

Government of Alberta ■

BUDGET 2010

Striking the Right Balance

Infrastructure
BUSINESS PLAN 2010–13

Alberta ■

Infrastructure

BUSINESS PLAN 2010-13

ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 2010, 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 January 20, 2010 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.

Original signed by

Ray Danyluk, *Minister of Infrastructure*
January 22, 2010

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 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 of Infrastructure business plan links to the *Government of Alberta Strategic Business Plan* through:

Government of Alberta 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.

Government of Alberta 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 "BESr" certification for larger government-owned buildings throughout the province.

Government of Alberta 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.

Government of Alberta Goal 5: Albertans will be healthy.

The ministry works with Health and Wellness (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.

Government of Alberta 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.

SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Economic Climate and Recovery

In response to the challenges presented by the fiscal realities, the ministry will make every effort to minimize the effect on Albertans and client ministries. However, the ministry will be required to reduce service levels under its property management contracts that will impact areas of building operations and maintenance. Infrastructure will continue to provide ongoing service delivery and ensure efficient delivery of its core business within these fiscal constraints. Infrastructure has been identified as a critical area to support the recovering economy and the ministry will continue with capital projects. Construction costs have come down dramatically as a result of the economic downturn, resulting in savings for some projects, stretching taxpayer dollars further. The ministry will continue to explore innovative ways to support the building and maintenance of public facilities and will continue to adopt the most efficient and cost-effective options, including public-private partnerships, to provide essential infrastructure for Albertans.

Maintaining Existing Infrastructure

Many of our aging buildings now require major upgrading and refurbishment. Due to an aging building inventory, major mechanical components are increasingly serving beyond the intended life span and are at risk of failing. Regular maintenance protects and extends the useful life of public buildings and other infrastructure necessary to support government programs and services for Albertans. Major repairs can cost more than routine maintenance, and complete replacement of major systems can cost up to five times that of repair. The overall life cycle costs of building and operating facilities throughout the planned use are reduced if maintenance is planned for and supported as opposed to repairing components on breakdown. The ministry will continue to provide critical services and maintenance in government-owned buildings.

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 the environment. Building infrastructure contributes significantly to greenhouse gas emissions and presents one of the best opportunities to achieve reductions. Energy efficient buildings are also significantly less expensive to operate over the long run. 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 into all core businesses. The ministry will also continue efforts to develop new and environmentally friendly technologies, practices and standards in the planning, construction and operation of provincial facilities.

Smart Buildings, Cities and Communities

High quality infrastructure boosts commerce, helps create employment opportunities and attracts skilled workers. Efficient, well-designed, flexible buildings and work spaces can achieve a reduction in operating costs and be repurposed to save accommodation costs. The ministry will work with its partner ministries to explore opportunities to achieve better function and utilization of government space. 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 and puts resources to their best use. 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 investment that helps build strong, healthy and safe communities.

Demographic Shift

Alberta continues to attract new citizens from other provinces and jurisdictions looking for opportunities. As Alberta continues to grow, the province will be confronted with the challenges of an aging population and workforce and an unprecedented level of student enrolment. It is estimated that the number of seniors within Alberta will grow by approximately 50,000 over the next 10 years, by which time those aged 65 and older will account for nearly 20 per cent of Alberta's population. Similarly, over the same 10 year period, schools can expect an increase in the order of 100,000 students. These increases will place considerable strain on schools, health facilities and government facilities. The ministry will continue efforts to maintain its expertise and adopt best practices in the planning, design and construction of public facilities necessary to meet the changing needs of Albertans.

STRATEGIC PRIORITIES

Through the ministry's review of environmental factors, the strategic priorities described below have been identified. These are in addition to the important ongoing core activities of the ministry.

- 1. Work with other ministries to provide learning facilities, health facilities, and other public infrastructure to meet the needs of Albertans**

Infrastructure works with other ministries and stakeholders to plan, design, and construct the public facilities essential for our economy, safe environment and vibrant communities to address long-term projected growth in accordance with the government's *20-Year Strategic Capital Plan*. The ministry supports the provision of health and learning facilities, and also leads the design and delivery of major government-owned capital projects, such as the new Edmonton Remand Centre and the redevelopment of the Federal Building.

Linkage:
Goals 1 and 2
- 2. Adopt standard facility designs and best practices to increase the efficiency of health and education infrastructure design and construction**

The ministry supports partners with technical and project management 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. Infrastructure continues to evaluate and apply innovative best practices in the provision of public infrastructure, including public-private partnership (P3) delivery options where feasible and cost effective. The ministry has placed a priority on developing and adopting standard facility designs and best practices to increase the efficiency of health and education infrastructure design and construction.

Linkage:
Goal 1
- 3. Address critical maintenance projects for government owned and supported buildings**

As buildings age, the rate of deterioration can increase. The ministry will continue efforts to balance the need to maintain existing government owned and supported buildings and new infrastructure. Ensuring the sustainability of infrastructure for Albertans involves considering the overall life cycle costs of building and operating facilities throughout their planned use. 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.

Linkage:
Goal 2

- 4. Ensure effective environmental stewardship of public infrastructure**

Albertans expect public facilities to promote environmental sustainability. The ministry will continue to review and integrate the most effective 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:

Goals 1 and 2

- 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 and to address priority accommodation needs, improve function and use of space, and reduce accommodation costs. The ministry will evaluate and renovate existing government-owned buildings to address the space needs for program services of all client ministries.

Linkage:

Goal 3

- 6. Enhance role as a centre of excellence and maintain technical expertise and strategic partnerships**

The ministry must strive to acquire and build on the latest knowledge, expertise and best practices to continue to deliver projects recognized for excellence and provide innovative, high quality and well designed public infrastructure and services that Albertans expect. Infrastructure must maintain its role as a centre of excellence that supports stakeholders in facility project management, design and architecture, and building sciences through knowledge management, workforce and succession planning, and by strengthening partnerships with federal, provincial and other jurisdictions and national bodies.

Linkage:

Goals 1, 2 and 3

CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business One: Efficient provision of public infrastructure

The ministry supports the planning, design and construction of health and learning facilities, and directly manages the planning, design and construction of government-owned facilities such as remand centres, court buildings, museums and other public facilities for Albertans. The ministry ensures standards are met and best practices are used throughout the planning, design and construction phases of all major capital projects. Effective partnerships with program ministries, boards and post-secondary institutions ensure that taxpayers receive good value for their investment.

GOAL ONE **1** Excellence in the provision of safe, innovative and cost-effective infrastructure for Albertans

What It Means In addition to developing and promoting efficient designs, the ministry assists stakeholder boards in the planning and implementation of their capital needs through cost analysis, ensuring effective procurement practices, monitoring construction, and providing ongoing technical and project management expertise.

- Strategies**
- 1.1 Work in partnership with ministries, school boards, post-secondary institutions and Alberta Health Services in the planning, design and delivery of approved new developments and modifications to health and learning facility projects.
 - 1.2 Provide technical expertise and leading practice design standards in the incorporation of standard facility design and value management concepts into projects.
 - 1.3 Enhance accountability of capital projects by providing cost analysis and working with program ministries to develop frameworks and policies to guide the review and implementation of capital projects.
 - 1.4 Maintain the ministry's role as a centre of excellence that supports stakeholders in facility project management, design and architecture, and building sciences by continuing to undertake research, develop and implement best practices, policies and frameworks such as a Design Excellence framework, Building Information Modeling, lean design and the Building Performance Evaluation framework for health facilities.
 - 1.5 Work with Treasury Board and partner ministries to evaluate opportunities for alternative procurement options, such as public-private partnerships (P3s) as a means to deliver health, post-secondary, and government facilities.
 - 1.6 Manage the delivery of major capital projects, including the life-cycle planning, cost management, procurement planning, design and construction of government-owned facilities such as the new Edmonton Remand Centre and the redevelopment of the Federal Building.
 - 1.7 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.
 - 1.8 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.
 - 1.9 With partner ministries, continue to implement the Alberta Schools Alternative Procurement (ASAP) projects. ASAP Phase I will deliver 18 schools in Edmonton and Calgary by July 2010. ASAP Phase II will deliver 10 Kindergarten to Grade 9 schools by July 2012 through a P3 approach and four high schools by November 2012 through a "Design-Build" approach.
 - 1.10 With Health and Wellness and Alberta Health Services, implement a new delivery model for major health facilities, with Infrastructure taking the lead in the design, procurement, construction and commissioning of facilities. The new delivery model will increase efficiencies and reduce capital costs while still meeting client needs.

Performance Measures	Last Actual 2008-09	Target 2010-11	Target 2011-12	Target 2012-13
1.a Health Facilities – Physical Condition¹:				
• Percentage in good condition	72	70	70	71
• Percentage in fair condition	26	23	24	24
• Percentage in poor condition	2	7	6	5

Performance Measures	Last Actual 2008-09	Target 2010-11	Target 2011-12	Target 2012-13
1.b School Facilities – Physical Condition¹:				
• Percentage in good condition	67	73	73	73
• Percentage in fair condition	29	25	25	25
• Percentage in poor condition	4	2	2	2
1.c Post-Secondary Facilities – Physical Condition¹				
• Percentage in good condition	60	60	65	65
• Percentage in fair condition	32	30	30	30
• Percentage in poor condition	8	10	5	5

Note:

1 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.

Source:

Infrastructure

Core Business Two: Ensuring infrastructure sustainability and stewardship

The ministry is focused on creating and protecting public infrastructure that is environmentally, operationally and fiscally sustainable for the benefit of Albertans today and for the future. It integrates environmental and energy efficiency standards into new infrastructure projects and existing facilities to help ensure that the province will have a safe and healthy environment. The ministry evaluates government owned and supported facilities to identify preservation needs, and applies life-cycle management approaches to identify adequate resources for ongoing maintenance of facilities. In addition, the ministry is responsible for the management of Swan Hills Treatment Centre to dispose of hazardous wastes.

GOAL TWO **2** Sustainable public infrastructure

What It Means Albertans expect public infrastructure that is safe, healthy, efficient and environmentally friendly that meets their needs. Environmental standards, new technologies, and leading practices inform the design, delivery, and operation of easy to maintain and flexible public infrastructure to ensure the environment and taxpayers’ investment in infrastructure is protected for the future. The ministry manages, renovates and maintains government owned and operated facilities to promote safe and cost effective access to provincial programs and services for Albertans.

- Strategies**
- 2.1 Undertake facility evaluations to identify facility upgrading needs, and work with Treasury Board to address priority maintenance in government owned and operated facilities.
 - 2.2 Continue to undertake post-occupancy reviews for owned and supported facilities to ensure capital investments meet the intended objectives and have resulted in value for taxpayer investment.
 - 2.3 Continue with the implementation of the Building Owners and Managers Association “BEST” certification for larger government-owned buildings throughout the province.

- 2.4 Apply environmental management and remediation principles to address identified concerns at properties owned by government.
- 2.5 Continue at a minimum to implement Leadership in Energy and Environmental Design (LEED) Silver as an environmental standard for the design of new government-funded buildings.
- 2.6 Monitor energy efficiency and operating costs of government owned and leased facilities and make cost-effective improvements.
- 2.7 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.
- 2.8 Continue to identify and implement leading practices to operate the Swan Hills Treatment Centre in a safe and efficient manner.
- 2.9 Collaborate with Environment and partner ministries to develop and contribute green initiatives to reduce the impact of government operations on the environment and increase energy savings.

Performance Measures	Last Actual 2008-09	Target 2010-11	Target 2011-12	Target 2012-13
2.a Government Owned and Operated Facilities – Physical Condition:				
• Percentage in good condition	63	60	59	57
• Percentage in fair condition	34	37	38	40
• Percentage in poor condition	3	3	3	3
2.b Average Operating Cost per Square Metre of Government Owned and Operated Office Space:				
• Percentage of operating cost compared to industry average	76	69	68	67
2.c Energy Consumption in Mega Joules per Square Metre in Government Owned and Operated Facilities¹	1,672	1,675	1,675	1,675

Note:

- 1 The annual energy efficiency (natural gas and electricity) of government – owned buildings operated by Infrastructure is monitored. The ministry remains committed to maintaining energy efficient practices.

Source:

Infrastructure

Core Business Three: Planning and providing government accommodation services to support program facility requirements

Infrastructure provides facility and 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. Infrastructure collaborates with client ministries and industry stakeholders in developing and implementing facility emergency plans for government owned and leased buildings. Infrastructure and the Ministry of Solicitor General and Public Security work together to provide physical security for all visitors and occupants at government owned and leased facilities.

GOAL THREE **3** High-quality accommodation and property services for government

What It Means Infrastructure works with all ministries to understand and support their property needs, and takes a lead role in providing services for acquisition and disposal of properties as appropriate. The ministry also provides accommodation evaluation and reviews and works with Treasury Board to ensure adequate funding is available to meet accommodation needs for government's priority programs.

- Strategies**
- 3.1 Monitor and evaluate government accommodation, space and land requirements.
 - 3.2 Continue to develop and implement accommodation master plans for larger communities in Alberta to meet priority facility needs for government programs and plan for future needs and respond with cost effective solutions to meet changing government needs.
 - 3.3 Implement recommendations from the Government Accommodation Review, led by Infrastructure in collaboration with partner ministries, to improve function and use of space and reduce the overall cost of providing accommodation.
 - 3.4 Continue with the approved physical building and site security implementation plan for government facilities, which will initially focus resources on the highest risk facilities by installing new or replacing obsolete security systems.
 - 3.5 Plan, develop, and administer the Edmonton and Calgary transportation and utility corridors.

Performance Measure	Last Actual 2007	Target 2010-11	Target 2011-12	Target 2012-13
3.a Client Satisfaction Survey:				
<ul style="list-style-type: none"> • Property Development quality of service rating¹ 	4.6	n/a	4.3	n/a

Note:

- 1 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, with one being very dissatisfied and six being very satisfied. The next survey will be conducted in 2010 for reporting on the 2009 calendar year.

Source:

Infrastructure Client Satisfaction Survey

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 excellence in service delivery and to providing a positive and healthy work environment, by strengthening business practices through continuous improvement. Successful delivery of the ministry's core businesses depends on building and promoting strategic partnerships, 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.

- Strategies**
- Strengthen partnerships with other jurisdictions and industry, both within and beyond Alberta, to enhance ministry capacity, knowledge and efficiency.
 - Manage current human resource pressures and develop and implement workforce continuity and succession plans to ensure future needs are met.
 - Maintain a shared services agreement with the Ministry of Transportation.
 - Develop corporate planning and reporting capacity to support strategic decision-making and the achievement of ministry goals in the best interests of Albertans.
 - Enhance accountability by developing and implementing leading-edge strategic financial and accounting practices and controls.
 - Develop and implement information technology strategies to 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 regulations 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			2010-11 Estimate	2011-12 Target	2012-13 Target
	2008-09 Actual	2009-10 Budget	2009-10 Forecast			
Efficient provision of public infrastructure	952,257	362,899	230,821	757,218	872,413	789,899
Ensuring infrastructure sustainability and stewardship	249,762	230,751	227,939	207,359	215,733	225,408
Planning and providing government accommodation services to support program facility requirements	427,185	213,466	182,581	208,712	216,268	216,539
MINISTRY EXPENSE	1,629,204	807,116	641,341	1,173,289	1,304,414	1,231,846

MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2010-11 Estimate	2011-12 Target	2012-13 Target
	2008-09 Actual	2009-10 Budget	2009-10 Forecast			
REVENUE						
Internal Government Transfers	50,000	-	-	-	-	-
Transfers from Government of Canada	-	15,000	-	5,786	22,600	19,600
Investment Income	35,891	32,000	11,000	5,521	14,739	22,251
Premiums, Fees and Licences	3,353	2,700	2,700	16,700	16,700	16,700
Other Revenue	37,071	21,320	17,435	22,835	23,663	24,038
MINISTRY REVENUE	126,315	71,020	31,135	50,842	77,702	82,589
EXPENSE						
Program						
Ministry Support Services	11,842	13,608	13,206	11,953	12,003	12,002
Government Operations	400,592	406,371	378,344	391,048	406,875	416,821
Health Facilities Support	852,907	232,010	118,067	627,673	747,456	602,543
Other Programs and Services	272,648	67,636	51,733	60,462	38,340	98,740
Non-Cash Items	91,215	87,491	79,991	82,153	99,740	101,740
MINISTRY EXPENSE	1,629,204	807,116	641,341	1,173,289	1,304,414	1,231,846
Gain (Loss) on Disposal and Write Down of Capital Assets	15,245	-	-	-	-	-
NET OPERATING RESULT	(1,487,644)	(736,096)	(610,206)	(1,122,447)	(1,226,712)	(1,149,257)

CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable					
	2008-09 Actual	2009-10 Budget	2009-10 Forecast	2010-11 Estimate	2011-12 Target	2012-13 Target
Ministry Revenue	126,315	71,020	31,135	50,842	77,702	82,589
<i>Inter-ministry consolidation adjustments</i>	(53,584)	(3,180)	(3,180)	(3,180)	(3,180)	(3,180)
Consolidated Revenue	72,731	67,840	27,955	47,662	74,522	79,409
Ministry Program Expense	1,629,204	807,116	641,341	1,173,289	1,304,414	1,231,846
<i>Inter-ministry consolidation adjustments</i>	(3,584)	(3,180)	(3,180)	(3,180)	(3,180)	(3,180)
Consolidated Expense	1,625,620	803,936	638,161	1,170,109	1,301,234	1,228,666
Gain (Loss) on Disposal and Write Down of Capital Assets	15,245	-	-	-	-	-
CONSOLIDATED NET OPERATING RESULT	(1,537,644)	(736,096)	(610,206)	(1,122,447)	(1,226,712)	(1,149,257)

CAPITAL INVESTMENT BY PROGRAM

(thousands of dollars)

	Comparable					
	2008-09 Actual	2009-10 Budget	2009-10 Forecast	2010-11 Estimate	2011-12 Target	2012-13 Target
Ministry Support Services	2,132	4,161	4,161	4,161	4,161	3,794
Government Operations	209,313	594,857	351,348	402,540	281,257	150,843
Other Programs and Services	16,533	-	13,508	-	-	-
MINISTRY CAPITAL INVESTMENT	227,978	599,018	369,017	406,701	285,418	154,637