

GOVERNMENT OF ALBERTA

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# Annual Report

## Infrastructure

### 2021-2022

*Alberta* 

Alberta Infrastructure, Government of Alberta | Infrastructure 2021–2022 Annual Report

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## Table of Contents

<b>Preface</b> .....	<b>4</b>
<b>Minister’s Accountability Statement</b> .....	<b>5</b>
<b>Message from the Minister</b> .....	<b>6</b>
<b>Management’s Responsibility for Reporting</b> .....	<b>7</b>
<b>Results Analysis</b> .....	<b>9</b>
<b>Ministry Overview</b> .....	<b>10</b>
<b>Discussion and Analysis of Results</b> .....	<b>15</b>
<b>Performance Measure and Indicator Methodology</b> .....	<b>35</b>
<b>Financial Information</b> .....	<b>39</b>
<b>Ministry Financial Highlights</b> .....	<b>40</b>
<b>Supplemental Financial Information</b> .....	<b>44</b>
<b>Other Financial Information</b> .....	<b>45</b>
<b>Annual Report Extracts and Other Statutory Reports</b> .....	<b>48</b>

## 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 *Budget 2021* Key Results, the audited Consolidated Financial Statements and Performance Results, which compares actual performance results to desired results set out in the government's strategic plan.

**This annual report of the Ministry of Infrastructure contains the Minister's Accountability Statement, the ministry's Financial Information and Results Analysis, 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, 2022, 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 1, 2022 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



Albertans rely on schools, hospitals and government facilities every day. Infrastructure's work is generally highly visible, but this year we also accomplished less visible goals that set the foundation for long-term infrastructure planning in the province.

I am extremely proud of our ministry as we developed and passed the *Infrastructure Accountability Act* and the 20-Year Strategic Capital Plan. These are guiding government's budget decisions so future capital infrastructure focuses on benefitting Albertans, and are supporting economic recovery by attracting investment and job creators.

In 2021-22, we remained focused on building and modernizing the schools, health facilities, courthouses, and other public infrastructure needed to support jobs, enhance our communities, and improve the economy. Fifteen completed new school projects created more than 5,600 new and 5,900 modernized student spaces throughout the province. Planning, design or construction continued on 52 school projects. Construction finished on six health projects while work continued on 24.

Throughout the pandemic, Infrastructure staff and contractors worked diligently to provide enhanced cleaning practices and installed safety measures to keep over 1,500 public owned and leased buildings safe for Albertans and Public Service members. In 2021-22, the ministry oversaw the completion of 62 capital maintenance and renewal projects, with 210 currently underway. The ministry delivered maintenance and renewal projects such as roof, window and mechanical system replacements at facilities like provincial buildings, courthouses and museums. That work also supported thousands of jobs in local Alberta communities.

As leaders in the delivery of public facilities, my ministry works with government partners to move hundreds of infrastructure projects forward. This includes projects endorsed by Alberta Infrastructure that received funding through the federal Investing in Canada Infrastructure Program (ICIP). With our support, 200 ICIP projects approved for \$3.2 billion in ICIP funding have resulted in over \$9 billion in municipal, provincial and federal investment across the province.

In order to ensure contractors and consultants do their best work on government infrastructure projects, Infrastructure's Vendor Performance Management Program continued to make great strides with 380 executed contracts valued at \$1.3 billion. Our team also cut more red tape, making it easier to do business with the ministry, saving time and money for everyone involved.

This past summer I was fortunate to visit many of the communities where our work is having a positive impact; I travelled more than 7,700 kilometres visiting Albertans in all corners of the province. Throughout my travels, I was proud of the projects and was pleased with the determination and professionalism of those delivering them, including industry partners, community members and ministry staff. Together, we continue to strive to make the province of Alberta a truly great place to live and do business.

[Original signed by]

*Honourable Prasad Panda*

*Minister of Infrastructure*

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## Management's Responsibility for Reporting

The Ministry of Infrastructure includes the Department of Infrastructure.

The executives have the primary responsibility and accountability for the respective ministry. 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 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 2021-24 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:

- Reliable – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results;
- Understandable – the performance measure methodologies and results are presented clearly;
- Comparable – the methodologies for performance measure preparation are applied consistently for the current and prior years' results; and
- Complete – outcomes, performance measures and related targets match those included in the ministry's *Budget 2021*.

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 give consideration to costs, benefits and risks that are 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

## Introduction

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

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

[Original signed by]

*Mary Persson*

*Deputy Minister of Infrastructure*

*June 1, 2022*



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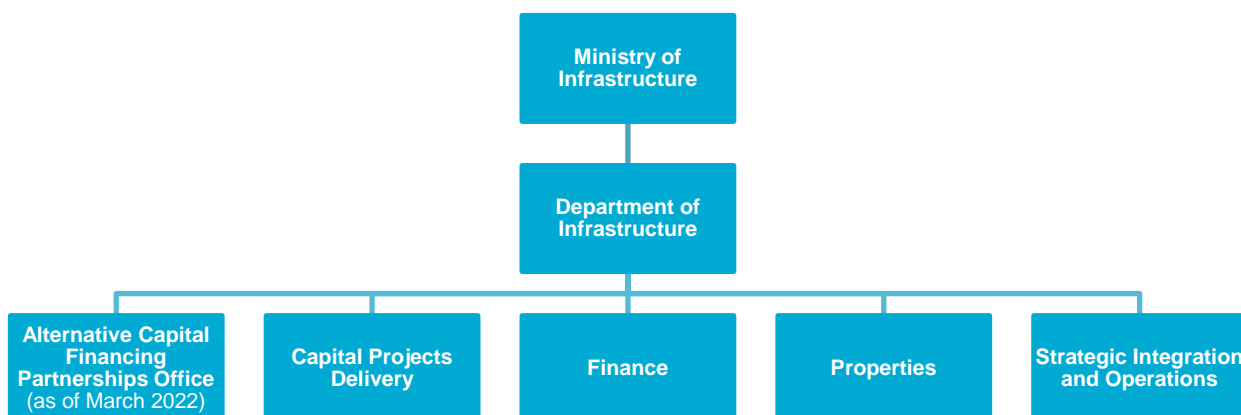
# Results Analysis

## Table of Contents

<b>Ministry Overview .....</b>	<b>10</b>
Organizational Structure .....	10
Operational Overview .....	11
Key Highlights in the Past Year.....	14
<b>Discussion and Analysis of Results.....</b>	<b>15</b>
COVID-19/Recovery Plan .....	15
Red Tape Reduction.....	16
Outcome One: Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs.....	17
Outcome Two: Alberta’s public infrastructure is effectively and responsibly managed and sustainable.....	29
<b>Performance Measure and Indicator Methodology.....</b>	<b>35</b>

## Ministry Overview

### Organizational Structure



#### Alternative Capital Financing Partnerships Office

In March 2022, the department established the Alternative Capital Financing Partnerships Office, which serves as the central authority within the Government of Alberta for alternative capital financing arrangements including unsolicited proposals, public-private partnerships (P3s) and other innovative infrastructure partnership arrangements.

#### Capital Projects Delivery Division

The Capital Projects Delivery Division works with partner ministries, boards, agencies and other stakeholders to plan, build, preserve and upgrade government-owned and-supported capital infrastructure, including health facilities, learning facilities, museums, courthouses and seniors' lodges.

#### Finance

Finance provides a comprehensive set of financial services and support for the office of the Minister, Deputy Minister and the Department of Infrastructure. The branch provides financial expertise and support to assist in enhancing decision-making, attaining business plan objectives and maintaining financial integrity. The Ministries of Infrastructure and Transportation share the services of a Senior Financial Officer.

#### Properties Division

The Properties Division operates and maintains government-owned and leased properties. The division plans and implements government accommodation and capital construction projects, and provides real estate, leasing and land planning services to ministries, boards and agencies throughout the province.

#### Strategic Integration and Operations Division

The Strategic Integration and Operations Division provides strategic services and oversees the functions required to enable effective operations, including legislative planning, policy development and coordination, strategic planning and reporting, and professional and technical support.

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## Operational Overview

Alberta Infrastructure provides innovative, high quality and well-designed public infrastructure for Albertans. Through leadership, expertise and collaboration with partners, the ministry provides public infrastructure that contributes to the province's economy and Albertans' quality of life.

The ministry is focused on achieving two outcomes:

- Outcome One: Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs.
- Outcome Two: Alberta's public infrastructure is effectively and responsibly 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;
- support post-secondary institutions to develop facilities to meet their needs; and
- lead alternative financing initiatives like P3s.

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. It also 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. It is responsible for planning and managing Restricted Development Areas around 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 Regulations
  - Edmonton Restricted Development Area Regulations
  - Sherwood Park West Restricted Development Area Regulations

Infrastructure has common responsibility for the following Legislation and Regulations:

- *Infrastructure Accountability Act*
  - Section 6
- *Education Act*
  - Division 8 of Part 6 and section 243 with the Minister of Education
  - Disposition of Property Regulation
- *Government Organization Act*
  - Section 3 of Schedule 1 with the Minister of Advanced Education
  - Sections 4 to 9 of Schedule 5 with the Minister of Environment and Parks
  - Sections 1, 4, 5, 11 and 12 of Schedule 11 with the Ministers of Transportation and Service Alberta
  - Sections 6 to 10, and 13 of Schedule 11 with Minister of Transportation
- *Hospitals Act* with the 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 Homes Act* with the 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 the 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 2021-22, Infrastructure delivered on the commitments identified in the ministry's 2021-24 Business Plan and accomplished key milestones as part of the ministry's responsibilities.

The ministry successfully passed the *Infrastructure Accountability Act*, which supports Alberta's government in making decisions for delivering infrastructure projects, such as schools and hospitals, based on legislated criteria and long-term planning. As legislated by the *Act*, the ministry also released *Building Forward: Alberta's 20-Year Strategic Capital Plan*. The Plan provides direction for how government can best meet future infrastructure needs and build vital infrastructure that will provide Albertans with the services they need, and will encourage economic growth.

Throughout 2021-22, Infrastructure continued its commitment to exploring alternative financing methods for the procurement of capital projects to meet the government's fiscal objective and ensure value for money for taxpayers. The ministry established its newest division, the Alternative Capital Financing Partnerships Office, as government's central authority for public-private partnerships (P3s) and other privately financed initiatives and partnerships. Five new high schools were moved ahead through the P3 model, saving Alberta taxpayers \$114.5 million and supporting 1,678 jobs.

The ministry delivered on investments laid out in *Budget 2021* and the 2021 Capital Plan, supporting thousands of jobs in local communities. This year, Infrastructure completed 15 school projects, six health projects, one government capital project and one post-secondary institution project, with many more underway.

Capital maintenance and renewal work is ongoing to upgrade or repair existing government-owned facilities, such as courthouses, provincial buildings, housing and cultural facilities. This includes replacing boilers, upgrading safety and security systems, and replacing leaking roofs and windows. In 2021-22, Infrastructure completed 62 capital maintenance and renewal projects, with 210 projects in progress. Working with Treasury Board and Finance, the ministry is overseeing the rollout of a prioritization framework for capital maintenance and renewal projects, which will improve the value of core government assets and ensure dollars are allocated to the areas of greatest need.

Alberta's government reduced costs by \$118 million by relocating staff to redeveloped spaces in two government-owned and leased facilities. This included modernizing office space in Commerce Place in Edmonton and moving the Alberta Emergency Management Agency Provincial Operations Centre to renewed space in the Muriel Stanley Venne Provincial Centre. In partnership with Municipal Affairs, Infrastructure relocated Alberta's Provincial Operations Centre to a newly upgraded and retrofitted facility equipped with modern technology to better serve Albertans.

The ministry continues to administer the Investing in Canada Infrastructure Program, working closely with Infrastructure Canada to expedite federal review and approval of provincial projects. In 2021-22, over 30 projects started construction and a total of 15 projects were completed. The ministry developed an Alberta Federal Infrastructure Advocacy Strategy to identify key priorities and advocate for Alberta's inclusion in federal programs.

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## Discussion and Analysis of Results

### COVID-19/Recovery Plan

In response to the COVID-19 pandemic, the Government of Alberta made significant investments in programs and strategies to support Albertans and job creators. A key strategy as part of Alberta's Recovery Plan is the accelerated investment in infrastructure. This means building core infrastructure that creates jobs for Albertans, and directly benefits communities to boost the economy while continuing to build a prosperous future for the province during the pandemic. This year, the ministry completed the restoration of the Edmonton Industrial Health Laboratory. Identified as the oldest standing building in Edmonton, the Industrial Health Laboratory required a complete restoration since the original building was built without foundations and the building envelope was failing in several places. The construction, valued at \$7.6 million, was completed with the oversight of the Ministry of Culture and Status of Women to ensure the restoration work was sympathetic to the original building. The ministry also repaired the sloped glazing on the Whitecourt Provincial Building and Courthouse, as the existing sloped glazing had experienced extensive leaking. The work involved replacing the sloped glazing with new two-storey glass walls. These projects supported Alberta's Recovery Plan by creating jobs for a variety of trades with the intent to diversify investment into the economy throughout the province.

Despite the challenges brought on by the pandemic, Infrastructure continued to deliver priority projects, like schools and hospitals, to maintain government programs and services. The ministry collaborated with stakeholders and project teams on mitigation plans to ensure safety protocols on and off project sites for minimal disruption. Throughout 2021-22, work continued on a total of 105 capital projects, providing approximately 34,000 construction and construction-related jobs.

Through the Investing in Canada Infrastructure Program (ICIP), Infrastructure took advantage of additional funding that became available in response to the COVID-19 pandemic. In 2020, the federal government announced the COVID-19 Resilience funding stream, which provided flexibility on how provinces could use their remaining ICIP funding. As part of this new funding stream, Alberta received an additional \$11.1 million for ventilation projects to support provincial infrastructure. In 2022-23, the ministry will be granted a further increase of \$5.4 million in federal COVID-19 stream funding to be used for ventilation improvements. As of March 31, 2022, ICIP approvals totaled \$205.3 million for 113 COVID-19 stream projects. Of these 113 projects, 22 invested in capital maintenance and renewal projects for improvements to health and seniors care facilities as well as other provincial assets.

The ministry adjusted a number of procurement processes to support greater efficiency and adjust to a contact-free environment. Vendors now have the option to sign non-disclosure agreements over video conferencing platforms as opposed to in-person. With public bid openings suspended, the ministry also adjusted its processes to allow for electronic receipt of construction bids and bid bonds. In addition to reducing red tape for stakeholders, these adjustments are key to slow the spread of COVID-19 and expedite government's procurement processes.

In consultation with the Public Service Commission, Infrastructure worked collaboratively to implement all measures to minimize the spread of COVID-19 following the recommendations of the Chief Medical Officer of Health in properties occupied by Government of Alberta staff. Property management landlords and contractors were required to provide plans to mitigate the spread of COVID-19 and demonstrate their ability to meet the necessary requirements. Infrastructure spent approximately \$5 million on pandemic-related costs in 2021-22, mostly associated with an overall increase in cleaning frequency in government-owned and operated buildings, which involved a twice-daily disinfection of "high touch" areas, such as door handles, washrooms and elevator buttons, as well as responding to urgent cleaning requests where COVID-19 positive cases were identified in government-owned and operated buildings. In addition to

cleaning, the ministry provided plexi-glass installation, hand sanitizer or sanitizing wipes in these facilities.

### Red Tape Reduction

The Ministry of Infrastructure continues to remove regulatory barriers and reduce costs for Alberta's job creators, modernize our regulatory systems, improve the delivery of government services while ensuring effective regulatory oversight over vital consumer, environmental, health and safety protections and fiscal accountability. The Government of Alberta's ongoing commitment to reduce red tape by one third by 2023 is helping to make the province a more attractive destination for investment and job creation in North America, while strengthening Alberta's competitive advantage.

Infrastructure is committed to an ongoing review of programs and services to ensure the best possible outcomes are being achieved for Albertans. In 2021-22, Infrastructure achieved a 26.3 per cent reduction in red tape, exceeding the 2021-22 government target of 20 per cent.

Highlights from 2021-22 include:

- Simplifying the Transportation Utility Corridor Application Process. Moving to a single electronic form will expedite the process for both stakeholders and ministry staff, resulting in cost savings and time saving of approximately 30 days in processing time per year. Digital transformation is a key outcome for the red tape reduction initiative. The ministry's Realty Services Branch approved the application of electronic signatures for real estate transactions, which was successful in time savings, cost reduction and overall efficiencies. Documents are signed in minutes instead of days, with average signing times dropping from four to six weeks to less than one week.
- Updating the Infrastructure Technical Resource site, which is the public webpage housing all guidelines, requirements and specifications for Government of Alberta vertical infrastructure. Ensuring consultants have access to current information on sites follows industry best practices, and translates into savings of approximately 1,500 in-person hours per project for consultants.
- A government-wide procurement and project delivery review was completed resulting in a number of key recommendations, which are currently being analyzed. Outcomes from this review will increase efficiency and demonstrate the best use of funds for project delivery and procurement.

Infrastructure is committed to building on the existing culture of red tape reduction with the intent to improve service delivery for Albertans, foster economic growth, innovation and competitiveness and create a strong and attractive investment climate in Alberta.



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

Infrastructure collaborates with partner ministries, boards, agencies, industry and other stakeholders, to plan, build and deliver government-owned and supported capital infrastructure that will create jobs and bolster Alberta's economic recovery.

### Key Objectives

#### 1.1 Manage new construction and major modernization projects for health, school and government-owned facilities, including the use of public-private partnerships, to ensure Alberta's public infrastructure continues to support key public services.

Infrastructure collaborated with Treasury Board and Finance to develop the *Infrastructure Accountability Act*, which passed in December 2021. The *Act* legislates a governance framework, including criteria to guide how capital project decisions and spending are evaluated as part of the province's annual capital planning process. It puts more rigour around capital funding decisions and provides taxpayers with greater transparency around government priorities. The *Act* positions Alberta as only the second province, following Ontario, to legislate prioritization criteria for its capital plan decision-making. This legislation also ensures Alberta's government prioritizes a long-term outlook for capital planning by legislating the development and regular review of a 20-year strategic capital plan for the province.

*Building Forward: Alberta's 20-Year Strategic Capital Plan* was released in December 2021 following the passing of the *Act*. While the *Act* legislates aspects of how the annual Capital Plan is developed, *Building Forward* offers a look into how infrastructure may be built in the future, and how programs and services may impact how we plan, design and deliver capital projects. It takes an Alberta-wide lens to help government navigate through challenges and opportunities over the next two decades. This will ensure the right infrastructure is in place to support Alberta's future. Some key trends include an aging and more diverse population, continued urbanization, the shift to the virtual realm and people-centered services. Within this plan, the Government of Alberta highlights pursuing innovation and the digital shift, attracting private investment and maximizing partnerships among other key guiding strategies.

In addition to ensuring long-term, robust capital planning, the ministry is protecting Albertans' lives and livelihoods by endorsing and investing in infrastructure projects through the federal Investing in Canada Infrastructure Program (ICIP). In 2018, Infrastructure signed an Integrated Bilateral Agreement with the federal government to launch the program, which allocated \$3.66 billion over 10 years, with \$3.2 billion approved for 200 ICIP projects as of 2021-22.

Since the signing of the Integrated Bilateral Agreement in 2018, Infrastructure has seen a total of 18 projects that received funding through ICIP to completion, with 15 of these projects completed in 2021-22.

In August 2020, Infrastructure Canada announced the new COVID-19 Resilience funding stream, which provided provinces with a better cost sharing agreement with the federal government and offered more flexibility on how provinces could use their remaining ICIP funds. Alberta allocated \$115.2 million of its allocation to the COVID Resilience stream to be used for provincial capital maintenance and renewal projects. The province received an additional \$11.1 million from the federal government for air quality and ventilation projects to help reduce the risk of COVID-19 transmission and support improvements to provincial assets. As of March 31, 2022, 87 non-COVID stream projects will receive \$3 billion in ICIP funding in addition to 113 COVID stream projects approved for \$205.3 million.

Decisions on infrastructure investments have a tremendous impact on Alberta's economy, jobs and the provincial budget now and into the future, and federal funding programs play a large role in supporting funding for these investments. Provinces and Territories (PTs) are equal orders of government and are the

providers of public infrastructure across Canada, and must be recognized as such in discussions with the federal government regarding priorities for infrastructure funding. The ministry will explore common goals across PTs and will advocate for a number of issues related to federal funding program requirements and processes. Some issues include greater flexibility and less red tape around existing programs, support for economic recovery and diversification, aligning program outcomes with PT priorities, and improving application requirements, funding mechanisms and approval processes for greater consistency and efficiency.

### Partnerships

Infrastructure continues to support the Government of Alberta's commitment to partnering with private sector entities in providing public infrastructure, while also creating new job opportunities and supporting Alberta's growing economy. Leveraging public-private partnerships (P3s) and using unsolicited proposals (USP) are creative approaches to financing projects that deliver value for money and support economic recovery. These approaches are key to ensuring that the province continues to deliver projects that serve Albertans now and in the future, particularly during a time of high infrastructure spending and an increased investment in capital maintenance and renewal. The ministry oversees the P3 Framework and Guideline, as well as the USP Framework and Guideline, to enhance private sector involvement in the delivery of capital projects.

P3 projects offer a number of benefits for government, including optimizing risk allocation between public and private sectors, cost and time efficiencies, innovation, integration and price and schedule certainty. In 2020, Infrastructure updated the Government of Alberta's P3 framework to make P3s the viable delivery option for any major capital project, and expanded the definition of a P3 to increase government's options as to what type of P3 model can be considered for capital project delivery, including variants such as design-build-finance and revenue based P3s, such as build-operate-transfer. This revised definition of a P3 further increases opportunities for innovation and collaboration, enhances value for money for Albertans, and improves the ability to deliver projects on time and on budget. The ministry continues to investigate the feasibility of a number of projects under the P3 model, including potential evaluations for bridge and road projects in partnership with Transportation.

The ministry continues to receive unsolicited proposals (USPs) with the intent to harness private-sector innovation while protecting public policy objectives and ensuring transparency and accountability. Over the past year, the ministry received and coordinated the evaluation of a number of proposals in the transportation, education and health sectors. Through the USP framework, Infrastructure received and assessed a proposal for the Central Alberta Child Advocacy Centre (CACAC). The CACAC will be a newly constructed permanent location built in Red Deer with the purpose of providing consolidated critical services to vulnerable children and youth clients. The Alberta government's investment of \$3.4 million will cover the cost required to bring the interconnection of utility services to the proposed building. This investment to help build a new centre in Red Deer makes it the first successful project approved through the USP framework and highlights the potential of this type of partnership in boosting Alberta's economy, supporting jobs and providing critical services to vulnerable Albertans.

Infrastructure leads government's engagement with the Canada Infrastructure Bank (CIB) to coordinate, negotiate and champion projects that create jobs and help rebuild Alberta and diversify our economy. Infrastructure works closely with partner ministries to align strategic interests while leveraging CIB's funding and expertise for local investment needs. This includes projects that have public benefits in sectors like transportation, broadband and value-added agriculture.

The ministry is exploring opportunities to leverage funding through the CIB's Growth Plan, Public/Private Building Retrofit Initiative and Indigenous Community Infrastructure Initiative. The Public Building Retrofit Initiative provides financing for energy retrofit projects on publicly owned

infrastructure portfolios. Infrastructure is also working with partner ministries to communicate and advocate with the CIB regarding clarity in its support of key Alberta strategies.

## 1.2 Deliver capital projects on time, on budget and to scope through standardized project management principles and processes.

### Health Facilities

Infrastructure works closely with Health and Alberta Health Services to plan, design and build health facilities that meet the needs of Albertans and their communities. In 2021-22, the ministry budgeted \$634.9 million and spent \$497.5 million on the construction of health facilities. As of March 31, 2022, key projects in progress or completed include:

- Alberta Surgical Initiative, multiple sites – The initiative will increase provincial surgical capacity in five locations to reduce wait times by renovating, improving and expanding operating rooms and support spaces. The locations in Lethbridge, Calgary and Rocky Mountain House are in the design stage and construction has recently begun at the Edmonton location. Work at Grande Prairie was completed in July 2021.
- Bridgeland Riverside Continuing Care Centre, Calgary – The project will provide an additional 198 private room long-term care beds. The new facility will accommodate individuals with complex health needs requiring long-term supports by providing additional capacity and options for care. The project will also provide the infrastructure to support the delivery of a range of ambulatory programs and services throughout the city. Construction began in January 2021 and is anticipated to be complete in winter 2023-24.
- Cyclotron Facility, Calgary – This project involves the construction of a new cyclotron and radio pharmacy facility at the Foothills Medical Centre. The cyclotron manufactures radiopharmaceuticals for cold kits used for cancer diagnostic assessment to meet current and pending national regulatory requirements. The project is in the planning stage.
- Edmonton Hospital, Edmonton – Located in Southwest Edmonton, the project includes a comprehensive mix of acute services based on community needs. Services will include inpatient beds, emergency rehabilitation, obstetrics, diagnostic and ambulatory services. Site works are underway concurrent with planning activities. The master schedule is being updated to include functional program timeline changes impacted by the pandemic.
- Foothills Medical Centre (FMC) Urgent Power Plant Capacity, Calgary – Expansion of the FMC will provide additional capacity, including the addition of cogeneration technology. This will address and mitigate current and future issues and provide heat and power to the FMC, including

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

##### Key Priority Two: Protecting livelihoods

##### Objective Four: 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 Centre will increase comprehensive cancer care services, including inpatient units, out-patient clinics, research laboratories, rational treatment and related support services.
- The project is currently in the construction stage and continues to be on budget, with opening to the public scheduled for 2023.

the Calgary Cancer Centre, in an energy efficient and environmentally sensitive manner. The project is in the construction stage with completion anticipated in spring 2023.

- Gene Zwozdesky Centre at Norwood, Edmonton – The project will accommodate 350 enhanced long-term care beds with a broad range of support programs and services in approximately 38,100 square meters of new and renovated space to support the growing need for these services. The project is currently in the construction stage with completion anticipated in winter 2023-24.
- Grande Prairie Regional Hospital, Grande Prairie (Fit-out Shelled Space) – The project included the fit out of 4,000 square meters of shelled space in the hospital to accommodate Mental Health and Addictions, and 28 medical surgical inpatient units. In addition, it was fitted-out with two extra operating rooms as part of the Alberta Surgical Initiative. The main hospital was completed in 2020, and the fit out was completed in July 2021.
- High Prairie Health Complex Demolition, High Prairie – The project will demolish the old and vacant High Prairie Health Complex. Project completion is anticipated in 2022.
- La Crete Maternity and Community Health Centre, La Crete – This project will develop a purpose-built facility that fully integrates ambulatory care, primary care, maternal care and diagnostic services in the area. The project is in the planning stage.
- Lloydminster Continuing Care Centre, Lloydminster – Phase two included minor renovations to replace some support service areas as well as the demolition of the existing Dr. Cooke facility. The project was completed in January 2022.
- Medical Device Reprocessing (MDR) Upgrades Program, multiple sites – Medical device reprocessing is an essential service supporting patient safety by preventing the transmission of infections from reusable medical devices. The program supports MDR remediation at five high priority sites:
  - Functional programming and space and technical requirements were 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. Northern Lights design work has been completed, and Foothills is underway.
  - The MDR project for the Peter Lougheed Centre was completed in October 2021.
- Misericordia Community Hospital Modernization Program, Edmonton – The project will address service pressures in the City of Edmonton and neighbouring municipalities by constructing a new emergency department. The project is in the construction stage, with anticipated completion in December 2022.
- 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. This multi-phase project is in construction with completion anticipated in 2025.
- Provincial Pharmacy Central Drug Production and Distribution Centre, Edmonton – The project will consolidate and centralize drug production and distribution activities and is currently in the design stage.

- Recovery Communities, multiple sites – This program is to establish multiple recovery communities for addictions treatment across Alberta using a modular approach, with locations in Red Deer, Lethbridge and Gunn. Both the Red Deer and Lethbridge locations are in the construction stage with completion anticipated in September and December 2022, respectively.
- Red Deer Regional Hospital Centre Redevelopment, Red Deer – 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, which involves the construction of a new tower and the development of a cardiac catheterization lab. The project is in the planning stage, with functional programming expected to be underway shortly.
- Rockyview General Hospital Redevelopment, Calgary – The project includes renovations to shelled space of the south addition (approximately 2,800 square meters on level five) for a 25-bed Intensive Care Unit and Critical Care Unit, as well as necessary clinical supports. The project will develop space at the existing Rockyview General Hospital to expand the Gastrointestinal Clinic and is currently in the design stage.
- University of Alberta Hospital Brain Centre – Neurosciences Intensive Care Unit, Edmonton – Previously announced partial design funding will redevelop the Neurosciences Intensive Care Unit 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 in the design phase.

## Learning 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 2021-22, the ministry budgeted \$763.2 million and spent \$504.2 million on the construction of school facilities, as well as the Modular Classroom Program.

In 2021, the K-8 Elizabeth Quintal School in Peerless Lake won the Learning Environment Solutions Jurors Award from the Association for Learning Environments. The school Infrastructure delivered in 2020 earned recognition for its architectural design and successful engagement with multiple stakeholders to create an educational environment that holds distinction in the community.

School capital projects are delivered through two streams:

- Infrastructure-Managed Projects: the ministry manages the projects from design to construction and warranty phase.
- School Jurisdiction-Managed Projects: grant-funded projects for jurisdictions to contract and manage building, design and construction work.

As of March 31, 2022, across the province there are:

- 29 school projects in the Construction stage;
- five in the Contract Awarded stage;
- two in the Tender stage;
- 12 in the Design stage;
- one on hold while Infrastructure reviews an alternative procurement proposal; and
- three in the planning stage.

In 2021-22, Infrastructure conducted a competitive procurement process for the construction of a bundle of five high schools to be delivered through the public-private partnership (P3) method. This approach to project delivery saved Alberta taxpayers \$114.5 million in place of government's traditional delivery methods. Construction of the South East High School in Edmonton has begun, with the rest of the bundle to follow in summer 2022. The five schools are on track for completion in 2024, with a total student capacity of 6,390 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 Public 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.
- New High School (Grades 10-12) in Leduc for the Black Gold School Division.

In 2021-22, the Government of Alberta approved \$89.5 million in support of an unprecedented 181 modular units to manage capacities for identified schools through the Modular Classroom Program. To

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

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**Objective Four:**  
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- In 2021-22, the ministry budgeted \$763.2 million and spent \$504.2 million on the construction of school facilities, as well as the Modular Classroom Program.
- 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. While Education is accountable for capital planning, Infrastructure is accountable for project implementation.
- A total of 15 school capital projects were completed in 2021-22. As of March 31, 2022, 52 school projects are underway.
- The 15 projects completed generated approximately 1,944 construction or construction-related jobs, while the 52 projects underway are estimated to be generating 8,157 construction or construction-related jobs.

date, Infrastructure delivered 37 new modular classrooms. A total of \$36.7 million of the Modular Classroom Program budget was spent in 2021-22. Over the past year, the ministry faced delays in approvals and manufacturing for modular units due to supply chain related issues. As a result, many projects were deferred until spring 2022. Infrastructure has worked strategically to increase the procurement in modular classrooms as more projects reach completion. Many projects are now underway with manufacturing speeds accelerated.

## Post-Secondary Facilities

Infrastructure provides support to post-secondary institutions (PSI) to develop facilities to meet their needs, and collaborates with Advanced Education in reviewing and establishing project priorities during capital planning. In 2021-22, Northern Lakes College completed its High Prairie Campus Consolidation project.

In February 2022, construction finished on a portion of the core and shell for the University of Alberta Dentistry and Pharmacy Renewal project, with work continuing until 2024. Building demolition and underground utility work on the NorQuest College Singhmar Centre for Learning also finished in December 2021, with landscaping taking place in summer 2022.

## Government-Owned and Operated Facilities

In collaboration with other ministries, Infrastructure plans, designs, builds and maintains facilities to support delivery of government programs and services. In 2021-22, the ministry budgeted \$123.7 million and spent \$48.4 million on the construction of government facilities, as funding moved to the following year to align with construction schedules. The past year saw one government capital project completed with 9 projects underway.

As of March 31, 2022, 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. Construction commenced in February 2021, with completion anticipated in spring 2023.
- Court of Appeal, Calgary – The project includes a purpose-built facility to accommodate the unique functional requirements and long-term space requirements on a government-owned site directly north of the Historic Court of Appeal Building. The historic building will be renovated and the two buildings will be integrated into one facility. The project is in the planning stage. Contract awarding for the prime consultant is expected this spring.
- Canmore Nordic Centre, Canmore – Upgrades to the Canmore Nordic Centre include a new replacement Biathlon Building and modification of surrounding trails and infrastructure to meet the criteria of the International Biathlon Union. Tender documents have been prepared for the project to proceed.
- Complex Needs Residential Build, Calgary – This project will construct a new housing complex in Calgary with integrated health and social supports. This build is targeted to clients of the Persons with Development Disabilities program with highly complex mental health, addiction, psychiatric, behavioral and/or medical needs. The project is in the planning stage.
- Courthouse Renewal Initiative, multiple sites – This initiative includes required upgrades and renovations to various courthouses to maintain and improve court services. The renovations and upgrades to the Provincial Law Courts and Court of Appeal-Queens Bench building in Edmonton

finished in September 2021. Construction is underway at the Cochrane Provincial Building and Brooks Provincial Building, to be complete in April and October 2022, respectively. Planning work continues for the Strathmore Courthouse.

- Red Deer Justice Centre, Red Deer – The project will address space shortages in the community and ensure vital justice services are delivered effectively to residents of central Alberta. Construction began in August 2020, with anticipated completion in 2023.
- Yellowhead Youth Centre, Edmonton – The existing campus includes 12 buildings that are past their useful life space and no longer meet clients' program needs. The project will include facility redesign and construction to upgrade the campus to align with current programming requirements, treatment processes and building codes. This project is currently in the design stage.

## Project Delivery

Infrastructure manages many construction projects on a variety of scales. As such, robust project management processes and tools are required. Infrastructure is taking measures to improve, modernize and streamline its approaches to project delivery. Infrastructure's Project Delivery Standardization initiative, which aims to continuously improve project delivery processes within the ministry, includes the development of procedures, manuals and templates as well as an associated review and measurement approach that were implemented for use with the newly announced 2021 projects. The ministry also ensures robust project and information management solutions in order to provide secure, timely and reliable reporting on projects, which includes ensuring that projects are delivered on budget and on schedule.

In 2021-22, the ministry worked to address the Office of the Auditor General's recommendations on the audit of the Fort McMurray Residential Facility-Based Care Centre (Willow Square). The ministry was challenged to address key recommendations around project management processes and project performance measures. Infrastructure developed an Audit Implementation Plan in July 2020 and has since implemented a number of initiatives. The ministry has undertaken a Project Delivery Standardization initiative that targets enhancement and alignment of key project management processes, governance and tools. As a result, Infrastructure has incorporated changes to its project management systems and continues to implement consistent approaches through standardized tools, policies and procedures. The Auditor General was advised in February 2022 that the recommendations are fully implemented and ready for a follow-up audit.

As part of its efforts to improve planning, project management and procurement to deliver capital projects, Infrastructure continues to oversee the Vendor Performance Management (VPM) program to ensure contractors and consultants do their best work on government infrastructure projects. VPM is a contract management best practice and is used to track, analyze and manage the performance of a vendor. This allows the ministry to better control costs, mitigate risks and create improvements throughout the contract lifecycle. This past year, Infrastructure held stakeholder engagement sessions to help ensure the VPM program is having a positive impact and meeting stated program outcomes. These sessions identified lessons learned and options for program enhancements. Program enhancements implemented in 2021-22 include adjusting evaluation frequency to allow for an optional and flexible interim performance evaluation for contracts, adjustment of the current Overall Vendor Performance Rating Formula, and updates and administrative revisions to VPM documents including program application clarifications. A number of additional enhancements are under development or are ready for implementation.

As of March 31, 2022, 380 executed contracts valued at \$1.3 billion include VPM clauses. This is an increase of 151 contracts and \$370 million since March 31, 2021.



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In 2021-22, Infrastructure led a Government of Alberta-wide procurement and project delivery review to leverage efficiencies and improve the way the province builds the vital infrastructure projects that Albertans rely on. Through this review, the ministry reached out to its vendors and contractors to help government find ways to be more efficient, increase savings and demonstrate the best use of funds for project management and procurement. The final report made a number of recommendations to strengthen both procurement and project delivery, which are currently being reviewed by Infrastructure.

In 2021-22, Infrastructure conducted 585 procurements for a total of \$550 million.

## Outcome One Performance Metrics

### Performance Measure 1.a: Average number of calendar days required to complete Infrastructure-managed over threshold procurements

Prior Years' Results				2021-22 Target	2021-22 Actual
2017-18	2018-19	2019-20	2020-21		
26.2	29.1	23.3	22.5	26	22.5

- This new performance measure supports the ministry to enhance its ability to deliver projects on time, on budget and to specification by creating efficiencies during the procurement phase of a project. The measure also provides vendors with better information when determining whether or not to pursue a procurement and provides a heightened level of transparency about ministry procurement processes.
- In 2021-22, the average number of calendar days required to complete Infrastructure-managed over threshold procurements is 22.5 days, which met the target of 26 days.
- Over the past five years, the ministry has seen a variance in the average number of calendar days required to complete over threshold procurements. Over threshold procurements include service procurements with a dollar value of \$75,000 or greater. For construction procurements, over threshold procurements are those with a dollar value \$100,000 or greater. This year's result is significantly less than the initial target and is equal to the results for the last fiscal year.
- The result for 2021-22 is considered satisfactory. Procurements have become increasingly more complex. The impacts of the longer evaluation period from more complex procurements have been offset by a more streamlined process for contract award.
- The process from this initiative is now well established, and Infrastructure continues to ensure the different phases of a procurement are completed in a timely fashion. Additionally, a bi-weekly long procurement duration report is issued. This report displays all active procurements where the procurement time has exceeded the average time, based on historical performance, up to that point in the procurement.
- This serves as a real time detection system to ensure bottlenecks are addressed and procurements are completed in a timely fashion.

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

Categories	Prior Years' Results				2021-22 Target	2021-22 Actual
	2017-18	2018-19	2019-20	2020-21		
<b>One</b>	74%	73%	69%	71%	68%	68%
<b>Two</b>	25%	26%	26%	26%	27%	28%
<b>Three</b>	1%	1%	5%	3%	5%	4%

- 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 targeted facility condition index for government-owned and operated facilities in 2021-22 was:
  - 68 per cent for Category One;
  - 27 per cent for Category Two; and
  - five per cent for Category Three.
- The 2021-22 results for government-owned and operated facilities were:
  - 68 per cent for Category One;
  - 28 per cent for Category Two; and
  - four per cent for Category Three.
- The average age of the buildings in Infrastructure's portfolio is 45 years, with approximately 68 per cent of the gross area considered to be in good condition.
- Gross area changes that influence this measure originate from the addition or removal of buildings by new construction, transfers to other departments and disposition of existing buildings by demolition or sales. Because of the size of the ministry's portfolio, changes in either direction tend not to result in a shift of significance for the actual results.
- 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.
- By 2020-21, Infrastructure phased out reporting on the Facility Condition Index (FCI) as a performance measure for health facilities, schools and post-secondary institutions that were previously included in business plans. The FCI performance measures were replaced with new

measures for the percentage of Infrastructure-managed and delivered capital projects that are on budget and on schedule. These new performance measures are better focused on Infrastructure's work and are more reflective of ministry efforts and scope of influence. The condition of government facilities is an important measure for planning, budgeting and asset management, and continues to be considered by the relevant ministries in establishing construction and maintenance plans.

## Outcome Two: Alberta's public infrastructure is effectively and responsibly 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 support effective decision-making related to facilities, land, leasing and accommodation services to deliver public services at lower costs.

In 2021-22, \$539.9 million was allocated and \$450 million was spent on the management of owned and leased space, including property operations, utilities, leases and accommodation services to deliver public services at lower costs. Infrastructure owns and leases 1,565 buildings totaling over two million square metres of space, with an estimated \$11.7 billion replacement value of owned assets. Given the size of this portfolio, it is critical the ministry engages in initiatives that support optimal management and cost-savings for provincially-owned buildings, land and leased facilities.

Infrastructure is committed to ensuring Alberta taxpayers get a fair deal by managing leased government space effectively and in an equitable and consistent manner. In 2021-22, the ministry enacted the Non-Government User (NGU) Policy to set standards and guidelines around leased surplus government-owned and administered space. The policy ensures leases are managed in a cost-effective way. It will also eliminate no-cost leases, with non-profit entities paying minimum cost-recovery rents while for-profit entities pay full market rents. In 2021-22, Infrastructure began engaging NGUs to confirm details of their occupancy and lease agreements. The first phase of the process will be completed in fall 2022, with two additional phases to follow.

In 2021-22, Infrastructure completed the tenth iteration of its annual Asset Management Plan. The plan outlines strategies and initiatives for Infrastructure's real estate portfolio as well as performance metrics that help Infrastructure monitor success in delivering cost-effective results while supporting program delivery. The Asset Management Plan reports on goals related to the management of government-owned buildings from the year with a one-year lag. According to results from the 2021-22 fiscal year, Infrastructure achieved a significant reduction in leased office space, resulting in a reduction of 14,800 square meters. This translates to approximately \$4.4 million in annual lease cost savings. As of March 31, 2022, key projects in progress or recently completed include:

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

**Key Priority Two:**  
Protecting livelihoods

**Objective Four:**  
Building public infrastructure

- The Government of Alberta made a commitment to conduct a third-party review of all government-owned and leased real estate asset management processes to identify potential cost savings and revenue opportunities relating to more efficient overall asset management.
- In 2021, Infrastructure completed the review, including a jurisdictional and leading practice scan, a gap analysis and an opportunity assessment with recommendations.
- The findings supported Infrastructure moving forward with a number of activities, including upgrading information capabilities, implementing the Non-Government User policy, undertaking government footprint reduction initiatives and accelerating the disposal of surplus properties.
- This has resulted in approximately \$4.4 million in annual lease cost savings. Additionally, government sold 38 surplus properties for almost \$7 million in proceeds in 2021-22.

- The first phase of the Commerce Place modernization project in Edmonton for Advanced Education was completed in 2021-22, reducing the leased footprint by 5,900 square metres. This generated \$1.9 million in annual lease cost savings. Infrastructure continues ongoing phases of this project that will modernize, densify and consolidate ministries reducing our leased footprint and providing annual leased cost savings.
- Small projects and box moves at the Forestry Building and Commerce Place relocated multiple ministries into underutilized leased spaces reducing the leased footprint by 3,100 square metres, generating annual lease cost savings of \$1.1 million.
- The Children's Services Child Intervention Office at Rundle Centre project in Edmonton provided new and modernized space for a public-facing program supporting families in the community. This project reduced our leased footprint, generating annual lease cost savings of \$344,000.
- A project to consolidate Indigenous Relations programs into existing space at the Forestry Building in Edmonton resulted in vacating leased space generating annual lease cost savings of \$198,000.

The ministry is looking to enhance effective asset management by exploring opportunities around asset retirement planning, asset decommissioning, Transportation Utility Corridor leases and licenses, realty development and advertising. To support alternative revenue generation, Infrastructure, along with partner ministries, will explore outdoor advertising opportunities in 2022.

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

Infrastructure faces the risk of aging provincial infrastructure, which increases the potential of disrupting business operations that prevents Albertans from receiving the services they need in a timely manner. Capital maintenance and renewal (CMR) projects are critical to repairing government-owned facilities such as courthouses, provincial buildings, health facilities, schools and cultural facilities throughout Alberta. In 2021-22, the ministry budgeted \$338.7 million and spent \$239.1 million on capital maintenance and renewal projects. In support of Alberta's Recovery Plan, launched in June 2020, the Government of Alberta continues to invest in CMR to maintain and improve the condition of the province's infrastructure and support thousands of private sector jobs. For example, in 2021-22 Infrastructure supported work to restore the Industrial Health Laboratory located in Edmonton. The laboratory required extensive capital maintenance and renewal. The Ministry of Culture and Status of Women oversaw the restoration to ensure work was sympathetic to the original building. The project is valued at \$7.6 million.

In 2021-22, construction on 76 CMR projects began. An additional 62 projects were completed, with 210 currently in progress.

In 2019, the MacKinnon Panel on Alberta's Finances recommended the government work to stabilize and rationalize the allocation of CMR spending and give priority to areas of greatest need in future capital expenditure decisions. In collaboration with Treasury Board and Finance, Infrastructure created and implemented the Vertical CMR Prioritization Methodology, which received approval in March 2021. The methodology was developed objectively to assess and identify CMR projects and rank them in order of greatest need. The methodology successfully prioritized a total of 2,042 projects totaling over \$800 million as part of the *Budget 2022* process.

Infrastructure is responsible for disposing surplus properties for the Government of Alberta, with proceeds from surplus sales returned to the government's General Revenue Fund. Allowing government and the broader public sector to dispose of surplus assets acts as an offset to the capital cost of new investments for the province. In December 2021, Infrastructure received approval for the new Acquisition, Surplus and Disposal Policy, which began implementation on April 1, 2022. The new policy provides all ministries with direction for dealing with surplus properties and acquisitions. The policy centralizes real estate transactions within Infrastructure where there is a dedicated team of professionals, land planning, property management and construction expertise, and environmental engineering support. Sales of surplus properties provide both cash and savings through reductions to operations and maintenance expenses.

In 2021-22, Infrastructure sold 38 surplus properties for approximately \$6.7 million in proceeds.

In addition to disposing surplus properties, Infrastructure oversees the strategic disposal of land in the Transportation Utility Corridor (TUC) that government no longer requires. As owner and operator of the TUC around Edmonton and Calgary, Infrastructure purchases regulated lands, sells TUC lands when declared surplus to program needs, manages the land and issues authorizations to applications who wish to undertake development in the TUC. In 2021-22, the acquisition of a significant former industrial facility in the Edmonton TUC concluded, representing the largest remaining private parcel of land. Infrastructure sold four former TUC sites for over \$1.7 million, and completed final steps to make 32 acres of land available for surplus. The sale of former TUC sites contribute to government's commitment to fiscal sustainability by raising funds, reducing management costs and ultimately creating private value.

As part of Infrastructure's red tape reduction initiative, the ministry has moved to a single electronic form for stakeholders interested in completing a TUC application. The shift to the electronic form will result in time savings of approximately 30 days in processing time per year.

Operating in an ever-changing environment that experiences extreme weather challenges, the ministry consistently addresses building design considerations that ensure infrastructure is resilient to climate impacts. Infrastructure addresses this risk by building government-owned and operated facilities to meet Green Building Standards, including Leadership in Energy and Environmental Design (LEED) Silver certification standards. LEED is a third-party certification system 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, 2022, Infrastructure has received an additional 19 LEED certifications for facilities delivered by the ministry. The new certifications include 11 Gold certifications, seven Silver, and one Certified Base.

In March 2022, the Sturgeon School Division's new Four Winds Grades 5-9 School in Morinville received LEED Gold certification. The school was delivered by Infrastructure in 2019. It features solar panels, LED lights and compost and recycling bins in every classroom.

## Outcome Two Performance Metrics

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

Prior Years' Results				2021-22 Target	2021-22 Actual
2017-18	2018-19	2019-20	2020-21		
\$8,431	\$8,855	\$8,613	\$8,520	\$8,527	\$8,520

- 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 improving utilization such as with alternate work arrangements.
- This measure is reported on a one-year lag, which means the 2021-22 results are actually results from 2020-21 due to the complexity of the data collection and analysis.
- In 2021-22, total cost per occupant in government-owned and operated office space facilities is \$8,520, which beat the target of \$8,527 per occupant for the fiscal year.
- The cost per occupant is showing an overall declining trend with some minor fluctuations. The pace is a gradual reduction in cost per occupant overall, which displays that over time the Government of Alberta is becoming more cost efficient.
- In 2021, total occupants decreased. Operating costs went down more significantly, resulting in an overall decrease in cost per occupant of \$93. The reduction in operating costs were due to a reduction of funding into the Grants in Place of Taxes (GIPOT) program, savings from electricity and heating costs, and tenant allowances for leased buildings.

### Performance Measure 2.b: Energy consumption intensity in mega joules per gross square metre in government-owned and operated facilities

Prior Years' Results				2021-22 Target	2021-22 Actual
2017-18	2018-19	2019-20	2020-21		
1,649	1,608	1,547	1,523	1,532	1,485

- 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 2021-22 result for energy consumption intensity is 1,485 mega joules per square metre, which considerably surpassed the target of 1,532 mega joules per square metre.
- Infrastructure's substantial investments in deep energy retrofits and energy efficiency projects are a key element of this material difference. The ministry successfully implemented several retrofits and energy efficiency projects from 2019 to 2021 including building management control system upgrades, light emitting diode lighting retrofits, mechanical and building envelope upgrades.
- A number of elements contribute to the reduction in energy consumption and explain the decreasing trend of Energy Use Intensity from 2017-18 to 2021-22, including:
  - the timely execution of major building retrofits;
  - the application of energy efficient technologies;
  - implementation of energy savings projects;
  - the addition of new buildings to Infrastructure's portfolio;
  - ongoing preventative maintenance; and
  - in-house energy audits.
- Due to COVID-19 public health measures, much of the Government of Alberta workforce has been working from home during the 2021-22 period. While it is not possible to quantify the exact impact of reduced utilization with the data available, working from home contributed to the decrease in electricity and energy usage in buildings due to reduction in plug load (e.g., computers and printers). However, building environmental, mechanical and electrical systems continued to operate regardless of occupancy levels.
- The following buildings showed more than five percent reduction in weather normalized energy use from 2019 to 2021, mostly due to the execution of numerous retrofits and energy savings projects:
  - Agrivalve Processing Business Incubator in Leduc – 298 megajoules in energy savings due to air handling units replacement, cooler/freezer replacement, BMCS upgrade, and an exhaust fan replacement.
  - Boyle Courthouse – 129 mega joules in energy savings due to interior LED retrofits.
  - Coal Research Centre in Devon – 204 mega joules in energy savings due to BMCS and a pneumatic controls upgrade as well as LED retrofits.
  - Hinton Courthouse – 185 mega joules in energy savings due to the replacement of boilers and chillers, an HVAC upgrade and BMCS upgrades.
  - Infrastructure Building in Edmonton – 131 mega joules in energy savings due to a boiler replacement.

- Northern Alberta Jubilee Auditorium in Edmonton – 132 mega joules in energy savings due to LED retrofits and a roof replacement.
- Provincial Building in Athabasca – 322 mega joules in energy savings due to interior LED retrofits, chiller replacement, and boiler and BMCS replacement.
- Provincial Building in Valleyview – 216 mega joules in energy savings due to LED retrofits and a roof replacement.
- Remand Centre in Red Deer – 171 mega joules in energy savings due to chiller and roof replacements.
- St. Paul Provincial Building – 85 mega joules in energy savings due to interior and exterior LED retrofits.
- Ukrainian Cultural Heritage Village – 102 mega joules in energy savings due to glazing replacements.

## Performance Measure and Indicator Methodology

### Performance Measure 1.a:

**Average number of calendar days required to complete Infrastructure-managed over threshold procurements**

#### Methodology

Average procurement time data used for this performance measure is collected and reported only for over threshold procurements led by Infrastructure. Over threshold procurements are those with a high enough dollar value to be subject to trade agreement rules. This includes construction procurements \$100,000 or greater and services procurements \$75,000 or greater.

The data does not include any procurements that do not involve the ministry. As such, any P3 procurements or procurements conducted by a third party are out of scope for this measure. Infrastructure-managed procurements are procurements where Infrastructure is the signing authority. Data from buildings that have incomplete data or show zero energy consumption are excluded from the performance measure so as to not allow the additional floor space to skew the results. Examples include buildings that are vacant or seasonal structures that are used for a few months per year.

The measure is calculated by measuring the number of calendar days from the date the procurement closed to the date the contract is sent to the vendor. The measure averages all procurements that were executed during a reporting period. In order to be included in the ministry annual report, all procurements executed within a fiscal year are averaged to produce one number for this measure.

#### Source

Infrastructure staff manage the input and analysis of data through a workload system, which is populated by operational staff as each stage of a procurement is complete.

### Performance Measure 1.b:

**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 assess 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 <b>less than or equal to 15%</b>	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 <b>greater than 40%</b>	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.

### 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:

#### 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: Office Cost per Occupant = (Total Annual Cost)/(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.b: Energy consumption intensity in mega joules per gross square metre 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, mega joules, 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 (m<sup>2</sup>) of the facility by accessing the Building and Land Information Management System (BLIMS).
- The energy consumption in mega joules (MJ) processed through ESPM is divided by the applicable floor space to determine the energy consumption intensity (MJ/m<sup>2</sup>).

The gross energy consumption intensity (MJ/m<sup>2</sup>) of all government-owned and operated facilities is then totaled 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.

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.

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# Financial Information

## Table of Contents

<b>Ministry Financial Highlights .....</b>	<b>40</b>
Statement of Revenues and Expenses (unaudited) .....	40
Revenue and Expense Highlights .....	41
Breakdown of Revenues (unaudited).....	42
Expenses – Directly Incurred Detailed by Object (unaudited) .....	43
<b>Supplemental Financial Information .....</b>	<b>44</b>
Tangible Capital Assets (unaudited).....	44
<b>Other Financial Information .....</b>	<b>45</b>
Lapse/Encumbrance (unaudited) .....	45
<b>Annual Report Extracts and Other Statutory Reports .....</b>	<b>48</b>

## Ministry Financial Highlights

### Statement of Revenues and Expenses (unaudited)

End of the year March 31, 2022

	2022		2021	Change from	
	Budget	Actual	Actual	Budget	2021 Actual
	<i>(in thousands)</i>				
<b>Revenues</b>					
Government Transfers	\$ 3,666	\$ 3,470	\$ 5,584	\$ (196)	\$ (2,114)
Premiums, Fees and Licences	2,070	919	917	(1,151)	2
Other Revenue				-	-
Swan Hills Treatment Centre	10,120	3,648	7,720	(6,472)	(4,072)
Leases (Land and Buildings)	10,930	11,220	10,936	290	283
Transfer of Assets and Liabilities	-	15,358	14,737	15,358	621
Other	2,298	19,314	13,417	17,016	5,897
Ministry Total	29,084	53,929	53,313	24,845	616
Inter-ministry consolidation adjustments	(3,876)	(19,830)	(17,066)	(15,954)	(2,763)
Adjusted ministry total	25,208	34,099	36,246	8,891	(2,147)
<b>Expenses - Directly Incurred</b>					
<b>Programs</b>					
Ministry Support Services	10,436	9,084	10,385	(1,352)	(1,301)
Capital Construction	1,563,495	1,154,717	1,150,119	(408,778)	4,598
Property Management	382,312	373,263	381,947	(9,049)	(8,685)
Asset Management	7,062	6,584	7,029	(478)	(444)
Realty Services	181,187	177,249	185,621	(3,938)	(8,371)
Ministry Total	2,144,492	1,720,897	1,735,101	(423,595)	(14,204)
Inter-ministry consolidation adjustments	(1,552,847)	(1,146,627)	(1,140,984)	406,220	(5,643)
Adjusted ministry total	591,645	574,270	594,117	(17,375)	(19,847)
<b>Annual Deficit</b>	<b>\$ (566,437)</b>	<b>\$ (540,171)</b>	<b>\$ (557,871)</b>	<b>\$ 26,266</b>	<b>\$ 17,699</b>



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## Revenue and Expense Highlights

### Revenues

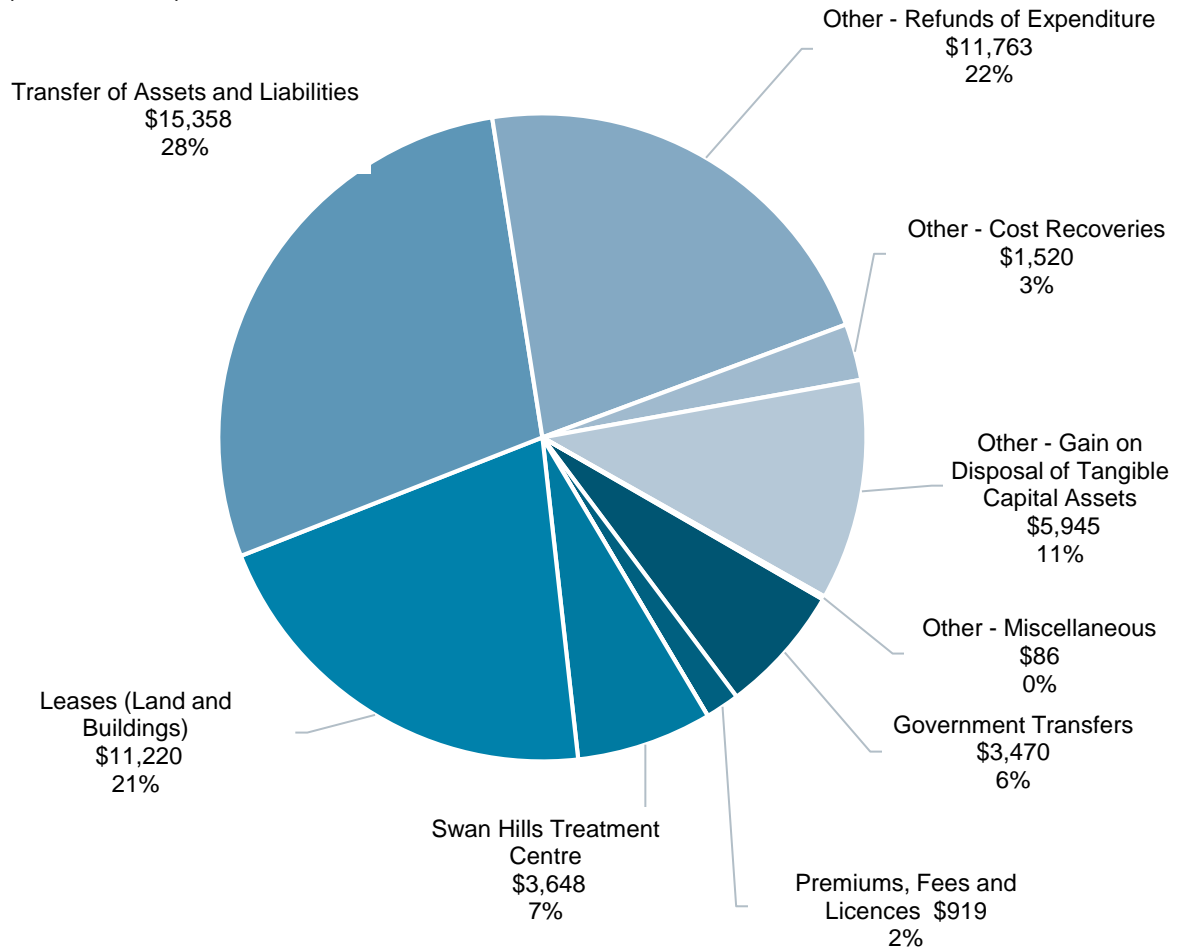
- Revenues totaled \$53.9 million in 2021-22, a slight increase of \$616,000 from 2020-21.
- Revenues were \$24.8 million higher than budget. This was primarily due to internal government asset and liability transfers and gains on sales of surplus government properties. Due to uncertainty around the timing for these transactions, they are not included in the budget.
- Government transfers of \$3.5 million includes approximately \$3.2 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 \$3.6 million in 2021-22, \$6.5 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 internal government transfers.

### Expenses

- Expenses totaled \$1.7 billion in 2021-22, a decrease of \$14.2 million from 2020-21.
- Budget 2021 allocated over \$2.1 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 \$423.6 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 time to complete the procurement process, unexpected construction delays due to factors such as weather, and changes to project scope.

**Breakdown of Revenues (unaudited)**

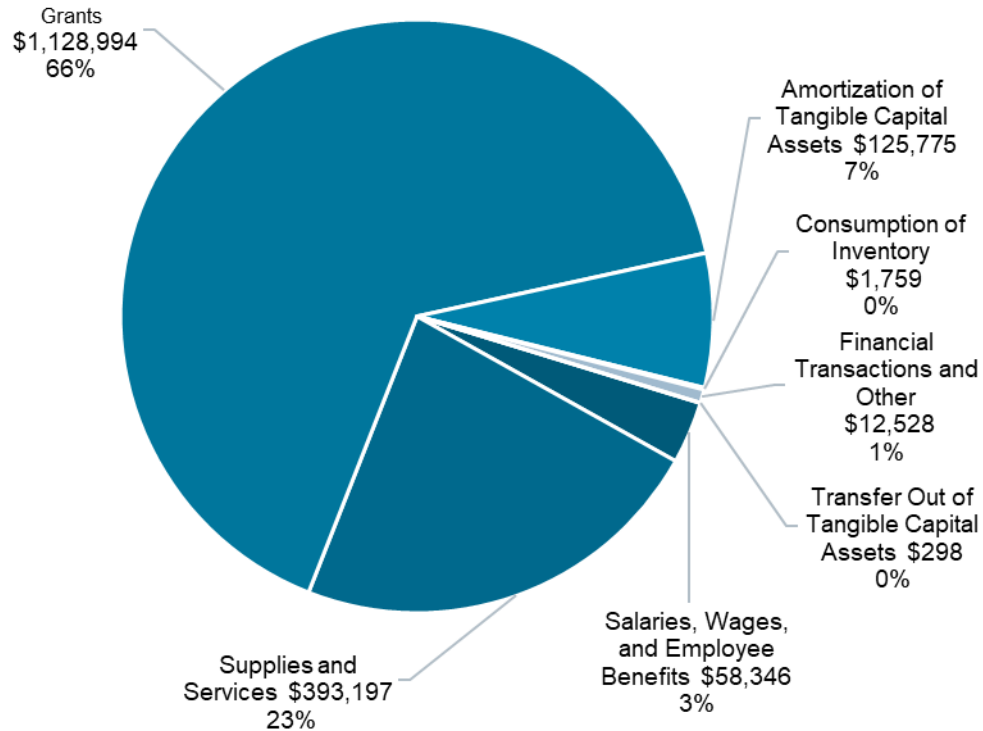
**2022 Actual**  
(in thousands)



- The largest component of revenue in 2021-22, totaling over \$15 million (28 per cent), relates to internal government asset and liability 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 over \$11 million represents 21 per cent of Infrastructure’s total revenue. This remains a stable source of revenue for the ministry.
- Other revenue components amount to approximately \$19 million (36 per cent) and mainly relate to payments received from related parties for work completed on their behalf in prior years and gains on the sale of surplus assets.

## Expenses – Directly Incurred Detailed by Object (unaudited)

**2022 Actual**  
(in thousands)

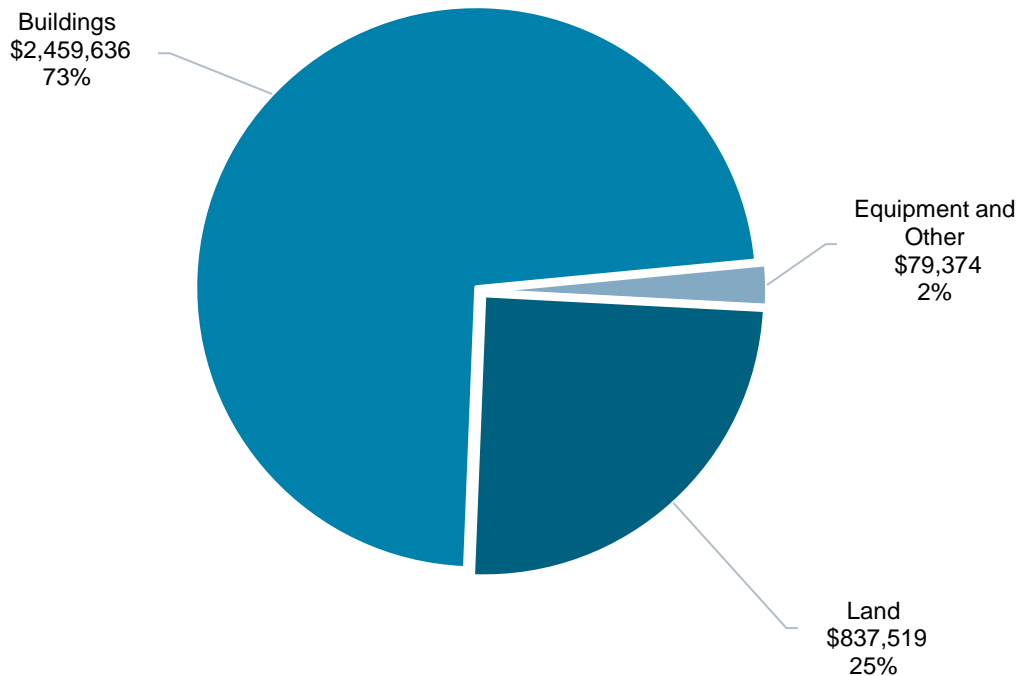


- The ministry's largest operating expense was grants, which mainly reflects the value of health and school projects being supported through grants or delivered on behalf of others and recorded as 'grants in kind'. These make up 66 per cent of total operating expense. In 2021-22, over \$1.1 billion was provided to support the construction and maintenance of health (\$624.8 million) and school facilities (\$504.2 million).
- Supplies and services of \$393.2 million (23 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 (three per cent), and expenses related to financial transactions (one per cent).

## Supplemental Financial Information

### Tangible Capital Assets (unaudited)

**Net Book Value as of March 31, 2022**  
(in thousands)



- Buildings and land make up 98 per cent of the total net book value of \$3.4 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 49 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, 2022

In thousands

	Voted Estimate <sup>(1)</sup>	Supplementary Estimate	Adjustments <sup>(2)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(3)</sup>	Over Expended (Unexpended)
<b>EXPENSE VOTE BY PROGRAM</b>						
<b>OPERATING EXPENSE</b>						
1 Ministry Support Services						
1.1 Minister's Office	\$ 756	\$ -	\$ -	\$ 756	\$ 635	\$ (121)
1.2 Deputy Minister's Office	763	-	-	763	792	29
1.3 Strategic Integration and Operations	8,917	-	-	8,917	7,700	(1,217)
	<u>10,436</u>	<u>-</u>	<u>-</u>	<u>10,436</u>	<u>9,127</u>	<u>(1,309)</u>
2 Capital Construction						
2.1 Government Facilities Infrastructure	1,748	-	-	1,748	2,646	898
2.2 Health Facilities Infrastructure	1,294	-	-	1,294	1,114	(180)
2.3 School Facilities Infrastructure	1,375	-	-	1,375	698	(677)
2.4 Capital Planning	2,105	-	-	2,105	-	(2,105)
2.7 Project Procurement, Standards and Technical Services	5,891	-	-	5,891	5,715	(176)
	<u>12,413</u>	<u>-</u>	<u>-</u>	<u>12,413</u>	<u>10,173</u>	<u>(2,240)</u>
3 Property Management						
3.1 Property Operations	185,260	-	-	185,260	199,486	14,226
3.2 Swan Hills Treatment Centre	30,254	-	-	30,254	19,915	(10,339)
	<u>215,514</u>	<u>-</u>	<u>-</u>	<u>215,514</u>	<u>219,401</u>	<u>3,887</u>
4 Asset Management	7,062	-	-	7,062	6,623	(439)
5 Realty Services						
5.1 Leases	177,381	-	-	177,381	174,197	(3,184)
5.2 Land Acquisition and Services	2,410	-	-	2,410	1,828	(582)
5.3 Land Development and Disposal	1,396	-	-	1,396	970	(426)
	<u>181,187</u>	<u>-</u>	<u>-</u>	<u>181,187</u>	<u>176,995</u>	<u>(4,192)</u>
<b>CAPITAL GRANTS</b>						
2 Capital Construction						
2.3 School Facilities Infrastructure	1,000	-	-	1,000	-	(1,000)
2.4 Capital Planning	4,054	-	-	4,054	486	(3,568)
	<u>5,054</u>	<u>-</u>	<u>-</u>	<u>5,054</u>	<u>486</u>	<u>(4,568)</u>
3 Property Management						
3.3 Government Owned Facilities Preservation	15,026	-	-	15,026	8,308	(6,718)
3.4 Accommodation Projects	-	-	-	-	1,096	1,096
	<u>15,026</u>	<u>-</u>	<u>-</u>	<u>15,026</u>	<u>9,404</u>	<u>(5,622)</u>
<b>DEBT SERVICING</b>						
3 Property Management						
3.5 Debt Servicing	75	-	-	75	75	-
Total before Adjustment	<u>446,767</u>	<u>-</u>	<u>-</u>	<u>446,767</u>	<u>432,284</u>	<u>(14,733)</u>
Transfer of vote <sup>(2)</sup>			385,000	385,000	368,693	(16,307)
Revised Total	<u>446,767</u>	<u>-</u>	<u>385,000</u>	<u>831,767</u>	<u>800,976</u>	<u>(30,791)</u>
<b>(Lapse)/Encumbrance</b>						<u>\$ (30,791)</u>

## Lapse/Encumbrance (unaudited)

Year Ended March 31, 2022

In thousands

	Voted Estimate <sup>(1)</sup>	Supplementary Estimate	Adjustments <sup>(2)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(3)</sup>	Over Expended (Unexpended)
<b>CAPITAL INVESTMENT VOTE BY PROGRAM</b>						
<b>DEPARTMENT CAPITAL ACQUISITIONS</b>						
2 Capital Construction						
2.1 Government Facilities Infrastructure	\$ 123,665	\$ -	\$ -	\$ 123,665	\$ 48,389	\$ (75,276)
	123,665	-	-	123,665	48,389	(75,276)
3 Property Management						
3.1 Property Operations	100	-	-	100	396	296
3.2 Swan Hills Treatment Centre	5,000	-	-	5,000	9,004	4,004
3.3 Government Owned Facilities Preservation	189,736	-	-	189,736	89,046	(100,690)
3.4 Accommodation Projects	121,084	-	-	121,084	46,157	(74,927)
	315,920	-	-	315,920	144,603	(171,317)
5 Realty Services						
5.2 Land Acquisition and Services	8,300	-	-	8,300	17,976	9,676
<b>CAPITAL FOR RELATED PARTIES</b>						
2 Capital Construction						
2.2 Health Facilities Infrastructure	634,857	-	-	634,857	497,546	(137,311)
2.3 School Facilities Infrastructure	762,236	-	-	762,236	492,330	(269,906)
2.5 Health Capital Maintenance and Renewal	134,000	-	-	134,000	127,210	(6,790)
2.6 School Capital Maintenance and Renewal	14,935	-	-	14,935	14,517	(418)
	1,546,028	-	-	1,546,028	1,131,603	(414,425)
Total before Adjustment	1,993,913	-	-	1,993,913	1,342,571	(651,342)
Transfer of vote <sup>(2)</sup>			(385,000)	(385,000)	(368,693)	16,307
Revised Total	\$ 1,993,913	\$ -	\$ (385,000)	\$ 1,608,913	\$ 973,878	\$ (635,035)
<b>(Lapse)/Encumbrance</b>						<b>\$ (635,035)</b>

## Lapse/Encumbrance (unaudited)

Year Ended March 31, 2022

In thousands

	Voted Estimate <sup>(1)</sup>	Supplementary Estimate	Adjustments <sup>(2)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(3)</sup>	Over Expended (Unexpended)
<b>FINANCIAL TRANSACTIONS VOTE BY PROGRAM</b>						
<b>INVENTORY ACQUISITION</b>						
3 Property Management						
3.2 Swan Hills Treatment Centre	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ 1,743	\$ (1,257)
<b>LAND DEVELOPMENT LIABILITY RETIREMENT</b>						
5 Realty Services						
5.3 Land Development and Disposal	13,110	-	-	13,110	3,248	(9,862)
<b>CONTAMINATED SITE LIABILITY RETIREMENT</b>						
3 Property Management						
3.1 Property Operations	900	-	-	900	163	(737)
3.2 Swan Hills Treatment Centre	750	-	-	750	181	(569)
	1,650	-	-	1,650	344	(1,306)
<b>LEGAL LIABILITY RETIREMENT</b>						
2 Capital Construction						
2.3 School Facilities Infrastructure	2,000	-	-	2,000	841	(1,159)
<b>LEASE LIABILITY RETIREMENT</b>						
5 Realty Services						
5.1 Leases	500	-	-	500	500	-
<b>DEBT REPAYMENT FOR PUBLIC PRIVATE PARTNERSHIPS</b>						
3 Property Management						
3.6 Debt Repayment	877	-	-	877	877	-
Total	\$ 21,137	\$ -	\$ -	\$ 21,137	\$ 7,552	\$ (13,585)
<b>(Lapse)/Encumbrance</b>						\$ (13,585)
<b>CONTINGENCY VOTE BY PROGRAM</b>						
3 Property Management						
3.1 Property Operations	\$ -	\$ -	\$ 9,190	\$ 9,190	\$ 5,084	\$ (4,106)
Total	\$ -	\$ -	\$ 9,190	\$ 9,190	\$ 5,084	\$ (4,106)
<b>(Lapse)/Encumbrance</b>						\$ (4,106)

<sup>(1)</sup> As per "Expense Vote by Program", "Capital Investment Vote by Program", and "Financial Transactions Vote by Program" pages of the 2021-22 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.

<sup>(2)</sup> 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 23, 2022 Treasury Board approved the transfer of \$385,000,000 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(3) of the *Appropriation Act, 2021*. The 2021-22 actual incurred pertaining to this transfer was \$368,692,728. 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 \$31,040,261 and Capital Investment would show a lapse of \$635,034,775.

Adjustments also include supply vote transfers for "Contingency" as approved by the Lieutenant Governor in Council under the direction of the Minister of Finance. The Contingency supply vote consists of a provisional funding authority transferable to any ministry. Upon approval by the Lieutenant Governor in Council, the President of Treasury Board and Minister of Finance may either spend or transfer all or a portion of this supply vote to another minister for public emergencies, disasters or unanticipated costs.

<sup>(3)</sup> 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 my office for your department between April 1, 2021 and March 31, 2022.