertans expect the design and operation of public infrastructure to be safe, healthy, and environmentally friendly. It is the Ministry's goal to ensure that high environmental standards inform the design, building, and maintenance of public infrastructure to make the environment safe and healthy for Albertans today and tomorrow.

#### Strategies

- 3.1 Continue, as a minimum, to implement the Leadership in Energy and Environmental Design (LEED) Silver as a high environmental standard for the design of new government-funded buildings.
- 3.2 Continue to identify and implement leading practices to operate the Swan Hills Treatment Centre in a safe and efficient manner.
- 3.3 Continue with implementation of the Building Owners and Managers Association "BEST" certification for larger government-owned buildings throughout the province.
- 3.4 Apply environmental management and remediation principles to address identified concerns at properties owned by government.
- 3.5 Monitor energy efficiency and operating costs of government-owned and leased facilities and make cost-effective improvements.
- 3.6 Maintain and monitor indoor air quality standards in government facilities and ensure appropriate remediation processes are followed to address incidences, such as mould, that may be found.
- 3.7 Continue to improve existing "green" practices and standards for building materials, including recycled and environmentally friendly products.

Performance Measure	Last Actual 2007-08	Target 2009-10	Target 2010-11	Target 2011-12
3.a Energy Consumption in Megajoules per Square Metre in Government-Owned and Operated Facilities <sup>1</sup>	1,730	1,750	1,750	1,750

#### Note:

- 1 The annual energy efficiency (natural gas and electricity) of government-owned buildings operated by Infrastructure is monitored. The Ministry has steadily reduced consumption from 1,779 megajoules per square metre in 2002-03 by identifying and adopting energy saving measures. The Ministry remains committed to maintaining energy efficient practices.

## Core Business Three: Providing leadership and coordinating government accommodation and support services

Infrastructure provides central accommodation services to all government ministries, and works with client departments to understand their property needs, including space planning and leasing as well as the acquiring and disposing of property. The Ministry also assists in developing and implementing emergency and safety plans for government-owned and leased buildings across the province.

### GOAL FOUR **4** High-quality accommodation and support services for government

#### What it means

Infrastructure works with all ministries to understand their property needs, and takes a lead role in providing services for acquisition and disposal of properties as appropriate. The Ministry provides facility maintenance and caretaking services, accommodation evaluations, and works with Treasury Board to ensure adequate funding is available to meet accommodation needs for government's priority programs.

#### Strategies

- 4.1 Address accommodation pressures for government-owned and leased infrastructure by completing evaluations to identify and report requirements for additional leased space.
- 4.2 Continue to develop and implement accommodation master plans for larger communities in Alberta to meet priority facility needs for government programs.
- 4.3 Plan, develop, and administer the Edmonton and Calgary transportation and utility corridors, including enhanced sharing of information with interested buyers, realtors, and other stakeholders.

Performance Measure	Last Actual 2007	Target 2009-10	Target 2010-11	Target 2011-12
4.a <b>Client Satisfaction Survey:</b>				
• Property development quality of service rating <sup>1</sup>	4.6	4.6	n/a	4.6

#### Note:

- 1 The Client Satisfaction Survey is conducted every two years and is based on the calendar year. Respondents rate satisfaction on a scale of one to six, one being very dissatisfied and six being very satisfied. The next survey will be conducted in 2010 based on the 2009 calendar year.

## CORPORATE STRATEGIES

Corporate Support Services – human resources, finance, legislative services, policy, planning, reporting, and information technology – are provided to support the *Government Accountability Act*, promote the effective management and delivery of programs and services, and encourage continuous improvement to better serve Albertans.

Infrastructure is committed to providing a positive and healthy work environment, and strengthening business practices through continuous improvement and excellence in service delivery. Successful delivery of the Ministry's core businesses depends on building and maintaining a strong and flexible organization with the knowledge and capacity to respond to changing business needs. The Ministry's corporate strategies support achievement of all Ministry goals, and include:

- Maintain a Shared Services Agreement between the Ministries of Transportation and Infrastructure.
- Develop corporate planning and reporting capacity to support strategic decision-making and the achievement of Ministry goals in the best interests of Albertans.
- Develop strategic policy advice and recommendations to the Minister regarding government-owned and supported infrastructure, and represent the Ministry on cross-ministry and stakeholder policy initiatives.
- Continue to develop and coordinate a Ministry Human Resources Plan to make the Ministry an employer of choice and ensure the organizational capacity to deliver programs and services.
- Develop and implement leading-edge strategic financial and accounting practices and controls to enhance accountability.
- Develop and implement information technology strategies that support the delivery of infrastructure, and continue to assess where new technologies can be used to improve programs and service delivery.
- Support the Ministry in developing new legislation, and amending regulations to address the needs of Albertans.
- Continue to manage the Ministry's Freedom of Information and Protection of Privacy (FOIP) program.

## EXPENSE BY CORE BUSINESS (thousands of dollars)

	Comparable					
	2007-08 Actual	2008-09 Budget	2008-09 Forecast	2009-10 Estimate	2010-11 Target	2011-12 Target
Supporting the efficient provision of public infrastructure in Alberta	284,976	360,540	336,792	333,516	350,400	363,822
Ensuring effective environmental stewardship of public infrastructure	37,534	28,555	28,555	28,533	28,538	28,538
Providing leadership and coordinating government accommodation and support services	505,814	576,819	452,729	213,057	224,564	239,464
<b>MINISTRY EXPENSE</b>	<b>828,324</b>	<b>965,914</b>	<b>818,076</b>	<b>575,106</b>	<b>603,502</b>	<b>631,824</b>

## MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2009-10 Estimate	2010-11 Target	2011-12 Target
	2007-08 Actual	2008-09 Budget	2008-09 Forecast			
<b>REVENUE</b>						
Transfers from Government of Canada	-	22,500	-	15,000	10,000	1,200
Premiums, Fees and Licences	2,956	2,700	2,700	2,700	2,700	2,700
Other Revenue	36,589	25,320	30,997	21,320	21,320	21,320
<b>MINISTRY REVENUE</b>	<b>39,545</b>	<b>50,520</b>	<b>33,697</b>	<b>39,020</b>	<b>34,020</b>	<b>25,220</b>
<b>EXPENSE</b>						
<b>Program</b>						
Ministry Support Services	10,247	14,338	14,338	13,608	13,759	13,759
Government Operations	361,754	429,477	418,047	409,481	431,993	457,728
Other Programs and Services	366,377	411,779	275,371	64,526	65,597	50,597
Non-Cash Items	89,946	110,320	110,320	87,491	92,153	109,740
<b>MINISTRY EXPENSE</b>	<b>828,324</b>	<b>965,914</b>	<b>818,076</b>	<b>575,106</b>	<b>603,502</b>	<b>631,824</b>
Gain (Loss) on Disposal and Write Down of Capital Assets	28,457	-	-	-	-	-
<b>NET OPERATING RESULT</b>	<b>(760,322)</b>	<b>(915,394)</b>	<b>(784,379)</b>	<b>(536,086)</b>	<b>(569,482)</b>	<b>(606,604)</b>

## CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable			2009-10 Estimate	2010-11 Target	2011-12 Target
	2007-08 Actual	2008-09 Budget	2008-09 Forecast			
Ministry Revenue	39,545	50,520	33,697	39,020	34,020	25,220
<i>Inter-ministry consolidation adjustments</i>	(2,510)	(3,180)	(3,180)	(3,180)	(3,180)	(3,180)
<b>Consolidated Revenue</b>	<b>37,035</b>	<b>47,340</b>	<b>30,517</b>	<b>35,840</b>	<b>30,840</b>	<b>22,040</b>
Ministry Program Expense	828,324	965,914	818,076	575,106	603,502	631,824
<i>Inter-ministry consolidation adjustments</i>	(2,510)	(3,180)	(3,180)	(3,180)	(3,180)	(3,180)
<b>Consolidated Expense</b>	<b>825,814</b>	<b>962,734</b>	<b>814,896</b>	<b>571,926</b>	<b>600,322</b>	<b>628,644</b>
Gain (Loss) on Disposal and Write Down of Capital Assets	28,457	-	-	-	-	-
<b>CONSOLIDATED NET OPERATING RESULT</b>	<b>(760,322)</b>	<b>(915,394)</b>	<b>(784,379)</b>	<b>(536,086)</b>	<b>(569,482)</b>	<b>(606,604)</b>

## CAPITAL INVESTMENT BY PROGRAM

(thousands of dollars)

	Comparable			2009-10 Estimate	2010-11 Target	2011-12 Target
	2007-08 Actual	2008-09 Budget	2008-09 Forecast			
Ministry Support Services	357	4,365	4,365	4,161	4,161	4,161
Government Operations	170,264	454,685	267,980	594,857	417,654	182,329
Other Programs and Services	11,209	10,920	21,962	-	-	-
<b>MINISTRY CAPITAL INVESTMENT</b>	<b>181,830</b>	<b>469,970</b>	<b>294,307</b>	<b>599,018</b>	<b>421,815</b>	<b>186,490</b>