

GOVERNMENT OF ALBERTA

Annual Report

Infrastructure

2020-2021

Alberta Infrastructure, Government of Alberta | Infrastructure 2020–2021 Annual Report

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Note to Readers: Copies of the annual report are available on the Alberta Open Government Portal website www.alberta.ca

Table of Contents

Preface	2
Minister’s Accountability Statement	3
Message from the Minister	4
Management’s Responsibility for Reporting	5
Results Analysis	7
Ministry Overview	8
Discussion and Analysis of Results	12
Performance Measure and Indicator Methodology	32
Financial Information	37
Ministry Financial Highlights	38
Supplemental Financial Information	42
Other Financial Information	43
Annual Report Extracts and Other Statutory Reports	45

Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and a comparison of actual performance results to desired results set out in the government's strategic plan, previously published in one volume entitled Measuring Up report.

This annual report of the Ministry of Infrastructure contains the minister's accountability statement, the financial information of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report.**

Each Ministry Annual Report should be considered along with the Government of Alberta Annual Report to provide a complete overview of government's commitment to openness, accountability and fiscal transparency.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2021, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 4, 2021 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Honourable Prasad Panda

Minister of Infrastructure

Message from the Minister



The work undertaken by Alberta Infrastructure significantly impacts most Albertans. Infrastructure's impact ranges from overseeing the building and renewal of needed learning, health and government facilities to making policy initiatives that contribute to the long-term development of the provincial economy.

Last year, Infrastructure was given the responsibility to be a leading ministry in assisting Alberta's economic recovery, with the largest infrastructure investment in the province's history. The \$10 billion for the development of infrastructure projects led to the creation of tens of thousands of good paying jobs, building the infrastructure that is needed for the future and prosperity of Albertans. This was accomplished while working through the challenges of a world-wide pandemic and slump in energy prices. My ministry and our partners have worked and collaborated together on innovative approaches to safety, keeping Albertans working and getting the job done.

To meet increased needs and provide a learning environment that is conducive to modern learning, I am proud that my ministry has continued to have one of the most ambitious school building and modernization initiatives in North America. In the past year, Infrastructure invested more than \$440 million in school projects. Of the 315 school projects approved under this initiative, 247 have been completed. In collaboration with our partners, we also continue to address the need for health facilities throughout Alberta. In the past year, construction was completed on the first phase of the Grande Prairie Regional Hospital and the Willow Square Continuing Care Centre in Fort McMurray. In spite of the challenges of the COVID-19 pandemic, major projects like the Calgary Cancer Centre and the re-development of the Misericordia Community Hospital Emergency Department continues to be on schedule and budget.

I will continue to work closely with our federal partners in the Investing in Canada Infrastructure Program. I will continue to work with them to have locally identified priority projects approved and underway as quickly as possible. These projects are creating jobs and having a significant positive impact on these communities and the economy for years to come. Infrastructure will continue to investigate alternative financing and procurement methods such as public-private-partnerships (P3s), when there is a solid business case and value-for taxpayers' money. As we continue to deliver vital projects, my ministry is also committed to do its share to help government meets its fiscal objectives by reducing our costs, cutting red tape and finding efficiencies in our daily operations.

Throughout the year I have been amazed and inspired by the dedication and resiliency of my ministry and our partners as they reflect the "Alberta spirit," that is about rolling up your sleeves, facing adversity head-on and getting the job done. This has allowed us to do our part in sustaining jobs and leading the way for future prosperity and a generation of growth.

[Original signed by]

Honourable Prasad Panda

Minister of Infrastructure

Management's Responsibility for Reporting

The Ministry of Infrastructure includes the Department of Infrastructure.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the accompanying ministry financial information and performance results for the ministry rests with the Minister of Infrastructure. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, which includes the financial information, performance results on all objectives and initiatives identified in the Ministry Business Plan, and performance results for all ministry-supported commitments that were included in the 2020-23 Government of Alberta Strategic Plan. The financial information and performance results, out of necessity, include amounts that are based on estimates and judgments. The financial information is prepared using the government's stated accounting policies, which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – outcomes, performance measures and related targets match those included in the ministry's *Budget 2020*.

As Deputy Minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control, which consider costs, benefits, and risks designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Infrastructure the information needed to fulfill their responsibilities; and

Results Analysis

- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives within the ministry.

[Original signed by]

Shannon Flint

Deputy Minister of Infrastructure

June 4, 2021

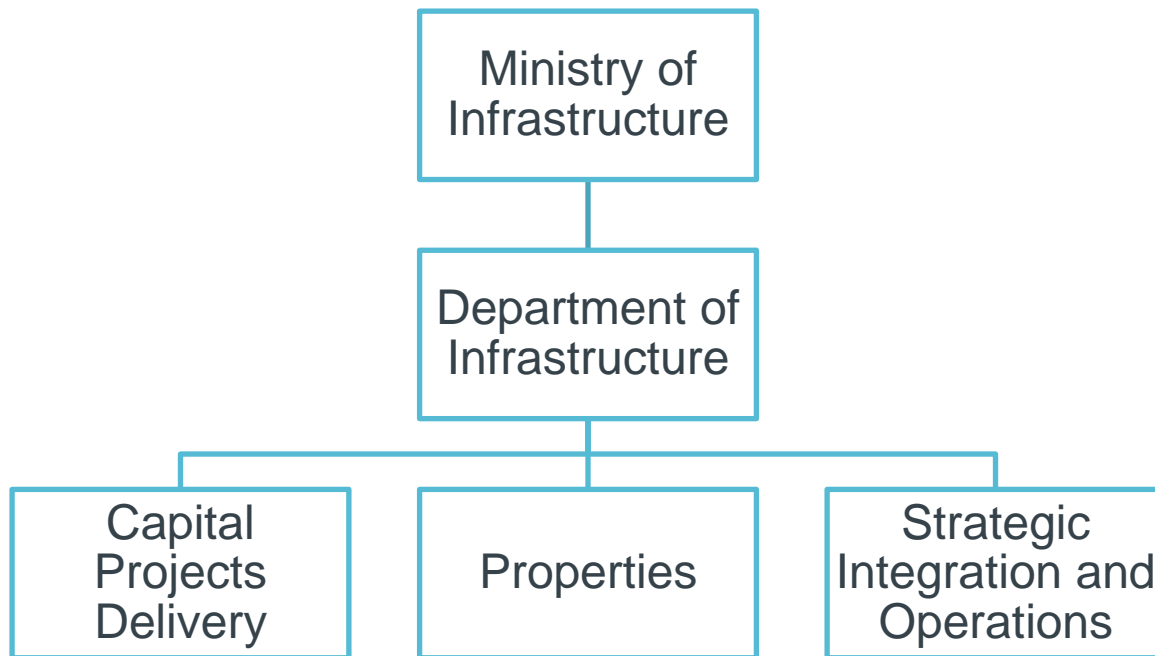
Results Analysis

Table of Contents

Ministry Overview.....	8
Organizational Structure	8
Operational Overview.....	8
Key Highlights in the Past Year	11
Discussion and Analysis of Results.....	12
Outcome One: Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs.....	12
Outcome Two: Alberta’s public infrastructure is effectively managed and sustainable.....	25
Performance Measure and Indicator Methodology.....	32

Ministry Overview

Organizational Structure



Operational Overview

The vision of Alberta Infrastructure is to provide 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.

To achieve its vision, the ministry is focused on achieving two outcomes:

- Outcome One: Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs; and
- Outcome Two: Alberta’s public infrastructure is effectively managed and sustainable.

Infrastructure leads the delivery of vertical public infrastructure to ensure the government meets Albertans’ needs in a cost-effective and efficient manner, while recognizing Alberta’s environmental, social and economic priorities. The ministry collaborates with other departments and orders of government to secure federal infrastructure funding. Infrastructure provides leadership throughout the life-cycle of public facilities, including design, construction, operation, evaluation, preservation and divestiture. The ministry’s contracting, procurement and other practices ensure that facility standards are met and value for investment is achieved.

Infrastructure partners with other ministries, boards, industry and stakeholders to:

- deliver kindergarten to grade 12 education facilities;

- deliver health facilities;
- deliver other public infrastructure such as government office space, museums and courthouses; and
- support post-secondary institutions to develop facilities to meet their needs.

Infrastructure is accountable for the management, operations and maintenance of government-owned and leased properties; this excludes the operation of properties owned by agencies, boards and commissions. The ministry manages the Swan Hills Treatment Centre and provides accommodation planning and other services for government and service providers in facilities, such as owned and leased office space, museums, courthouses, correctional facilities, service buildings and research facilities.

The ministry conducts densification, modernization and revitalization projects to maintain and improve existing government infrastructure. It provides comprehensive real estate and leasing services to government ministries, boards and agencies, and is responsible for the planning and management of the Restricted Development Areas around the cities of Calgary, Edmonton and Sherwood Park West, including the Transportation Utility Corridors.

Infrastructure is committed to a culture of continuous improvement throughout all aspects of ministry operations, including project planning, management and delivery, procurement practices and contract management.

Legislation

Infrastructure has primary responsibility for the following Legislation and Regulations:

- *Public Works Act*
- *Post-secondary Learning Act*
 - Section 66 (2) and (3) and 67
- Regulations pursuant to the Government Organization Act
 - Crown Property Regulation
 - Infrastructure Grants Regulation
 - Calgary Restricted Development Area Regulations
 - Edmonton Restricted Development Area Regulations
 - Sherwood Park West Restricted Development Area Regulations

Infrastructure has common responsibility for the following Legislation and Regulations:

- *Education Act*
 - Division 8 of Part 6 and section 243 with Minister of Education
 - Disposition of Property Regulation

- *Government Organization Act*
 - Section 3 of Schedule 1 with Minister of Advanced Education
 - Sections 4 to 9 of Schedule 5 with Minister of Environment and Parks
 - Sections 1, 4, 5, 11 and 12 of Schedule 11 with Ministers of Transportation and Service Alberta
 - Sections 6 to 10, and 13 of Schedule 11 with Minister of Transportation
- *Hospitals Act* with Minister of Health
 - Sections 28(1)(a), 42 and 43(h) to (j)
 - Hospitalization Benefits Regulation
 - Operation of Approved Hospitals Regulation
- *Mental Health Act* with Minister of Health
 - Section 53(1)(c)
- *Nursing Home Act* with Minister of Health
 - Sections 6, 11, 23(g) and (j), 24(1)
 - Nursing Homes Operation Regulation
 - Nursing Homes General Regulation
- *Post-secondary Learning Act* with Minister of Advanced Education
 - Sections 80, 99(1)(a) and (2) to (6)
- *Water, Gas and Electric Companies Act* with Ministers of Energy and Transportation
 - Section 4

Key Highlights in the Past Year

In 2020-21, Infrastructure undertook various initiatives and successfully completed its key deliverables.

Infrastructure continues to meet the government's fiscal objectives and get value for money for taxpayers. The ministry released an updated Public-Private Partnerships (P3) Framework and a new Unsolicited Proposal Framework to allow Infrastructure to capitalize on alternative financing opportunities in Alberta. Projects currently being considered for P3 delivery include a new hospital in Edmonton and the Deerfoot Trail Upgrade in Calgary.

Hundreds of infrastructure projects are underway throughout the province, supporting thousands of jobs in local communities related to planning, design and construction. Infrastructure collaborated with client ministries and stakeholders to manage and deliver capital projects for schools, government and health facilities. Some of the completed projects include the Grande Prairie Regional Hospital, the Medicine Hat Regional Hospital, the Fort McMurray Residential Facility-Based Care Centre (Willow Square) and 20 school projects. Other projects, such as the Calgary Cancer Centre and the Red Deer Justice Centre, are on schedule and on budget.

With support from Treasury Board and Finance, Infrastructure is advancing with a consistent and coordinated approach to prioritize and plan Capital Maintenance and Renewal (CMR) funding. The ministry took swift action to support Albertans by starting many shovel-ready projects that maintain existing facilities.

The government is committed to protecting lives and livelihoods through vital public works projects Albertans rely on, ensuring the creation of jobs today, while building the infrastructure needed for the future. The ministry conducted public engagement activities on the proposed Alberta Infrastructure Act and 20-Year Strategic Capital Plan in the summer of 2020 to promote greater transparency and support longer-term strategic planning of provincial capital infrastructure. Infrastructure anticipates release of both the Act and the Plan in the coming year.

Infrastructure launched a comprehensive review of all Government of Alberta procurement and project delivery practices to determine the optimal structure and organization to ensure effective and efficient procurement of goods, services and construction, and the delivery of vertical and horizontal infrastructure projects. The ministry will complete this review in 2021-22. The ministry also continues to maintain the Vendor Performance Management Program, which promotes service excellence and accountability in vendor performance. Ninety per cent of vendors evaluated in 2020-21 have an Overall Vendor Performance Rating that meets or surpasses expectations.

Infrastructure completed the development of its Three-Year Plan for red tape reduction (RTR) to identify legislation, policies, forms, guidelines and processes that were deemed administratively burdensome on stakeholders. Infrastructure exceeded this year's annual RTR reduction target of 12 per cent, and is on track to contribute to the government's overall target of 33 per cent reduction within three years.

In 2020-21, the ministry was active on many other initiatives, such as overseeing and administering the Investing in Canada Infrastructure Program and reducing leased space to decrease costs. Overall, Infrastructure is well positioned to respond to future challenges and support Alberta's economic recovery.

Discussion and Analysis of Results

Outcome One: Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs

Infrastructure ensures Alberta's long-term planning of vertical public infrastructure supports key public services and contributes to the provincial economy. The ministry also manages the delivery of new construction and major modernization projects for health, school and government-owned facilities.

Key Objectives

1.1 Ensure Alberta's long-term planning of public infrastructure supports key public services and contributes to the provincial economy.

Public infrastructure supports much of our daily lives by providing the foundation for activities from the moment we wake up through to the end of the day, over our lifetimes. This includes buildings that provide key public services, from hospitals, schools, universities, housing and transportation networks that connect us, to the water, power and electricity that our communities rely on. Throughout 2020-21, the Government of Alberta worked towards the development of an Infrastructure Act and a 20-Year Strategic Capital Plan. The new Alberta Infrastructure Act will outline how the province prioritizes projects for the annual Capital Plan. Albertans want infrastructure dollars allocated based on need. Increased transparency in capital infrastructure investments will help Albertans better understand how and why government makes building decisions.

The 20-Year Strategic Capital Plan supports the Act by encouraging longer-term planning as a backdrop of capital plan investments in the annual budget, as well as to build public confidence that the province is active in strategic foresight as it relates to infrastructure needs and investment. In the summer of 2020, Infrastructure engaged Albertans from across the province and in different sectors to learn what they would like to see in both the proposed Act and long-term Plan. The ministry received 3,172 total survey responses and 56 written submissions. Albertans highlighted that the Plan should consider how innovation and technology are changing the way we plan, design and deliver infrastructure, and how important these investments are for jobs and the economy. The ministry has completed the draft 20-Year Strategic Capital Plan, which is expected to be released shortly after the Alberta Infrastructure Act passes.

Amidst the work on ensuring a robust process for long-term infrastructure planning, the ministry is also protecting Albertans' lives and livelihoods by endorsing and investing in infrastructure projects today. Infrastructure is leveraging federal funding to launch projects that are getting hundreds of people back to work in jobs that make a difference in local communities. Through the Investing in Canada Infrastructure Program (ICIP), the federal government allocated \$3.65 billion to invest in Alberta infrastructure projects that strengthen the economy and build resilient communities. A total of 81 projects in over 30 Alberta constituencies have been approved for ICIP funding. These projects are providing \$2.95 billion in federal funding to Alberta municipalities, Indigenous communities, not-for profit organizations and other groups. They fall under the streams of Green Infrastructure; Community, Culture and Recreation; Rural and Northern Communities; and Public Transit.

With the advent of a devastating pandemic, the ministry also took advantage of a new COVID-19 Resilience stream, which allowed the transfer of \$87.4 million from other ICIP streams to use on provincial Capital Maintenance and Renewal (CMR) projects. This provides the province with more

flexibility on how it can spend the ICIP money already allocated to Alberta by the federal government and a better federal cost-share. Alberta has received federal approval for seventeen bundles of CMR projects under this stream. This includes two bundles of seven CMR projects for six government-owned facilities in Calgary, Edmonton and Wetaskiwin announced in February 2021, and three bundles of fourteen projects for retrofits, repairs and upgrades at various health care locations across the province announced in March 2021. To date, Alberta has received approval for over seventy municipal COVID-19 Resilience stream projects. These shovel-ready, short-term projects ensure immediate, tangible benefits for residents, workers and businesses in these municipalities.

1.2 Manage the delivery of new construction and major modernization projects for health, school and government-owned facilities, and support the maintenance of existing infrastructure.

Partnerships

The government is committed to attracting private sector investment to the province to help build much-needed public infrastructure, create jobs and stimulate the economy. Alternative financing approaches, such as using public-private partnerships (P3s) and inviting unsolicited proposals, encourage the private sector to come forward with creative ways and financing solutions to help provide the facilities and other infrastructure Albertans need. Leveraging public-private partnerships allow projects to deliver value for money, creating immediate jobs and supporting economic recovery. In December 2020, the ministry released the Public-Private Partnership Framework and Guideline (P3 framework) and the Unsolicited Proposal Framework and Guideline (USP framework) to enhance this private sector involvement. With the P3 framework, the government will have increased options as to what P3 model can be considered for capital project delivery, including options such as design-build-finance and revenue-based P3s like build-operate-transfer. The ministry is currently assessing the delivery of a new hospital in Edmonton and the Deerfoot Trail Upgrade in Calgary using a P3 model.

Additionally, the new USP framework enables Alberta's government to consider unsolicited infrastructure investment opportunities. Prior to this framework, such opportunities may have been missed or rejected because there was not a mechanism in place to process them. The USP framework provides potential proponents the opportunity to present a novel idea for public infrastructure within a public-private partnership. It allows the private sector to identify gaps and potential solutions to the Alberta Capital Plan while not pushing a greater financial burden on government. To date, Infrastructure has received a number of USP proposals and several questions from private and public entities, which it is currently evaluating. Overall, these two frameworks allow the government greater flexibility to deliver infrastructure and encourage the private sector to come forward with creative solutions to help support Alberta's growth.

The Government of Alberta continues to work with the Canada Infrastructure Bank (CIB) and other public-private partnerships to advance large investment projects that align with government priorities and provide maximum benefit for Alberta. Infrastructure leads the coordination with the CIB to access expertise, financing and investment in priority projects with a revenue stream and alternative private sector financing and investment. For example, the ministry has actively been working with the CIB to explore opportunities to leverage its subject matter expertise and funding regarding CMR projects and energy-efficiency-retrofit opportunities.

Health Facilities

In collaboration with Health and Alberta Health Services, Infrastructure plans, designs and builds health facilities to meet current and future community needs. In 2020-21, the ministry budgeted

\$596.2 million and spent over \$582.2 million on the construction of health facilities. As of March 31, 2021, key projects in progress or completed include:

- Alberta Surgical Initiative, multiple sites – This program will increase provincial surgical capacity to reduce wait times by renovating, improving and expanding operating rooms and support spaces. Four locations are in the planning phase and the Grande Prairie Surgical Initiative is in the construction phase with anticipated completion in summer 2021.
- Bridgeland Riverside Continuing Care Centre, Calgary – The project will provide an additional 200 private room long-term care beds for Calgary. The new facility will accommodate long-term patients with complex health needs by providing additional capacity and options for care. The project will also provide infrastructure to support the delivery of a range of ambulatory programs and services for seniors throughout Calgary. Construction commenced in January 2021.
- Edmonton hospital – Located in Southwest Edmonton, the project includes a comprehensive mix of acute services based on community needs. Services will include inpatient beds, emergency, rehabilitation, obstetrical, diagnostic and ambulatory services. The Hospital Campus lands rezoning was approved by Edmonton City Council in January 2021. The project is currently in the planning phase with site master planning and preparations underway. Functional programming was temporarily paused due to the COVID-19 pandemic.
- Foothills Medical Centre Urgent Power Plant Capacity, Calgary – Expansion of the Foothills Medical Centre (FMC) Power Plant in Calgary will provide additional capacity, including addition of cogeneration. The large and growing size of the FMC Campus provides a unique opportunity for cogeneration technology to address and mitigate current and future issues and to provide heat and power to the Calgary Cancer Centre project in an energy efficient and environmentally sensitive manner. The project is in the construction phase.
- Grande Prairie Regional Hospital – The hospital will help more northern Alberta patients receive specialized, complex care that is closer to home and with shorter wait times. The main hospital was completed in June 2020 and has been turned over to Alberta Health Services. Work is currently underway to fit out 4,000 square metres (m²) of shelled space in the new hospital to accommodate a Mental Health and Addictions wing and a 28-bed Medical Surgical Inpatient wing. This work is anticipated to be complete in summer 2021.

Actions that Support the Priorities of the Government of Alberta Strategic Plan

Key Priority 1:
Supporting job creation

Objective 4:
Building public infrastructure

- The Government of Alberta continues to invest in health care facilities like the Calgary Cancer Centre, a \$1.4 billion facility that will provide Albertans with a first-class health care facility and academic hub for cancer services in Southern Alberta.
- The project is currently in the construction phase and continues to be on budget and on schedule.
- The project is an economic driver in Calgary and a major force in creating approximately 8,770 construction and construction-related jobs throughout the duration of the project.

- Medicine Hat Regional Hospital – The project provided 224 new treatment spaces, six operating rooms and 40 renovated treatment spaces. The project was completed and turned over to Alberta Health Services in July 2020.
- Gene Zwozdesky Centre at Norwood, Edmonton – The facility will help with the growing need in Edmonton, providing 350 enhanced long-term care beds, with a broad range of support programs and services. The project is currently in the construction phase.
- Fort McMurray Residential Facility-Based Care Centre (Willow Square) – The facility includes spaces for long-term care, supportive living of various levels and palliative care. It is the newest and most modern continuing care centre in the province. The project was completed under budget in January 2021, despite delays in April 2020 due to floods in Fort McMurray.
- Stollery Children's Hospital Critical Care Program, Edmonton – The redevelopment and expansion of the Critical Care Program will increase clinical support space to accommodate new equipment needed to meet increasing levels of patient care and current health standards of practice. Phase Three (Neonatal Intensive Care Unit) of the project was completed in March 2021.
- Northern Lights Regional Health Centre Repairs, Fort McMurray – The project repaired items related to the building envelope, such as insulation and sealing of the building, to help extend the life of the facility. The project was completed in October 2020.
- Lloydminster Continuing Care Centre – The two-phase project involved:
 - Phase 1: the construction of a new 60-bed long-term care facility (completed in 2017); and
 - Phase 2: minor renovations to replace some support service areas, and abatement and demolition of the existing Dr. Cooke facility. Substantial completion of Phase 2 is anticipated in summer 2021.
- Peter Lougheed Centre Emergency Department, Mental Health, Intensive Care Unit and Laboratory Redevelopment, Calgary – This project includes renovations of the existing Emergency Department and fit out of the east tower shelled space for additional emergency space, mental health area and lab redevelopment. The project has started construction, with Phase 1 anticipated to be completed in 2022.
- Misericordia Community Hospital Modernization Program, Edmonton – The project will address service pressures in Edmonton and neighbouring communities. The project is currently in the construction phase, with an anticipated completion in December 2022.
- Medical Device Reprocessing (MDR) Upgrades Program, multiple sites – MDR is an essential service, supporting patient safety by preventing the transmission of infections from reusable medical devices used in the delivery of health care. The program supports MDR remediation at high priority sites.
 - The program supports planning and design for five sites. Functional programming, which outlines project objectives, space and technical requirements, was completed for Westlock, Sturgeon County and Red Deer. The Northern Lights Regional Hospital and Foothills Medical Centre sites are funded to complete the schematic design, which is underway.

- The Peter Lougheed Centre is funded for the completion of a new MDR, and the project is currently in construction.
- Provincial Pharmacy Central Drug Production and Distribution Centre, Edmonton – The project is to consolidate and centralize drug production and distribution activities in the province. The project is currently in the design phase.
- Recovery Communities, multiple sites – This program is to establish multiple recovery communities for addictions treatment across Alberta, using a modular approach. This program is currently in the design phase.
- Red Deer Regional Hospital Centre Renewal Project – This project expands the Red Deer Hospital to improve access to critical lifesaving services for central Albertans, including the construction of an ambulatory services building and the redevelopment of the hospital site, including a new bed tower and the development of a cardiac catheterization lab. The project is currently in the planning phase.
- University of Alberta Hospital Brain Centre - Neurosciences Intensive Care Unit (ICU), Edmonton – This project has partial design funding to redevelop the Neurosciences ICU to meet best practices for a new 24-bed, state of the art program that will include an associated dedicated computed tomography suite. This project is currently in the design phase.

The ministry is also working to address Office of the Auditor General recommendations on the audit of the Fort McMurray Residential Facility-Based Care Centre (Willow Square) Project Management, which contains two recommendations. The audit assessed whether the ministry had adequate project management systems to manage the planning and design of Willow Square. The audit concluded that the ministry had adequate project management systems but some enhancements could be made to certain project management processes and project performance measures. In July 2020, Infrastructure submitted an implementation plan to address the recommendations on improving project management plans and performance measures. Infrastructure will enhance existing standards and best practices on project management plans, expand the usage of the standard project financial management tool, and introduce additional assurance and oversight measures to ensure consistency in project delivery practices and risk management. These improvements will include additional documenting processes, procedures and guidelines.

School Facilities

In collaboration with Education and school jurisdictions, Infrastructure designs, builds and modernizes school facilities to ensure Alberta's kindergarten to grade 12 students and communities have access to modern and well-designed learning spaces. In 2020-21, the ministry budgeted \$616.1 million and spent \$441.7 million on the construction and modernization of school facilities and the Modular Classroom Program. While Education is accountable for capital planning, Infrastructure is accountable for project implementation. School capital projects are delivered through two streams:

- Infrastructure-Managed Projects: the ministry manages the projects from design to construction and warranty phase; and

- School Jurisdiction-Managed Projects: grant-funded projects for jurisdictions to contract and manage building, design and construction work.

Since 2011, the province has undertaken one of the most significant school building programs in North America. A total of 315 school capital projects have been approved, of which 247 have been completed, including 20 schools completed in 2020-21. Overall, as of March 31, 2021:

- 247 projects are Complete;
- 32 projects are in Construction;
- nine are in the Tender Stage;
- 12 are in the Design Stage; and
- 15 are in the Planning Stage.

In 2020-21, Infrastructure assessed opportunities to accelerate timelines for its school capital projects in order to stimulate the economy and expedite much needed schools for the province in an effective and efficient manner. Several projects were tendered using the design-build procurement methodology to gain approximately three months in schedule time. For example, the ministry accelerated the construction tender for the new K-9 Public and K-9 Catholic schools in the Keswick neighbourhood of Edmonton, with the contract awarded in September 2020. Construction onsite commenced in November 2020 and completion is anticipated in July 2022.

In 2020-21, the ministry assessed a bundle of five high schools for public-private-partnership (P3) delivery. Located throughout Alberta, the five new high schools will open in September 2024 with a total student capacity of about 6,938 students. These schools are as follows:

- Blackfalds New High School (Grades 9-12) in Blackfalds for the Wolf Creek School Division;
- South East High School (Grades 10-12) in Edmonton for the Edmonton School Division;
- New Senior High School (Grades 10-12) in Heritage Valley Town Centre in Edmonton for the Edmonton Catholic Separate School Division;
- Langdon New School (Grades 7-12) in Langdon for the Rocky View School Division; and
- New High School (Grades 10-12) in Leduc for the Black Gold School Division.

Actions that Support the Priorities of the Government of Alberta Strategic Plan

Key Priority 1:
Supporting job creation

Objective 4:
Building public infrastructure

- The Alberta government is protecting lives and livelihoods by investing \$1.5 billion over three years toward new schools and modernization projects across the province.
- Dozens of school projects underway are creating hundreds of jobs related to planning, design and construction in local communities at a time when they are most in need of help.

In 2020-21, Infrastructure delivered 54 new modular classroom units to manage school capacities for identified schools.

Infrastructure has addressed the Office of the Auditor General's (OAG) April 2016 recommendations on Systems to Manage the School-Building Program. The recommendations centre on ensuring both Education and Infrastructure have adequate systems to plan, deliver and report on the school building program. The follow up OAG audit concluded in December and assessed that all recommendations from the 2016 Audit as being fully implemented, including

updates to the School Capital Manual. All chapters of the School Capital Manual that Infrastructure is responsible for, such as Chapter 6 on Grant Funded Projects, have been drafted and approved.

Post-Secondary Facilities

Infrastructure provides support to post-secondary institutions (PSIs) to develop facilities to meet their needs, and collaborates with Advanced Education in reviewing and establishing project priorities during the capital planning process. In 2020-21, two post-secondary capital projects delivered by PSIs were completed and another seven are underway.

Infrastructure approved a 130-year lease for the University Innovation Quarter lands at the University of Calgary, officially transferring all ownership of the lands to the University Innovation Quarter Trust. The trust will develop the 77.4-acre lands, formerly known as the University Research Park, to expand the university's existing student learning spaces dedicated to innovative research, scientific investigation and knowledge sharing. Now, the University of Calgary will establish the new University Innovation Quarter (UIQ), a research park dedicated to commercializing innovation and new technologies from university research and attracting new research-oriented industries to Alberta. The UIQ will support the creation of up to 6,300 direct new jobs over the next 20 years, including 4,500 jobs in the private sector. Many of the jobs created will be in emerging sectors of the economy, including biomed and life sciences, information technology and energy technology.

Government-Owned and Operated Facilities

In collaboration with other ministries, Infrastructure plans, designs, builds and maintains facilities to support the provision of Government of Alberta programs and services. In 2020-21, the ministry budgeted \$75.7 million and spent \$33.7 million on the construction of government facilities as funding was moved to the following year to align with construction schedules. As of March 31, 2021, key projects in progress or recently completed include:

- Agrivalue Processing Business Incubator, Leduc – The facility is being expanded with additional incubator suites to support the establishment and growth of new food companies or products and business ventures in Alberta. The project began construction in February 2021 and has an anticipated completion of November 2022.
- Red Deer Justice Centre – The project will address space shortages in the community and ensure vital justice services are delivered effectively to residents of central Alberta. Construction of the facility began in August 2020, with anticipated completion in April 2023.
- Courthouse Renewal Program – The renewal of courthouses throughout the province, including:
 - upgrades to the courthouse in Hinton was completed in October 2020 and the modular courthouse for Alexis Nakota Sioux Nation was completed in July 2020; and
 - construction is ongoing at the Edmonton Law Courts and facilities at Cochrane and Brooks.

Protocols are in place on all construction projects to prevent the risk and spread of COVID-19. This includes prohibiting anyone exhibiting flu-like symptoms from worksites, avoiding in-person meetings when possible and minimizing number of attendees, requiring workers to maintain physical distancing and practice personal hygiene and implementing job sanitation measures.

- Calgary Remand Centre Divided Living Units – The facility was constructed in 1989 and the living units were too large and posed security issues. The project addressed these issues by dividing the units. This project was completed in April 2020.
- Kananaskis Emergency Services Centre – This project involves constructing a new multi-services facility to replace the existing emergency services facility, which will provide a full range of fire and emergency services. This project was completed in November 2020.
- Yellowhead Youth Centre, Edmonton – The existing campus includes 12 buildings that are past their useful lifespan and no longer meet the program needs of the client group. The project will include facility redesign and new construction to upgrade the campus to align with current programming requirements, treatment processes and building codes. This project is currently in the functional programming phase. The anticipated completion is in 2025.

1.3 Continuously improve, streamline and modernize planning, project management and procurement to deliver capital projects on time, on budget and to specification.

The ministry recognizes the challenge that inconsistent vendor management, project management, contract management practices, procurement and approval delays have on capital projects. To address this risk, the ministry is continuously improving, streamlining and modernizing its processes and tools to continue delivering projects on time, on budget and to specification.

As Infrastructure manages many small and large construction projects, robust project management techniques, processes and tools are required to ensure effective delivery. Work is ongoing on a variety of new internal project data and reporting systems to ensure project information is standardized and consistent across the ministry. These also ensure key information is captured and considered throughout the lifecycle of the project, thereby supporting project management best practices. This in turn supports effective monitoring, reporting and decision-making needed for successful project delivery.

The ministry aims to enhance procurement processes, opportunities and capacity by conducting a review of procurement and project delivery practices for all ministries and stakeholders, including municipalities, post-secondary institutions, school jurisdictions and agencies, boards and commissions. Infrastructure retained a third-party consultant in March 2021, with a final report due in summer 2021. This performance review of procurement and project delivery practices seeks to identify potential opportunities around alternative structures, organization and delivery in order to ensure efficient and effective procurement of goods and services and project delivery, including complex construction.

In 2020-21, Infrastructure awarded 803 procurements for a total of \$1.46 billion.

Infrastructure administers the Vendor Performance Management (VPM) Program to help ensure contractors and consultants do their best work on ministry-managed projects for the Government of Alberta. VPM is a contract management best practice used to track, analyze and manage the performance of a vendor in an effort to control costs, mitigate risks and drive continuous improvement throughout the contract life-cycle. The program ensures issues are identified and addressed early, resulting in better project outcomes for Albertans and vendors. Since launching the program in January 2020, 225 executed contracts (valued at \$898 million) include VPM clauses. One hundred and forty-three performance evaluations, impacting 92 vendors, have been completed. Of these vendors, 90 per cent have an Overall Vendor Performance Rating that meets or surpasses expectations. Infrastructure has sustained the program over the first year by ensuring project managers have support and training to apply scoring consistently and vendors have

awareness and information about the program. Industry information sessions took place in November and December 2020. As part of the evaluation and commitment to continual improvement of the VPM Program, Infrastructure held stakeholder feedback sessions in January to March 2021. The ministry will assess areas that are working well and areas that would benefit from improvement, and will implement resulting recommendations as required.

1.4 Account for the evolving needs of Albertans by designing future Infrastructure-delivered projects that are inclusive and adaptable.

As the needs of Alberta's diverse population continue to evolve, the ministry is challenged to provide inclusive and adaptable infrastructure to meet accessibility needs. The ministry is addressing this risk by ensuring its infrastructure solutions meet the needs of client ministries and the Albertans they serve.

In 2020-21, Infrastructure completed the guidelines for the design of barrier-free washrooms in public buildings to ensure washrooms are fully accessible to all members of society. Training sessions are ongoing to implement these guidelines throughout the ministry. A number of facilities already adopted the guidelines, including the Infrastructure Building in Edmonton.

Infrastructure is supporting Culture, Multiculturalism and the Status of Women to ensure that the naming of Alberta's provincial buildings reflect Alberta's diversity and history. One example is the renaming of the Federal Building Plaza in Edmonton after Violet King Henry in honour of Black History Month in February 2021. Violet King Henry was the first black woman called to the bar in Alberta and the first black female lawyer in Canada.

Infrastructure conducts Post-Occupancy Evaluations (POEs) to recognize specific strengths and weaknesses of a completed project. POEs document the performance of a facility, specifically its functionality and how the building meets facility users' needs, activities and goals. The program informs Infrastructure on how to improve its practices and standards by learning from completed projects. When documented and shared, the lessons learned influence design criteria for future buildings that take into account the evolving needs of Albertans. The ministry undertook six strategic functionality post-occupancy evaluations and completed five of them in 2020-21. Three were schools focusing on designs that support twenty-first century learning competencies, and two were offices that provide government services to the public while balancing accessibility and security. In total, over 60 lessons learned were developed and shared with stakeholders. One project required an extension because the facility was inaccessible due to the pandemic and will be completed in the next fiscal year. The ministry spent \$173,000 on the six POE projects against the \$300,000 budgeted in 2020-21. In the coming fiscal year, POEs will cover a variety of categories in locations around the province and will share lessons learned to stakeholders to further improve the functionality of infrastructure projects in Alberta.

1.5 Review and revise legislation, regulations, programs and processes, including internal policies, forms and guidelines, to ensure the effective and efficient delivery of services focusing on reducing red tape and regulatory burden for businesses and Albertans.

The Ministry of Infrastructure is committed to the ongoing review of programs and services to ensure that the best possible outcomes are being achieved for Albertans. As part of this ongoing review, the ministry is committed to making life easier for hard-working Albertans and job creators by reducing regulatory requirements by one-third by 2023, and eliminating administrative burden through more efficient processes. This work will improve service delivery for Albertans; foster economic growth, innovation and competitiveness; create a strong and attractive investment climate and make Alberta one of the freest and fastest moving economies in North America.

In 2020-21, the ministry achieved a regulatory count reduction of 15 per cent, exceeding the government's target of 12 per cent, through activities such as:

- The ongoing review and update of the Infrastructure Technical Resource site, specifically the removal of outdated documents, which now provides access to clear and current information. Consistent updating of documentation ensures site content continues to reflect industry best practices and saves time for industry professionals who regularly access the information.
- Updating software technology, such as AutoCAD templates, reduces the time spent by industry to complete documentation.

Infrastructure continues to look at ways to further reduce our count over the next two years, guided by a Ministry Three-Year Red Tape Reduction Plan developed in September 2020. Some examples of red tape reduction opportunities Infrastructure is exploring further include:

- reviewing Government of Alberta procurement processes and contracts to find opportunities to harmonize and improve efficiency;
- reviewing and streamlining (where possible) technical design requirements in conjunction with industry stakeholders;
- supporting the implementation and use of digital seals and signatures as part of ongoing digital transformation efforts;
- reviewing the Post-Secondary Land Disposition approval requirements using a risk-based approach; and
- developing a policy to establish a single, consistent approach for the surplus, disposal and acquisition of real property across Government of Alberta departments.

Changes to Infrastructure regulatory counts or administrative processes that improve how we do business with members of the public or key stakeholders, especially when the changes have a direct or indirect impact on economy and jobs, contributes to the broad Government of Alberta strategy of Cutting Red Tape for Albertans.

Outcome One Performance Metrics

Performance Measure 1.a: Government-owned and operated facilities – physical condition

Categories	Prior Years' Results				2020-21 Target	2020-21 Actual
	2016-17	2017-18	2018-19	2019-20		
One	74%	74%	73%	69%	77%	71%
Two	25%	25%	26%	26%	23%	26%
Three	1%	1%	1%	5%	0%	3%

- This performance measure reports the percentage of government-owned and operated facilities rated in Category One, Two and Three (by area in square metres). This measure supports long-term capital planning of government-owned and operated facilities across the province. The average age of government-owned and operated facilities included in this measure is 44 years, with 88 per cent more than 30 years old.
- The targeted facility condition index for government-owned and operated facilities in 2020-21 was:
 - 77 per cent in Category One;
 - 23 per cent in Category Two; and
 - zero per cent in Category Three.
- The 2020-21 results for government-owned and operated facilities were:
 - 71 per cent in Category One;
 - 26 per cent in Category Two; and
 - three per cent in Category Three.
- The results did not meet the target under Category One. However, as compared to the previous year, a slight increase for Category One and decrease for Category Three are observed, while Category Two remains unchanged.
- The result is primarily attributed to changes in inventory due to new construction, disposition or transfers of buildings. Examples observed in this period include the sale of the Energy Resources Research Building and the transfer of the Core Research Centre (both to the University of Calgary) and a major renovation at the Provincial Law Courts Building in Edmonton that saw an increase in its gross area due to an expansion and major modernization project.

- With an aging inventory, the Government of Alberta would normally expect a gradual reduction in physical condition. This has been offset by significant increases in Capital Maintenance and Renewal spending over the last several years, which has improved the condition of many facilities. However, impacts of major maintenance funding may not be reflected in the current condition assessments and may take several years to have an impact on the facility rating.
- Infrastructure's Asset Management Plan continues to support investing in core buildings while disposing of assets that are obsolete, inefficient and are no longer required.

Performance Indicator 1.b: Health facilities – physical condition

Categories	Prior Years' Results				2020-21 Actual
	2016-17	2017-18	2018-19	2019-20	
One	83%	86%	88%	85%	84%
Two	16%	13%	11%	13%	14%
Three	1%	1%	1%	2%	2%

- This performance indicator reports the percentage of health facilities rated in Category One, Two and Three (by area in square metres). This indicator supports long-term capital planning of health facilities across the province. The average age of health facilities included in this indicator is 39 years, with 71 per cent more than 30 years old.
- In 2020-21, 84 per cent of health facilities were in Category One, 14 per cent were in Category Two and two per cent were in Category Three.
- Sixteen facilities moved from Category One to other categories due to re-evaluations in 2019.
- Fluctuations between Category One and Category Two are expected to continue in the coming years as facilities age or are re-evaluated, new projects are completed and older facilities are removed from consideration due to dispositions. Natural factors, such as extreme weather conditions, also contribute to the shift from Category One.

Performance Indicator 1.c: School facilities – physical condition

Categories	Prior Years' Results				2020-21 Actual
	2016-17	2017-18	2018-19	2019-20	
One	57%	58%	64%	53%	47%
Two	42%	41%	35%	46%	52%

Three	1%	1%	1%	1%	1%
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- This performance indicator reports the percentage of schools rated in Category One, Two and Three (by area in square metres). The average age of school facilities included in this indicator is 47 years, with 73 per cent more than 35 years old.
- In 2020-21, 47 per cent of school facilities were in Category One, 52 per cent were in Category Two and one per cent were in Category Three.
- Over the last five years the condition of school facilities have been fluctuating between Category One and Category Two and are expected to continue in the coming years as facilities age, new projects are completed and the older facilities are disposed.
- Natural factors, such as extreme weather conditions, also contribute to the shift from Category One.

Performance Indicator 1.d: Post-secondary facilities – physical condition

Categories	Prior Years' Results				2020-21 Actual
	2016-17	2017-18	2018-19	2019-20	
One	72%	72%	72%	68%	66%
Two	27%	26%	27%	31%	33%
Three	1%	2%	1%	1%	1%

- This performance indicator reports the percentage of post-secondary facilities rated in Category One, Two and Three (by area in square metres). The average age of post-secondary facilities included in this measure is 40 years, with 61 per cent are more than 35 years old.
- In 2020-21, 66 per cent of post-secondary facilities were in Category One, 33 per cent were in Category Two and one per cent were in Category Three.
- Over the last five years, the condition of post-secondary facilities has been fluctuating between Category One and Category Two. However, Category One is on a downward trend in the facilities ratings. This is expected to continue in the coming years as facilities age.
- Natural factors, such as extreme weather conditions, also contribute to the shift from Category One.

Outcome Two: Alberta's public infrastructure is effectively managed and sustainable

By optimizing the value of government-owned and operated facilities, Infrastructure ensures sound financial stewardship, quality and efficient use of government assets.

Key Objectives

2.1 Incorporate asset management principles to infrastructure projects throughout the design, construction, operation, maintenance and divestment phases to support effective decision-making related to facilities, land, leasing and accommodation services to deliver public services at lower costs.

Infrastructure owns, leases and provides property management services for 1,769 structures totaling over two million square metres (m²) of space, with a \$11.6 billion replacement value of owned assets. In 2020-21, the ministry budgeted \$528.3 million and spent \$466.7 million on the management of owned and leased space, including property operations, utilities, leases and accommodation projects that contribute to the efficient use of government space.

Optimization of real estate portfolio performance is essential and must consider financial accountability including building life-cycle costs, lease costs and service levels. To support this, the ministry refined its strategic accommodation plan to consolidate, prioritize and develop a project plan for current and future years. This includes development of a ten-year plan with goals in lease reduction and avoidance, balancing of the owned to lease ratio, reduction of non-core space, improved density and improved utilization of owned space. The current office real estate portfolio consists of 46 per cent owned buildings and 54 per cent leased buildings. To address this challenge, the ministry is reducing its reliance on leased space with a target of 60 per cent owned and 40 per cent leased space for its office real estate portfolio, which will result in annual operating savings.

In 2020-21, Infrastructure supported initiatives to address the pandemic by sourcing and securing numerous sites for personal protective equipment storage, vaccination storage and vaccination sites.

In 2020-21, the ministry achieved net lease reductions of 8,851m² of leased office and warehouse space for an estimated annual lease cost savings of \$3.4 million. Infrastructure can achieve these savings by increasing space density, investing in owned facilities or disposing of underutilized buildings, which ultimately lower total costs per occupant. Some examples of this work in 2020-21 include:

- The Lac La Biche project terminated 1,016m² of leased space and moved government programs into the Provincial Building, resulting in \$235,000 of annual lease cost savings.
- The Muriel Stanley Venne project has been initiated to optimize government space to accommodate the Provincial Operations Centre. This investment replaces a \$122 million capital project with a \$6 million investment in a government-owned building.
- Agriculture and Forestry programs were further consolidated into the government-owned J.G. O'Donoghue Building in Edmonton. This not only created ministry operational efficiencies, but will realize \$1.2 million in lease cost savings in 2021-22.
- The Edmonton Forestry Building modernization project, completed in October 2020, increased occupancy from 464 to 584 persons, including consolidation of the Ministry of Indigenous Relations. The project also improves office density of the building from 23m² per person to 17m² per person.

- During 2020-21, densification of a floor at Commerce Place for Advanced Education was completed, allowing the ministry to begin consolidation that will realize \$2 million in annual lease cost savings in 2021-22. This is the first phase of a multi-phase project at Commerce Place in Edmonton.
- Disposition of four Visitor Information Centres in Lloydminster, Walsh, Crowsnest and Oyen, which are no longer required for government program delivery. In line with asset management best practices, Infrastructure collaborated with a local school division to re-purpose the Crowsnest Visitor Information Centre for unique educational programming.

Infrastructure's Mobile Work Pilot project, an innovative workplace solution, densified space in the Infrastructure Building in Edmonton by accommodating 130 staff in a space previously occupied by 50 through flexible, unassigned workspace. The pilot project concluded in October 2020 with key learnings for future design and utility of mobile suites. The timing of the pilot, prior to the pandemic, supported office closures allowing participants to work from home immediately with no downtime, reinforcing the benefits and success of the program. Moving forward, Infrastructure will continue collaborating across government to support mobile suite space solutions, reducing government footprint and costs and offering staff innovative workplace solutions.

Infrastructure must ensure it gets a fair deal for Alberta taxpayers from all tenants leasing government space. To that end, the ministry finalized the Non-Government User (NGU) policy in 2020-21 to ensure leasing of surplus government owned and administered space occurs in an equitable and consistent manner. The policy will eliminate no-cost leases, with non-profit entities paying at minimum cost-recovery rents, while for-profit entities paying full market rents. To qualify for a less than market rate lease non-profit entities require written support from their program ministry. Program ministries may fund rental increases through grant funding. Overall, the policy will help government manage the province's buildings and facilities in a cost-effective way to ensure the best use of taxpayer dollars. Infrastructure will work with sponsoring ministries and NGUs in consideration of COVID-19 when implementing changes.

2.2 Maximize the efficiency of government-owned and operated infrastructure to support vital public service delivery through effective long-term investments in core assets and the disposition of inefficient or obsolete assets.

The ministry faces the risk of aging provincial infrastructure causing a disruption in business operations. This may result in Albertans not receiving the services they need in a timely manner. As part of the Alberta Economic Recovery Plan and with additional funding added throughout the year, Capital Maintenance and Renewal (CMR) projects helped maintain the facilities where government programs and supports are administered and delivered for Albertans day-in and day-out. CMR projects, which create many jobs, invest in vital repairs on government-owned facilities like courthouses, provincial buildings, housing, post-secondary institutions, health facilities, schools and cultural facilities throughout Alberta, including:

- replacing boilers;

- upgrading safety and security systems; and
- replacing leaking roofs and windows.

In 2020-21, the ministry budgeted \$198.9 million and spent \$167.9 million on the capital maintenance of government-owned facilities, including the preservation work on government-owned facilities and the capital maintenance and renewal of health and school facilities.

Infrastructure disposes of surplus properties for the Government of Alberta, with proceeds from surplus sales returned to the government's General Revenue Fund. Sales of surplus properties provide both cash and savings through reductions to operations and maintenance expenses. In 2020-21, Infrastructure generated \$8.9 million in proceeds from the sale of 14 parcels of land. An additional 99 parcels are in various stages, including eight pending sales for \$18.3 million, 12 listings for \$88 million and 13 direct offers for \$17 million. Furthermore, in 2020-21, Infrastructure removed 20 parcels (14 in Edmonton, six in Calgary) from the Transportation Utility Corridors as part of ongoing review of program needs. Once the West Calgary Ring Road is complete in 2025, further review will occur, potentially resulting in additional surplus. Conducting timely disposal of land not required by the government demonstrates effective management and fiscal accountability.

Infrastructure developed an approach to leverage assets to generate development potential and revenues. This includes completing expressions of interest for private development opportunities on five properties, including the old Royal Alberta Museum in Edmonton where assessments with the proponents are continuing. The ministry also completed a lease with a private operator for a government parking lot with anticipated revenue of \$200,000 annually. Similarly, the ministry is investigating the revenue generating potential of partnering with advertising firms to erect electronic billboards at select government-owned parking lots. Finally, Infrastructure is leading an initiative to develop pathways to access Canada Infrastructure Bank support for public building retrofits with a focus on energy efficiencies. By leveraging public sector resources and expertise, Infrastructure is continuing to explore long-term revenue generating opportunities to redevelop or repurpose surplus government assets.

Actions that Support the Priorities of the Government of Alberta Strategic Plan

Key Priority 1:

Supporting job creation

Objective 4:

Building public infrastructure

- In order to identify appropriate projects to undertake, Infrastructure is supporting Treasury Board and Finance in stabilizing and rationalizing the allocation of Capital Maintenance and Renewal spending, and gives priority to areas of greatest need in the future capital expenditure decisions. A prioritization methodology has been developed and will be introduced to stakeholder ministries in 2021-22, creating a consistent and coordinated approach across government.
- The ministry is developing a new policy that will allow Infrastructure to manage the disposal of all surplus and most acquisition of government property on behalf of all ministries, while achieving corresponding cost efficiencies, revenue generation and red tape reduction opportunities. Providing an increased ability for government to dispose of surplus assets can offset the capital cost of new investments or provide revenue for the province.

2.3 Continue to implement innovative technologies to help reduce the environmental footprint and maximize cost efficiencies of provincial infrastructure.

Increased weather events challenge the ministry to build more resilient facilities and to deliver projects on time, on budget and to specification. Infrastructure addresses this risk by building new government-owned and operated facilities to meet Green Building Standards, including the Leadership in Energy and Environmental Design (LEED) Silver standards. LEED is a third-party certification used for measuring sustainable design requirements and is used in over 160 countries. Facilities built to LEED standards are more adaptable and resilient to increasingly intense weather events. As of March 31, 2021, 238 government facilities (including post-secondary institutions, school and health facilities) have received LEED certifications, and an additional 73 facilities are under review for certification. A total of 26 LEED certifications were awarded this year, including 12 Gold certifications and 14 Silver certifications.

In September 2020, the Building Owners and Managers Association (BOMA) Calgary granted the Building of the Year Award, in the category of Public Assembly Buildings, to the Head-Smashed-In Buffalo Jump Interpretive Centre. Award applications are judged on categories such as community involvement to environmental and sustainability management. The Interpretive Centre is one of the five UNESCO World Heritage Sites in Alberta and is dedicated to preserving and interpreting over 6,000 years of Plains Buffalo culture. The building has a unique design as it is built into the hillside at the buffalo jump and its six storeys are completely underground. This design contributes to the energy efficiency of the site as well by utilizing the earth as insulation, reducing the heating requirements in the winter and the cooling requirements in the summer. The design also allows the Interpretive Centre to fit seamlessly into the surrounding natural landscape, which requires no water or upkeep. Solar water heating is utilized on the site, further minimizing the impact of a building that sees over 50,000 visitors every year.

The Recycled Furniture Program eliminates the manufacturing and shipping of new furniture by providing good quality used furniture as a cost-effective alternative. Recycled furniture is sourced through ministries that have furniture no longer required for their business needs, and through opportunities offered from furniture dealers and furniture installation companies. The cost savings of using recycled furniture is estimated at \$707,000 in 2020-21, re-using 1,129 pieces of furniture and 120 workstations. By transporting from our Recycle Warehouse instead of the manufacturer, Infrastructure avoided approximately 211,164 kilograms of carbon dioxide equivalent, which is the measure of greenhouse gas emissions or a standard unit for measuring our carbon footprint. As a comparison, this year's reduction is the same as taking approximately 47 vehicles off the road that travel 20,000 km each year.

Outcome Two Performance Metrics

Performance Measure 2.a: Office space density in usable square metres per occupant in government-owned and operated facilities

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
30.3	30.0	30.3	29.7	29.55	30.4

- This performance measure reports on office space density in usable square metres (um²), per occupant in government-owned and operated facilities. The measure focuses on cost effective use of government-owned and operated office space, where a reduction in the space footprint will lead to savings from an operating, maintenance and energy consumption standpoint.
- This measure is reported on a one-year lag, which means the 2020-21 results are actually results from 2019-20, and so on, due to the complexity of data collection, cleansing and analysis.
- In 2020-21, office space density in government-owned and operated facilities is 30.4um² per occupant, which did not meet the target of 29.55um² per occupant.
- Overall, density is showing a fluctuating trend and the results depend on what occurred during the year. Density did not improve compared to the previous year.
- Both the amount of usable space and the number of occupants decreased compared to the previous year. However, the decrease of 881 occupants due to workforce adjustments was more significant than the decrease in useable space of 6,280um², resulting in a lack of improvement in overall density. The amount of time it takes to terminate leases and dispose of facilities can also contribute to how much useable space the ministry can reduce.
- Infrastructure plans projects in alignment with our Asset Management Plan focusing on effective space utilization through densification, operational efficiencies through ministry consolidation and providing modernized and innovative space solutions. For examples of these types of projects, please see Key Objective 2.1.

Performance Measure 2.b: Total cost per occupant in government-owned and operated office space facilities

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
\$9,369	\$8,790	\$8,431	\$8,855	\$8,766	\$8,613

- This performance measure showcases how much the government is spending per occupant on office space. While the total number of occupants is outside ministry influence, the cost of operating government-owned and operated office space can be lowered by improving density, reducing reliance on costlier leased office space, consolidating offices and telecommuting.
- This measure is reported on a one-year lag, which means the 2020-21 results are actually results from 2019-20, and so on, due to the complexity of data collection, cleansing and analysis.
- In 2020-21, total cost per occupant in government-owned and operated office space facilities is \$8,613, which beat the target of \$8,766 per occupant.
- During this period, the ministry reduced operating costs by \$14.5 million, resulting in a decrease in cost per occupant of \$242 from the previous year.
- The decrease in operating costs are partly due to a reduction of 15 office buildings in the portfolio. This includes two buildings that had the highest operating costs whose lease agreements were terminated and occupants moved out. There were also rent-free periods and tenant allowances in other leased buildings that contributed to cost savings.
- Total cost per occupant is showing an overall declining trend over the past five years with some minor fluctuations, which demonstrate increasing cost efficient management of government office space.

Performance Measure 2.c: Energy consumption intensity in megajoules per gross square metre in government-owned and operated facilities

Prior Years' Results				2020-21 Target	2020-21 Actual
2016-17	2017-18	2018-19	2019-20		
1,651	1,649	1,608	1,547	1,592	1,523

- This performance measure is used to evaluate how effectively Infrastructure is managing energy and associated cost in government-owned and operated facilities. This measure represents energy consumption intensity, which is energy consumed by a facility relative to its size. The measure assists the ministry in identifying and implementing energy saving initiatives to achieve environmental and cost benefits. It also indicates success in reducing energy consumption through efficiencies and green technologies.
- The 2020-21 result for energy consumption intensity is 1,523 megajoules per square metre, surpassing the target set.
- This is attributed to a few factors, particularly the impact that the global COVID-19 pandemic had on government operations, which shifted to remote arrangements throughout the year. Consequently, energy consumption in many buildings decreased as the plug load and lighting for any office space drastically reduced. Heating and cooling loads

also decreased due to fewer people being in the occupied spaces, which led changes to the building control systems. Other smaller factors include:

- less traffic (both by staff and the public) going into and out of the buildings allowed the buildings to hold their heat/cooling more efficiently; and
 - program changes could account for some of the energy reductions as government departments altered program delivery due to constraints around COVID-19 restrictions.
- In addition to the changes to building operations due to the pandemic, in the past year 116 energy reduction projects were completed. These projects reduced the amount of energy consumed in government-owned buildings, including:
 - six Building Management Control Systems (BMCS) upgrades;
 - 14 building envelope or roof upgrades/replacements;
 - 36 Heating, Ventilation and Air Conditioning (HVAC) upgrades or replacements;
 - 59 lighting replacement or upgrade projects; and
 - one elevator upgrade.
 - The following buildings showed more than 10 per cent reduction in energy use:
 - Peace River Correctional Centre: upgrades to HVAC and BMCS systems – 19.9 per cent reduction in energy from 2019.
 - Peace River Provincial Building: upgrades to the building envelope and BMCS systems – 12.3 per cent reduction in energy from 2019.
 - ARC Vegreville: upgrades to lighting throughout the facility and HVAC upgrades – 12.9 per cent reduction in energy from 2019.
 - Terrace Building, Edmonton: upgrades to HVAC systems, building envelope and elevator systems, which contributed to reduction in energy use at Government Centre.

Performance Measure and Indicator Methodology

Performance Measure 1.a and Performance Indicators 1.b, 1.c and 1.d: Health, School, Post-Secondary and Government-Owned and Operated Facilities – Physical Condition

Methodology

The performance measure and indicators for Outcome One use a Facility Condition Index value to report the physical condition of facilities. The Facility Condition Index is the ratio of the cost to correct current and future (five year) physical condition deficiencies, relative to current facility replacement value.

Facilities are evaluated by independent consultants to assessed and rate their condition. A comprehensive list of facility systems and components is used by consultants to ensure completeness and consistency of the evaluations. In the years between consultant evaluations, facility managers update information about the facility to provide more timely condition information. Facility managers use the same comprehensive list of facility systems and components and the same methodology to ensure completeness and consistency of the facility condition information.

Infrastructure updated the terminology used to report this measure in order to reduce misinterpretation and to address recommendations from a review on deferred maintenance and rating schemes. Categories One, Two and Three replaced the use of the Good/Fair/Poor rating scheme effective April 1, 2017. As the methodologies used to calculate the results were not modified, performance measure and indicator results were still comparable.

The interpretation of Facility Condition Index values is as follows:

Category	Facility Condition Index (FCI)	Definition
One	Facilities with an FCI of less than or equal to 15%	Adequate for intended use and expected to provide continued service life with average maintenance.
Two	Facilities with an FCI that is greater than 15% or equal to or less than 40%	Aging components are nearing the end of their life-cycle and require additional expenditures for renewal or refurbishing.
Three	Facilities with an FCI of greater than 40%	Many major components have exceeded their useful life and significant repairs or replacement are necessary

Facilities that have been constructed or completely refurbished within the last 10 years are automatically reported under Category One. The ratings are updated once the next evaluation is conducted. The percentages are then calculated by taking the square metres of facilities in Category One, Two and Three and dividing each by the total area of all the facilities.

These metrics do not account for costs associated with facility upgrades or for costs related to functional suitability. Surplus facilities that are approved for disposal are excluded from this

measure. To optimize evaluation funds, facilities with an area of less than 1,000 gross square metres are also not included in the results.

For schools, assessments are conducted for school facilities owned by school jurisdictions and funded by the government, and do not include administrative buildings and outreach facilities. The measure for health facilities does not include parking structures.

Source

Infrastructure staff review the evaluations for quality and completeness. The evaluation information is managed in a VFA Facility database, which is a cloud-based software for facilities capital planning and management.

Performance Measure 2.a:

Office space density in usable square metres per occupant in government-owned and operated facilities

Methodology

This performance measure reports on office space density, and is intended to demonstrate how much space per occupant the government is currently occupying.

The space used in the metric is considered to be office space if the primary function of the building is categorized as “Office”. The prime function category is defined as the first level of classification per established prime function standards. Prime function is an indication of the intended use of a given structure at the time of original construction. The metric further limits the space to usable area. Building useable area is the occupied area of building floor space that is available to accommodate staff, furniture and equipment. It does not include building services areas (washrooms, loading docks), vertical penetrations (stairwells, elevators) or common areas located outside the demising walls.

Occupants include Government of Alberta staff, contractors and nongovernment users (NGUs). The number of staff cannot be influenced by Infrastructure as they are defined by each ministry’s program and staffing needs. Temporary and seasonal employees are excluded from the calculation to ensure they do not skew results.

The results are calculated as follows:

- The usable area is extracted at the end of each fiscal year.
- Total occupants is calculated using staffing information, NGUs and contractors.
- Once the total usable area and total occupants data has been collected, cleansed and confirmed, the office density is calculated using the following formula: Office Density = (Total Usable Square Metres)/(Total Occupants)

This process is conducted on an annual basis, with a one-year lag on data collection:

- Data is collected for the previous year at fiscal year-end (March 31).
- Data is cleansed and validated over the next four months.
- Calculations/analysis are completed with results finalized in August.

- Results and analysis are then provided in the ministry's upcoming annual report.

Source

Data is collected from a number of internal government data sources including FAMIS, IMAGIS, BLIMS and AIDW.

Building useable area is collected from FAMIS. Government of Alberta staff count is collected from IMAGIS. NGU count is collected from site evaluations by facility managers and stored on AIDW. The contractor counts are downloaded through the Global Address List directory and manually uploaded to AIDW.

Performance Measure 2.b:

Total cost per occupant in government-owned and operated office space facilities

Methodology

This performance measure evaluates the total cost of general purpose office space per occupant.

Total cost includes annual operating costs and Grants in Place of Taxes (GIPOT). Annual operating costs for owned buildings are all costs incurred in the operation and maintenance of a building inclusive of utilities, administration and routine maintenance. GIPOT are defined as any grants paid by Municipal Affairs to municipalities in place of property taxes and local improvements for government owned properties.

Occupants include Government of Alberta staff, contractors and nongovernment users (NGUs). The number of staff cannot be influenced by Infrastructure as they are defined by each ministry's program and staffing needs. Temporary and seasonal employees are excluded from the calculation to ensure they do not skew results.

The results are calculated as follows:

- The total costs are calculated using both annual operating costs and GIPOT.
- Total occupants is calculated using staffing information, NGUs and contractors.
- Once the total annual cost and total occupants data has been collected, cleansed and confirmed, the formula for calculating office cost per occupant is as follows: $\text{Office Cost per Occupant} = (\text{Total Annual Cost}) / (\text{Total Occupants})$

This process is conducted on an annual basis, with a one-year lag on data collection:

- Data is collected for the previous year at fiscal year-end (March 31).
- Data is cleansed and validated over the next four months.
- Calculations/analysis are completed with results finalized in August.
- Results and analysis are then provided in the ministry's upcoming annual report.

Source

Data is collected from a number of internal government data sources including FAMIS, IMAGIS, BLIMS and AIDW.

Total cost includes annual operating costs and GIPOT. Annual operating costs are collected from facility managers and entered into FBIS; GIPOT is obtained from Municipal Affairs.

Government of Alberta staff count is collected from IMAGIS. NGU count is collected from site evaluations by facility managers and stored on AIDW. The contractor counts are downloaded through the Global Address List directory and manually uploaded to AIDW.

Performance Measure 2.c:

Energy consumption intensity in megajoules per gross square metre (MJ/m²) in government-owned and operated facilities

Methodology

This performance measure is used to evaluate how effectively Infrastructure is managing energy usage/consumption in government-owned and operated facilities. Energy consumption intensity is the amount of energy consumed by a facility relative to its size.

The EnergyCAP software automatically populates the energy consumption data into Natural Resources Canada's ENERGY STAR Portfolio Manager (ESPM) tool. ESPM provides a common industry standard for calculating energy consumption intensity. Through ESPM, energy consumption data is:

- Calendarized to ensure energy data is allotted on a calendar year basis (January 1 to December 31) even when utility bills do not coincide with calendar months.
- Converted to a single common unit, megajoules, from:
 - gigajoules (natural gas);
 - kilowatt-hours (electricity);
 - pounds (steam); and
 - tonne hours (chilled water).
- Weather-normalized by using temperature information taken from nearby weather stations. This ensures that the influence of varying weather is accounted for so that year to year comparisons are based on the energy that facilities would have used under average climatic conditions.

Energy consumption intensity is then calculated by:

- Determining the total floor space in square metres (m²) of the facility by accessing the Building and Land Information Management System (BLIMS).
- The energy consumption in megajoules (MJ) processed through ESPM is divided by the applicable floor space to determine the energy consumption intensity (MJ/m²).

The gross energy consumption intensity (MJ/m²) of all government-owned and operated facilities is then totalled to account for the current inventory.

Source

Energy consumption data is collected by various retailers throughout the year in the form of individual utility bills. This data is recorded in Infrastructure's Energy Consumption Reporting System (ECRS) and transferred into EnergyCAP, the ministry's Energy Management Information System.

Results Analysis

Facilities that have incomplete data or show zero energy consumption (i.e., unoccupied facilities or seasonal structures) are excluded from this measure. Government facilities such as schools, hospitals and facilities that are not managed by Infrastructure are not included in this measure.

Financial Information

Year Ended March 31, 2021

Table of Contents

Ministry Financial Highlights	38
Statement of Revenues and Expenses (unaudited).....	38
Revenue and Expense Highlights.....	39
Breakdown of Revenues (unaudited).....	40
Expenses – Directly Incurred Detailed by Object (unaudited).....	41
Supplemental Financial Information	42
Tangible Capital Assets (unaudited).....	42
Other Financial Information	43
Lapse/Encumbrance (unaudited).....	43

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited) Year Ended March 31, 2021

	2021		2020	Change from	
	Budget	Actual	Actual	Budget	2020 Actual
	<i>(in thousands)</i>				
Revenues					
Government Transfers	\$ 3,666	\$ 5,584	\$ 6,554	\$ 1,918	\$ (970)
Premiums, Fees and Licences	2,070	917	2,383	(1,153)	(1,466)
Other Revenue				-	-
Swan Hills Treatment Centre	11,120	7,720	11,737	(3,400)	(4,017)
Leases (Land and Buildings)	10,930	10,936	34,128	6	(23,192)
Transfer In of Tangible Capital Assets	-	14,737	7,740	14,737	6,997
Refunds of Expenditure	1,400	4,133	5,033	2,733	(900)
Cost Recoveries	306	835	1,161	529	(326)
Gain on Disposal of Tangible Capital Assets	-	8,374	862	8,374	7,512
Miscellaneous	140	75	97	(65)	(22)
Ministry Total	29,632	53,313	69,695	23,681	(16,382)
Inter-ministry consolidation adjustments	(3,871)	(17,066)	(10,466)	(13,195)	(6,600)
Adjusted ministry total	25,761	36,247	59,229	10,486	(22,983)
Expenses - Directly Incurred					
Programs					
Ministry Support Services	10,920	10,385	11,066	(535)	(681)
Capital Construction	1,371,569	1,150,119	1,105,633	(221,450)	44,486
Property Management	381,235	381,947	383,471	712	(1,524)
Asset Management	7,255	7,029	5,968	(226)	1,061
Realty Services	193,165	185,621	174,747	(7,544)	10,874
2013 Alberta Flooding	-	-	306	-	(306)
Ministry Total	1,964,144	1,735,101	1,681,191	(229,043)	53,910
Inter-ministry consolidation adjustments	(1,340,966)	(1,140,984)	(1,075,773)	199,982	(65,211)
Adjusted ministry total	623,178	594,117	605,418	(29,061)	(11,301)
Annual Deficit	\$ (597,417)	\$ (557,870)	\$ (546,189)	\$ 39,547	\$ (11,681)

Revenue and Expense Highlights

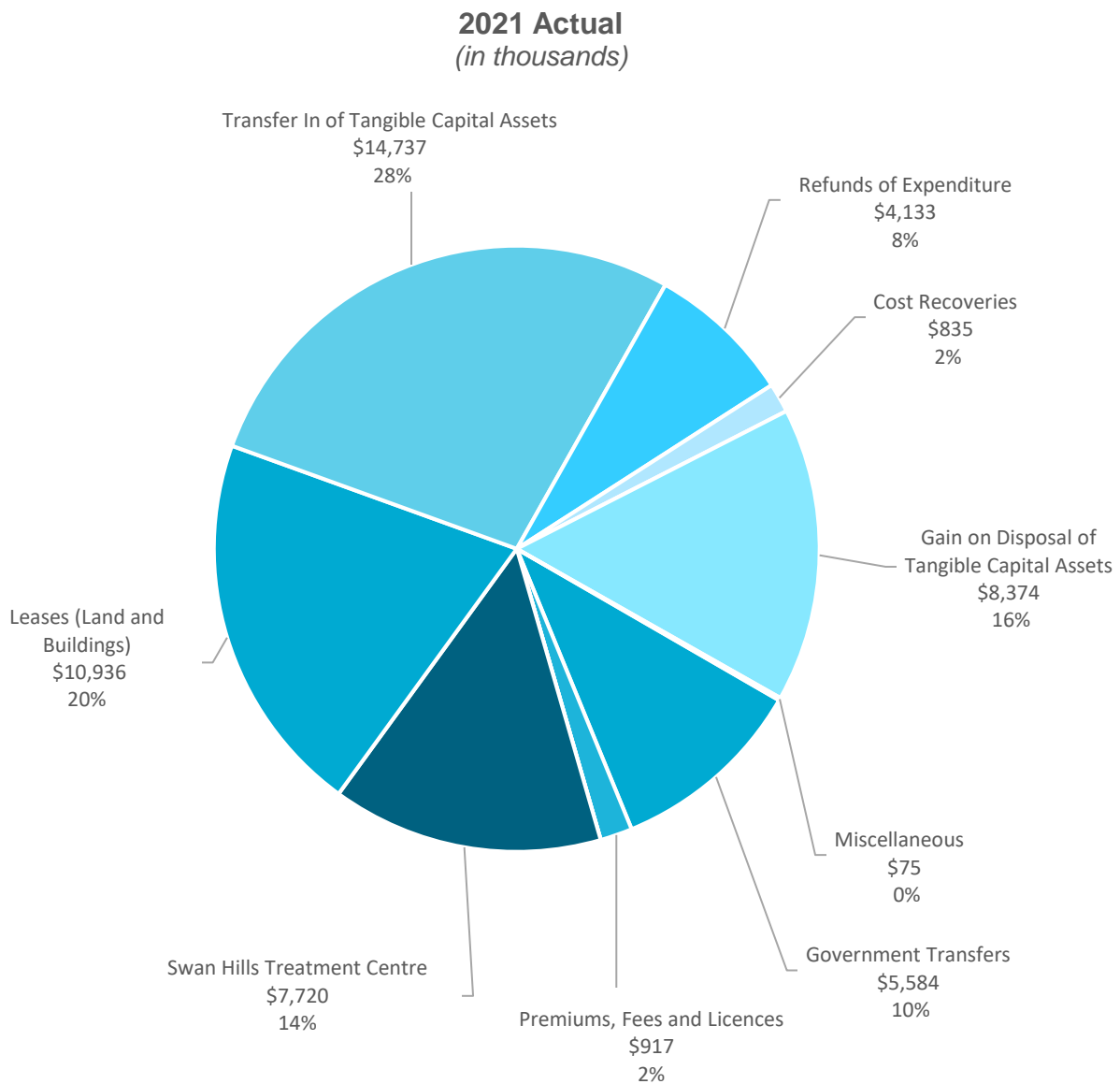
Revenues

- Revenues totaled \$53.3 million in 2020-21, a decrease of \$16.4 million from 2019-20.
- Revenues were \$23.7 million higher than budget. This was primarily due to internal government asset transfers and gains on sales of surplus government properties. Due to uncertainty around the timing for these transactions, they are not included in the budget.
- Government transfers of \$5.6 million includes \$2.0 million from the Peerless Trout First Nation for the construction of two schools on the Peerless Trout First Nation, and approximately \$3.6 million in federal funding received in previous years for capital projects that are recognized over the life of the capital assets acquired with the funding. Government transfers depend on federal programs.
- Swan Hills Treatment Centre earned \$7.7 million in 2020-21, \$3.4 million under budget. This was primarily due to a new operating model.
- Revenue generated through the leasing of land and buildings is a fairly stable and predictable source of revenue for the ministry. Other sources are more prone to fluctuation, such as gains on asset sales or transfers or one-time revenues like funds received in 2019-20 for right of way access on Edmonton transportation utility corridor land from Trans Mountain Pipeline, LP.

Expenses

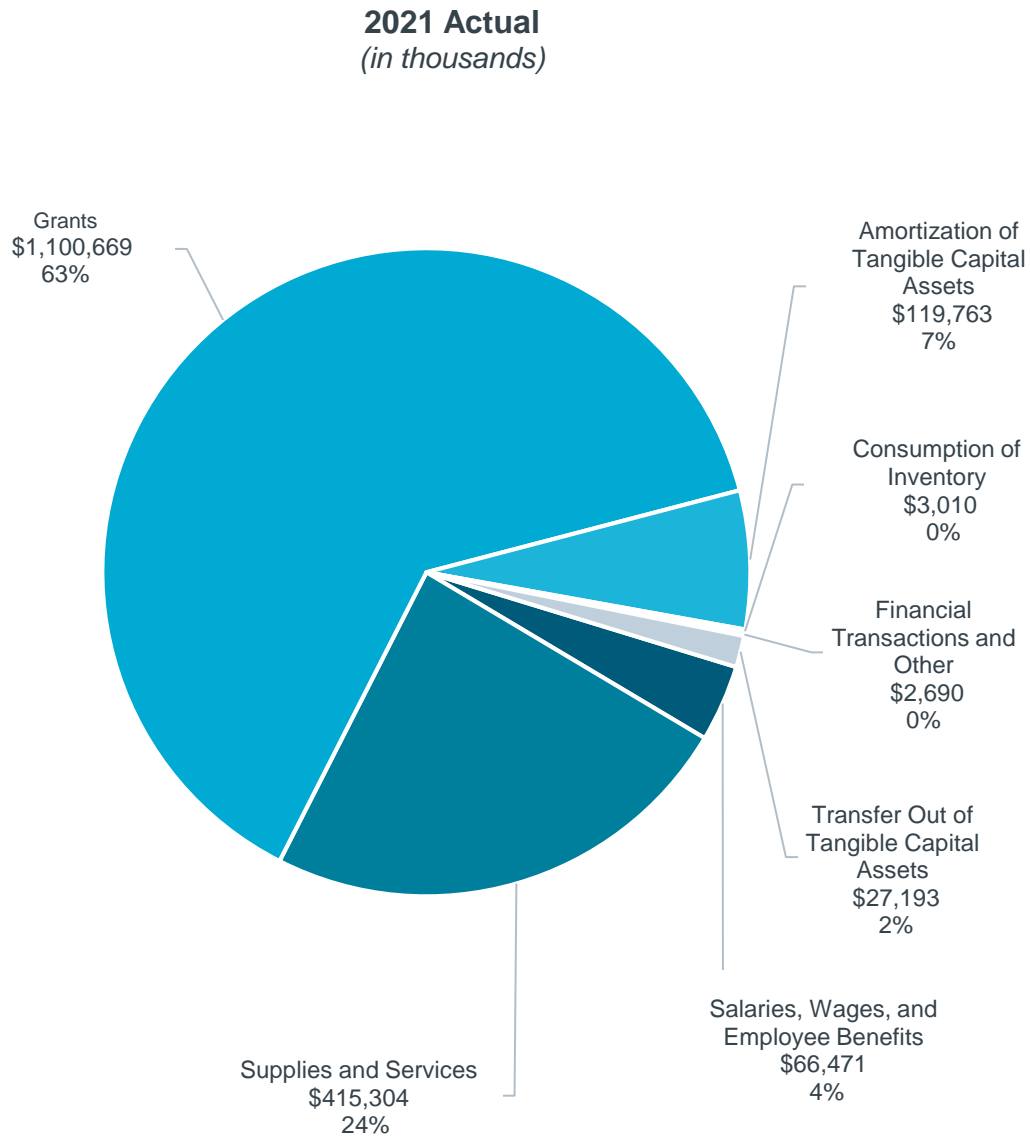
- Expenses totaled \$1.7 billion in 2020-21, an increase of \$53.9 million from 2019-20.
- Budget 2020 allocated almost \$2.0 billion in funding for expenses, over two thirds of which was allocated for capital construction and maintenance of health and school facilities, which are recorded as grants expense. The remaining one-third is mainly for the management and operation of government-owned and leased properties.
- Actual expenses were \$229.0 million lower than the budget. This variance mainly relates to changes in project scheduling and cash flow requirements based on the progress of health and school capital projects. Lapsed funding will be requested to be re-profiled for use in future years.
- The number and stage of delivery of health and school capital projects has the greatest impact on changes to expense for the ministry from year to year. Factors that could impact project progress include the timing and pace of procurement and construction work and project scope.

Breakdown of Revenues (unaudited)



- The largest component of revenue in 2020-21, totaling almost \$15 million (28 per cent), relates to internal government asset transfers. These related party transactions are removed upon consolidation in the Government of Alberta financial statements.
- Funds generated through the leasing of land and buildings of nearly \$11 million represents 20 per cent of Infrastructure’s total revenue. This remains a stable source of revenue for the ministry.

Expenses – Directly Incurred Detailed by Object (unaudited)

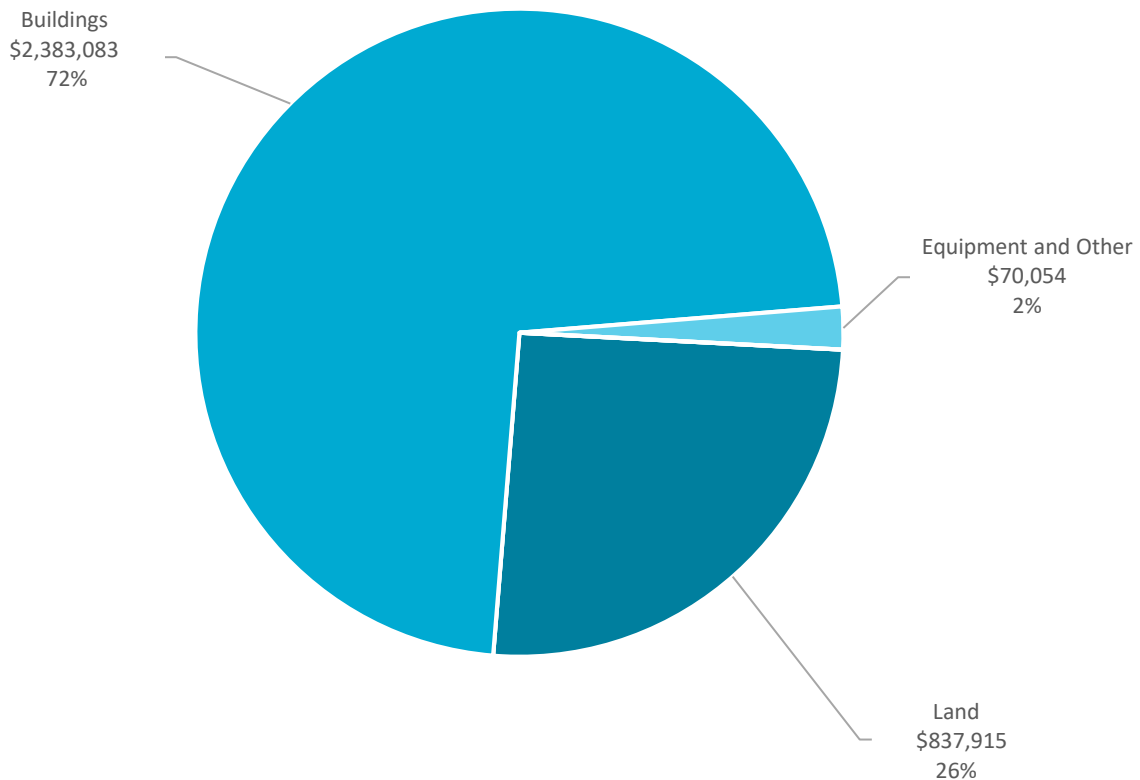


- The ministry's largest operating expense was grants, which made up 63 per cent of total operating expense. In 2020-21, over \$1.1 billion was provided to support the construction and maintenance of health (\$658.9 million) and school facilities (\$451.2 million).
- Supplies and services of \$415.3 million (24 per cent) primarily related to payments for leased space, property management and utility costs, and ongoing materials and supplies requirements for the ministry.
- Remaining ministry expenses mainly relate to the amortization of tangible capital assets (seven per cent), salaries and employee benefits to administer programs (four per cent), and expenses related to transferring assets to other ministries (two per cent).

Supplemental Financial Information

Tangible Capital Assets (unaudited)

Net Book Value as of March 31, 2021
(in thousands)



- Buildings and land make up 98 per cent of the total net book value of \$3.3 billion for all assets owned by the ministry.
- Buildings are the largest asset group. These include government-owned structures only. School and health facilities are excluded as they are not owned by Infrastructure. Of all the properties owned, five make up 50 per cent (\$1.2 billion) of the total net book value. These include the Edmonton Remand Centre, the Edmonton Federal Building, the Royal Alberta Museum in Edmonton, the Calgary Courts Centre and the Swan Hills Treatment Centre.
- Much of the Infrastructure owned land is within the transportation utility corridors in Edmonton and Calgary, used for ring roads, pipelines, power lines and other municipal services.

Other Financial Information

Lapse/Encumbrance (unaudited)

Year Ended March 31, 2021

In thousands

	Voted Estimate	Supplementary Estimate	Adjust- ments ⁽²⁾	Voted Estimate	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
EXPENSE VOTE BY PROGRAM						
OPERATING EXPENSE						
1 Ministry Support Services						
1.1 Minister's Office	\$ 780	\$ -	\$ -	\$ 780	\$ 655	\$ (125)
1.2 Deputy Minister's Office	788	-	-	788	677	\$ (111)
1.2 Corporate Strategies and Services	9,352	-	-	9,352	8,995	\$ (357)
	<u>10,920</u>	<u>-</u>	<u>-</u>	<u>10,920</u>	<u>10,328</u>	<u>(592)</u>
2 Capital Construction						
2.1 Government Facilities Infrastructure	3,525	-	-	3,525	2,447	\$ (1,078)
2.2 Health Facilities Infrastructure	15,411	-	-	15,411	4,002	\$ (11,409)
2.3 School Facilities Infrastructure	1,637	-	-	1,637	1,340	\$ (297)
2.7 Project Procurement, Standards and Technical Services	7,327	-	-	7,327	6,161	\$ (1,166)
	<u>27,900</u>	<u>-</u>	<u>-</u>	<u>27,900</u>	<u>13,950</u>	<u>(13,950)</u>
3 Property Management						
3.1 Property Operations	204,220	-	-	204,220	208,058	\$ 3,838
3.2 Swan Hills Treatment Centre	30,254	-	-	30,254	26,262	\$ (3,992)
	<u>234,474</u>	<u>-</u>	<u>-</u>	<u>234,474</u>	<u>234,320</u>	<u>(154)</u>
4 Asset Management	7,255	-	-	7,255	7,033	\$ (222)
5 Realty Services						
5.1 Leases	189,540	-	-	189,540	179,223	\$ (10,317)
5.2 Land Acquisition and Services	2,637	-	-	2,637	2,229	\$ (408)
5.3 Fort McMurray and Area Lands	988	-	-	988	1,163	\$ 175
	<u>193,165</u>	<u>-</u>	<u>-</u>	<u>193,165</u>	<u>182,615</u>	<u>(10,550)</u>
CAPITAL GRANTS						
2 Capital Construction						
2.3 School Facilities Infrastructure	-	-	-	-	1,984	\$ 1,984
2.4 Capital Planning	9,504	-	-	9,504	4,184	\$ (5,320)
	<u>9,504</u>	<u>-</u>	<u>-</u>	<u>9,504</u>	<u>6,168</u>	<u>(3,336)</u>
3 Property Management						
3.3 Government Owned Facilities Preservation	3,353	-	4,990	8,343	11,516	\$ 3,173
3.4 Accommodation Projects	-	-	-	-	3,273	\$ 3,273
	<u>3,353</u>	<u>-</u>	<u>4,990</u>	<u>8,343</u>	<u>14,789</u>	<u>6,446</u>
DEBT SERVICING						
3 Property Management						
3.5 Debt Servicing	99	-	-	99	99	-
Total before adjustment	<u>\$ 486,670</u>	<u>\$ -</u>	<u>\$ 4,990</u>	<u>\$ 491,660</u>	<u>\$ 469,302</u>	<u>\$ (22,358)</u>
Transfer of vote ⁽²⁾			351,000	351,000	344,304	(6,696)
Revised Total	<u>\$ 486,670</u>	<u>\$ -</u>	<u>\$ 355,990</u>	<u>\$ 842,660</u>	<u>\$ 813,606</u>	<u>\$ (29,054)</u>
(Lapse)/Encumbrance						<u>\$ (29,054)</u>

Lapse/Encumbrance (unaudited)

Year Ended March 31, 2021

In thousands

	Voted Estimate	Supplementary Estimate	Adjustments ⁽²⁾	Voted Estimate	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
CAPITAL INVESTMENT VOTE BY PROGRAM						
DEPARTMENT CAPITAL ACQUISITIONS						
2 Capital Construction						
2.1 Government Facilities Infrastructure	\$ 75,722	\$ -	\$ -	\$ 75,722	\$ 33,744	\$ (41,978)
3 Property Management						
3.1 Property Operations	100	-	-	100	1,215	1,115
3.2 Swan Hills Treatment Centre	5,000	-	-	5,000	1,175	(3,825)
3.3 Government Owned Facilities Preservation	76,952	-	(5,490)	71,462	79,698	8,236
3.4 Accommodation Projects	91,074	-	-	91,074	29,151	(61,923)
	<u>173,126</u>	<u>-</u>	<u>(5,490)</u>	<u>167,636</u>	<u>111,239</u>	<u>(56,397)</u>
5 Realty Services						
5.2 Land Acquisition and Services	8,300	-	-	8,300	1,989	(6,311)
CAPITAL FOR RELATED PARTIES						
2 Capital Construction						
2.2 Health Facilities Infrastructure	596,185	-	-	596,185	582,211	(13,974)
2.3 School Facilities Infrastructure	616,064	-	500	616,564	439,753	(176,811)
2.5 Health Capital Maintenance and Renewal	110,400	-	-	110,400	76,721	(33,679)
2.6 School Capital Maintenance and Renewal	11,516	-	-	11,516	11,456	(60)
	<u>1,334,165</u>	<u>-</u>	<u>500</u>	<u>1,334,665</u>	<u>1,110,141</u>	<u>(224,524)</u>
Total before adjustment	<u>\$ 1,591,313</u>	<u>\$ -</u>	<u>\$ (4,990)</u>	<u>\$ 1,586,323</u>	<u>\$ 1,257,112</u>	<u>\$ (329,211)</u>
Transfer of vote ⁽²⁾			(351,000)	(351,000)	(344,304)	6,696
Revised Total	<u>\$ 1,591,313</u>	<u>\$ -</u>	<u>\$ (355,990)</u>	<u>\$ 1,235,323</u>	<u>\$ 912,808</u>	<u>\$ (322,515)</u>
(Lapse)/Encumbrance						<u>\$ (322,515)</u>
FINANCIAL TRANSACTIONS VOTE BY PROGRAM						
INVENTORY ACQUISITION						
3 Property Management						
3.2 Swan Hills Treatment Centre	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ 2,970	\$ (30)
LAND DEVELOPMENT LIABILITY RETIREMENT						
5 Realty Services						
5.3 Fort McMurray and Area Lands	12,835	-	-	12,835	3,187	(9,648)
CONTAMINATED SITE LIABILITY RETIREMENT						
3 Property Management						
3.1 Property Operations	2,000	-	-	2,000	87	(1,913)
3.2 Swan Hills Treatment Centre	750	-	-	750	433	(317)
	<u>2,750</u>	<u>-</u>	<u>-</u>	<u>2,750</u>	<u>520</u>	<u>(2,230)</u>
LEGAL LIABILITY RETIREMENT						
2 Capital Construction						
2.3 School Facilities Infrastructure	1,356	-	-	1,356	(436)	(1,792)
LEASE LIABILITY RETIREMENT						
5 Realty Services						
5.1 Leases	500	-	-	500	500	-
DEBT REPAYMENT FOR PUBLIC PRIVATE PARTNERSHIPS						
3 Property Management						
3.6 Debt Repayment	852	-	-	852	852	-
Total	<u>\$ 21,293</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,293</u>	<u>\$ 7,593</u>	<u>\$ (13,700)</u>
(Lapse)/Encumbrance						<u>\$ (13,700)</u>

(1) As per "Expense Vote by Program", "Capital Investment Vote by Program", and "Financial Transactions Vote by Program" pages of the 2020-21 Government Estimates. The Voted Estimates and Actuals columns will not agree to the Statement of Revenues and Expenses, because it contains only voted amounts, whereas the Statement of Revenues and Expenses contains voted and non-voted amounts.

(2) Adjustments include encumbrances, capital carry over amounts, transfers between votes, Government Reorganizations, and credit or recovery increases approved by Treasury Board, and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding Voted Estimate in the current year.

On March 26, 2021 Treasury Board approved the transfer of \$351,000,000 from the Capital Investment Vote to the Expense Vote for Program 2, Capital Construction to reflect grant funding to support the construction or acquisition of schools or health facilities for related parties, pursuant to Section 6(5) of the *Appropriation Act, 2020*. The 2020-21 actual incurred pertaining to this transfer was \$344,303,587. To provide information on program spending, the entirety of Program 2, Capital Construction is reflected under the Capital Investment Vote on the same basis in which the Estimates were presented in the Legislature. The impact of the transfer on the surplus by vote is that Expense would show a lapse of \$22,505,000 and Capital Investment would show a lapse of \$322,515,000.

(3) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* reads:

- 32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.
- (2) The report under subsection (1) must include the following information:
- (a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
 - (b) the number of investigations commenced by the designated officer as a result of disclosures;
 - (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.
- (3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

There were no disclosures of wrongdoing filed with the Public Interest Disclosure Office for Infrastructure between April 1, 2020 and March 31, 2021.