

BUDGET 2023

GOVERNMENT OF ALBERTA | 2023-26

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# Ministry Business Plan Infrastructure

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# Infrastructure

## Business Plan 2023-26

### 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 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, 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.

The ministry is focused on the interests of Albertan’s by leveraging federal, private sector, and industry partnerships to enhance collaboration and innovative solutions. Fiscal sustainability is achieved through alternative financing, revenue generation and reduced operating costs.

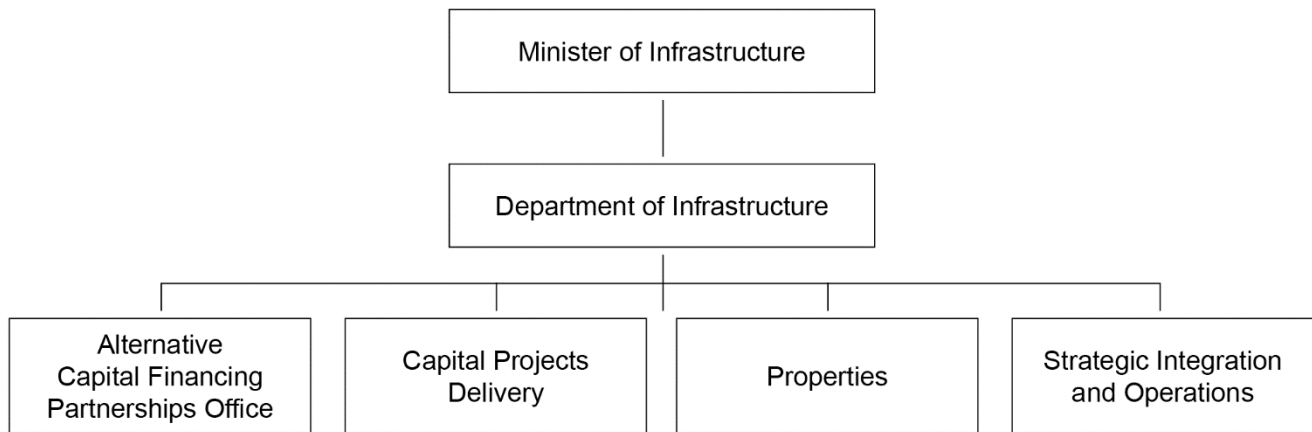
The ministry operates the Alternative Capital Financing Partnerships Office (ACFPO) to serve as the central authority within the Government of Alberta for public-private partnerships (P3) and other innovative infrastructure partnerships. The ACFPO focuses on the oversight of centralized work of P3s, provides expertise required to engage in strategic partnership opportunities and explores alternative revenue generation options.

The ministry will continue to work with partner ministries to leverage funding opportunities to provide best value for Albertans through programs such as the Investing in Canada Infrastructure Program (ICIP). ICIP is a federal – provincial – local cost sharing program for projects in communities around Alberta. The ministry will continue to ensure ICIP projects meet Alberta’s 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.

The Government of Alberta budgeted \$375.5 million towards Capital Maintenance and Renewal (CMR) projects in 2022-23, and will invest a further \$399.7 million in 2023-24. Short-term impact, smaller, shovel-ready CMR projects will have the most immediate effect on the economy, while 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.

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* continues 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, and healthcare 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 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 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 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.

# 2023-26 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 and federal funding programs, 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 by streamlining, simplifying and standardizing legislation, regulations, contracts, policies and processes and by evaluating recommendations submitted by priority stakeholders and industry panels, including, prompt pay.

### Initiatives Supporting Key Objectives

- In 2023-24, \$602.8 million will be allocated to the construction of health facilities.
- \$571.3 million will be allocated to the construction of school facilities, including \$42.7 million for the Modular Classroom Program.
- \$93.2 million will be allocated to the construction of government facilities, including \$51.6 million for the Red Deer Justice Centre.
- \$16.5 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 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 2021-22, it took an average of 22.5 calendar days to complete procurements.

Targets	2023-24	24	2024-25	24	2025-26	24
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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. 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 2021-22, 95 per cent of Infrastructure capital projects were on budget.

<b>Targets</b>	<b>2023-24</b>	95%	<b>2024-25</b>	95%	<b>2025-26</b>	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. 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 2021-22, 91 per cent of Infrastructure capital projects were on schedule.

<b>Targets</b>	<b>2023-24</b>	95%	<b>2024-25</b>	95%	<b>2025-26</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 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 to support vital public services through effective long-term investments in core assets that support the economy and through the disposition of inefficient or obsolete assets.

#### Initiatives Supporting Key Objectives

- In 2023-24, \$521.4 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 2023-24, \$399.7 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 \$5.0 million for the Government Centre – Power Distribution System Upgrade and \$4.5 million for the Millwoods Alberta Research Council Laboratory and Administration Building - Air Handling System Replacement in Edmonton.

# 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 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.

In 2021-22, the total cost in government-owned and operated office space facilities is \$8,576 per occupant.

<b>Targets</b>	<b>2023-24</b>	\$8,490	<b>2024-25</b>	\$8,405	<b>2025-26</b>	\$8,321
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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. 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 0.5 per cent reduction, by reviewing previous year trends in consumption and the potential impact of planned capital energy efficiency projects. Targets are based on consumption trends and planned energy efficiency projects.

In 2021-22, the energy consumption intensity in government-owned and operated facilities is 1,485 megajoules per gross square metre.

<b>Targets</b>	<b>2023-24</b>	1,470	<b>2024-25</b>	1,463	<b>2025-26</b>	1,456
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## STATEMENT OF OPERATIONS

(thousands of dollars)	Comparable		2023-24 Estimate	2024-25 Target	2025-26 Target
	2022-23 Budget	2022-23 Forecast			
<b>REVENUE</b>					
Transfers from Government of Canada	6,857	5,673	<b>8,755</b>	4,729	4,641
Premiums, Fees and Licences	2,070	2,070	<b>2,070</b>	2,070	2,070
Other Revenue	28,744	100,463	<b>98,499</b>	51,470	40,644
Ministry Total	37,671	108,206	<b>109,324</b>	58,269	47,355
Inter-Ministry Consolidation Adjustment	(15,301)	(71,420)	<b>(83,556)</b>	(36,527)	(25,701)
Consolidated Total	22,370	36,786	<b>25,768</b>	21,742	21,654
<b>EXPENSE</b>					
Ministry Support Services	10,286	10,286	<b>10,492</b>	10,563	10,563
Capital Construction	1,588,480	1,086,019	<b>1,351,839</b>	1,605,083	1,341,650
Property Management	387,504	386,822	<b>413,354</b>	424,189	432,187
Asset Management	6,454	6,454	<b>6,580</b>	6,624	6,624
Realty Services	180,046	181,046	<b>184,238</b>	184,271	184,271
Alternative Capital Financing Partnerships Office	1,839	1,839	<b>1,874</b>	1,885	1,885
Ministry Total	2,174,609	1,672,466	<b>1,968,377</b>	2,232,615	1,977,180
Inter-Ministry Consolidation Adjustment	(1,592,881)	(1,091,837)	<b>(1,355,485)</b>	(1,603,270)	(1,340,609)
Consolidated Total	581,728	580,629	<b>612,892</b>	629,345	636,571
Net Operating Result	(559,358)	(543,843)	<b>(587,124)</b>	(607,603)	(614,917)
<b>CAPITAL INVESTMENT</b>					
Capital Construction	1,688,600	1,274,157	<b>1,504,953</b>	1,786,398	1,445,275
Property Management	263,218	152,663	<b>238,022</b>	182,777	170,820
Realty Services	8,300	4,095	<b>14,136</b>	8,300	8,300
Ministry Total	1,960,118	1,430,915	<b>1,757,111</b>	1,977,475	1,624,395
Inter-Ministry Consolidation Adjustment	(1,574,603)	(1,073,559)	<b>(1,337,207)</b>	(1,584,992)	(1,322,331)
Consolidated Total	385,515	357,356	<b>419,904</b>	392,483	302,064