

GOVERNMENT OF ALBERTA

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# Annual Report

## Infrastructure

### 2019-2020

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## Table of Contents

<b>Preface</b> .....	<b>2</b>
<b>Minister’s Accountability Statement</b> .....	<b>3</b>
<b>Message from the Minister</b> .....	<b>4</b>
<b>Management’s Responsibility for Reporting</b> .....	<b>5</b>
<b>Results Analysis</b> .....	<b>7</b>
Ministry Overview .....	8
Discussion and Analysis of Results .....	12
Performance Measure and Indicator Methodology .....	36
<b>Financial Information</b> .....	<b>39</b>
Ministry Financial Highlights .....	40
Financial Information .....	45
Annual Report Extracts and Other Statutory Reports .....	49

## 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 21 ministries.

The annual report of the Government of Alberta contains Ministers' accountability statements, the consolidated financial statements of the province and the *Measuring Up* report, 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 financial information of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This Ministry Annual Report also includes:**

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

## Minister's Accountability Statement

The ministry's Annual Report for the year ended March 31, 2020, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 4, 2020 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



I have had the privilege over the past year, as Alberta's Minister of Infrastructure, to visit worksites and meet with Albertans across our province. Their hard work helps our government continue to deliver on our mandate of creating jobs and strengthening the economy.

We are building much-needed public infrastructure that will lay a strong foundation for a prosperous future. Projects like the Calgary Cancer Centre, which remains on schedule and on budget, and the Gene Zwozdesky Centre (Norwood Redevelopment Project) in Edmonton saw significant construction progress in 2019-20. An additional 77 school projects are underway and helping to strengthen Alberta for families. Building public infrastructure generates good-paying construction and engineering jobs, and determine the programs and services government can provide.

As we continue to deliver vital projects, my ministry is also committed to doing its share to help the government meet its fiscal objectives by reducing our costs, cutting red tape and finding efficiencies in our daily operations. Through measured and practical solutions, we will achieve budget savings while maintaining our high standard of service to Albertans.

Moving forward, we will ensure federal infrastructure funding from the Investing in Canada Infrastructure Program continues to support the most critical and current needs in our province. I continue to work closely with my federal counterpart to ensure that provincially endorsed projects receive timely federal approvals to get shovels in the ground and get Albertans to work. We will continue to explore public-private partnerships (P3) for priority infrastructure projects and may use P3s when there is a solid business case and value-for- taxpayers' money. A new Alberta Infrastructure Act is being developed that will outline how government will prioritize capital infrastructure spending, and we are developing the 20-Year Strategic Capital Plan that will help promote greater transparency and support longer-term planning of provincial infrastructure.

I am very proud of the way Alberta Infrastructure has responded to the COVID-19 pandemic. Ministry staff have ensured all proper cleaning and sanitization measures are in place at government buildings, stayed in close contact with our partners in industry to keep vital infrastructure projects progressing while meeting the new pandemic workplace guidelines, and have been tireless in their efforts to meet requests for new office space as our government stands-up teams to bring us through this unprecedented and challenging time in Alberta's history. Albertans have a strong culture of workplace safety, and this has been particularly apparent throughout this pandemic.

I head a professional, innovative and dedicated team at Alberta Infrastructure, and we are proud to work with our partner ministries, Alberta's job creators, and industry, as we do our part in creating jobs, growing the economy and building for today and the future.

Our government is committed to showing the world that Alberta is *Open for Business*, and we are excited to do our part.

[Original signed by]

*Honourable Prasad Panda*  
*Minister of Infrastructure*

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## Management's Responsibility for Reporting

The executives of the ministry have the primary responsibility and accountability for the 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 for the ministry rests with the Minister of Infrastructure. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including the financial information and performance results. The financial information and performance results, of necessity, include amounts that are based on estimates and judgments. The financial information is prepared using the government's stated accounting policies, which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – outcomes, performance measures and related targets match those included in the ministry's Budget 2019.

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

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

[Original signed by]

*Shannon Flint*

*Deputy Minister of Infrastructure*

*June 4, 2020*



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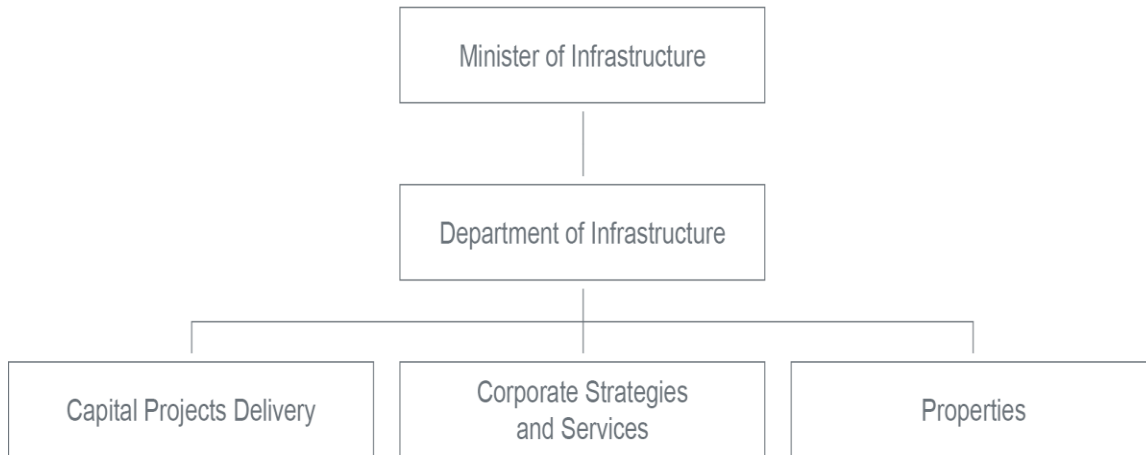
# Results Analysis

## Table of Contents

Ministry Overview.....	8
Organizational Structure .....	8
Operational Overview.....	8
Key Highlights in the Past Year .....	11
Discussion and Analysis of Results.....	12
Red Tape Reduction .....	12
Outcome One. ....	13
Outcome Two .....	29
Performance Measure and Indicator Methodology.....	36

## Ministry Overview

### Organizational Structure



### Operational Overview

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

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

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

Infrastructure leads the long-term planning of 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 levels of government to secure federal infrastructure funding. Infrastructure provides leadership throughout the life-cycle of public facilities, including design, construction, operation, evaluation, preservation and divestiture. The ministry's contracting, procurement and other practices ensure that facility standards are met and value for investment is achieved.

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

- deliver kindergarten to grade 12 education facilities;
- deliver health facilities;
- deliver other public infrastructure such as government office space, museums and courthouses; and
- support post-secondary institutions to develop facilities to meet their needs.

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

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

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

## Legislation

Infrastructure has primary responsibility for the following Legislation and Regulations:

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

Infrastructure has common responsibility for the following Legislation and Regulations:

- *Education Act*
  - Division 8 of Part 6 and section 243 with Minister of Education
  - Disposition of Property Regulation
- *Government Organization Act*
  - Section 3 of Schedule 1 with Minister of Advanced Education
  - Sections 4 to 9 of Schedule 5 with Minister of Environment and Parks

- Sections 1, 4, 5, 11 and 12 of Schedule 11 with Ministers of Transportation and Service Alberta
- Sections 6 to 10, and 13 of Schedule 11 with Minister of Transportation
- *Hospitals Act* with Minister of Health
  - Sections 28(1)(a), 42 and 43(h) to (j)
  - Hospitalization Benefits Regulation
  - Operation of Approved Hospitals Regulation
- *Mental Health Act* with Minister of Health
  - Section 53(1)(c)
- *Nursing Home Act* with Minister of Health
  - Sections 6, 11, 23(g) and (j), 24(1)
  - Nursing Homes Operation Regulation
  - Nursing Homes General Regulation
- *Post-secondary Learning Act* with Minister of Advanced Education
  - Sections 72(3) and (4), 73, 80, 99(1)(a) and (2) to (6)
- *Water, Gas and Electric Companies Act* with Ministers of Energy and Transportation
  - Section 4

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## Key Highlights in the Past Year

In 2019-20, Infrastructure initiated various new programs and services and successfully completed its key deliverables.

The ministry launched a Vendor Performance Management (VPM) Program in January 2020. VPM ensures vendors are receiving informal feedback and formal evaluations on their performance at regular intervals, and past vendor performance is considered in procurement decisions. Ultimately, this will assist in ensuring the delivery of quality infrastructure projects on time, on budget and within scope.

A Public-Private Partnership (P3) Office was established and numerous projects were analyzed for delivery using a P3 approach, including a bundle of five schools, a new hospital in Edmonton and the Deerfoot Trail Upgrade in Calgary.

The responsibility for developing and releasing the Government of Alberta Capital Plan was transferred to Treasury Board and Finance. Infrastructure continues to work with client ministries and stakeholders to support the development of the Capital Plan, while providing effective decision-making on capital plan projects for schools, government and health facilities.

The ministry completed 19 school projects, the Red Deer Secure Detoxification and Residential Treatment Facility – The Protection of Children Abusing Drugs, and upgrades to courthouses throughout the province. Other projects, such as the Calgary Cancer Centre, Grande Prairie Regional Hospital and Red Deer Justice Centre are on schedule.

The ministry made significant progress toward the development of the Alberta Infrastructure Act and preparation for public and stakeholder engagement is underway. The legislation will outline how government prioritizes capital infrastructure spending. To support this, the ministry also initiated the development of a 20-year Strategic Capital Plan to ensure Alberta has a long-term view to meeting the province's infrastructure needs.

With support from Treasury Board and Finance, Infrastructure is advancing a cross-ministry process to establish a Government of Alberta framework to create a consistent and coordinated approach to prioritize and plan capital maintenance and renewal funding. This framework will ensure the highest priority investments are identified across the Government of Alberta asset base.

The ministry continues to oversee and administer the Investing in Canada Infrastructure Program, working closely with Infrastructure Canada, to expedite federal review and approval of provincial projects and supporting partner ministries with their grant agreements with successful proponents.

## Discussion and Analysis of Results

### Red Tape Reduction

The Ministry of Infrastructure is committed to the ongoing review of programs and services to ensure that the best possible outcomes are being achieved for Albertans. As part of this ongoing review, the ministry is committed to reducing red tape to make life easier for hard-working Albertans and businesses. This includes reducing regulatory burden and unnecessary processes to encourage economic growth and job creation, and make Alberta one of the freest and fastest moving economies in the world.

In 2019-20, the ministry identified 9,638 regulatory requirements within 208 policies, forms and guidelines that can be streamlined. Some red tape reduction activities are highlighted below.

- The ministry has taken action to cut red tape around rural property sales by simplifying the appraisal policy. This change will speed up the process by as much as four weeks and reduces government costs by \$5,000 to \$10,000 per sale, saving taxpayers \$25,000 to \$50,000 in costs annually.
- The ministry removed 46 regulatory items with the repeal of the *School Act* and the School Buildings and Tendering Regulation. School jurisdictions are no longer required to submit bid documentation to Infrastructure for review and approval, prior to awarding contracts over \$200,000. This change saves time for school jurisdictions, as they now have the authority to award contracts on grant-funded projects.
- Infrastructure coordinated with Advanced Education to amend the *Post-Secondary Learning Act* regarding post-secondary land disposition and borrowing to change the approval requirement from an Order in Council to a Ministerial Order. These amendments received royal assent on March 20, 2020, and allows post-secondary institutions to pursue revenue-generating opportunities (e.g., sale or lease of lands) up to 90 days sooner than with previous disposition requests and government approval timelines.

Infrastructure continues to look at ways to reduce the regulatory and administrative burdens within legislation, regulations, policies and processes, with further exploration in:

- streamlining the application process for access to the Transportation Utility Corridors (TUCs) around Edmonton and Calgary;
- developing a one window application process for requesting access to Crown lands across the province for hosting events;
- reviewing procurement processes to improve timelines for getting capital projects underway;
- reviewing procurement standards and contracts in conjunction with industry stakeholders to achieve consistency; and
- reviewing and streamlining the Technical Design Requirements.

In addition, Infrastructure continues to receive and review all public submissions for red tape reduction opportunities and takes action towards improvements.

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

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

### **Key Objectives**

#### **1.1 Introduce the Alberta Infrastructure Act to provide transparency on capital project prioritization criteria, establish predictable funding levels and ensure adequate maintenance of existing assets.**

Infrastructure supports innovative, high quality and well-designed public infrastructure for Albertans. As part of the government's commitment to effectively meet the needs of Albertans, the responsibility to develop and release the Capital Plan was transferred from Infrastructure to Treasury Board and Finance in 2019. However, Infrastructure continues to work with client ministries and stakeholders by providing effective decision-making on capital plan projects for schools, government and health facilities.

The 2019 Capital Plan was a balanced plan that helped create jobs and support services essential to Albertans. Given the importance of public infrastructure, the government will be introducing an Alberta Infrastructure Act. The goal is to strengthen transparency and predictability for how government prioritizes capital funding decisions for infrastructure projects as part of the Capital Plan and budgeting process.

In 2019-20, the ministry made significant progress in the development of the legislation, by collaborating with other ministries and developing an engagement strategy. Planning is underway for public engagement with both Albertans and stakeholders, with timelines shifting in light of the COVID-19 pandemic. In 2020-21, the ministry will continue its work to develop and introduce the legislation.

#### **1.2 Publicly release an annual Government of Alberta Infrastructure Report to provide detailed information on progress made in meeting the various commitments in the annual Capital Plan.**

The release of the Infrastructure Report was included in Bill 21, the *Ensuring Fiscal Sustainability Act*, 2019. The bill also transferred the responsibility to Treasury Board and Finance to develop and release the document.

#### **1.3 Publicly release a 20-year Strategic Capital Plan to ensure Alberta has a long-term view to meeting the province's infrastructure needs.**

A Government of Alberta 20-year Strategic Capital Plan, focused on longer-term planning of provincial capital infrastructure, will provide more transparency and predictability for Albertans, and demonstrate government's commitment to fiscal discipline and accountability. This plan will consider long-term trends and priorities for provincial infrastructure that meets the future needs of Albertans and will set the broad direction for Alberta's infrastructure beyond the horizon of the annual Capital Plan set out in the budget. It will provide strategic foresight on key provincial infrastructure such as highways, schools and hospitals, as well as broader trends that influence infrastructure such as technology and partnerships.

In 2019-20, the ministry set the strategic direction and process for all of government to contribute to the plan, with Infrastructure requesting input on the plan from all ministries in February 2020. Working in collaboration with other ministries, initial baseline economic and demographic projections were completed and a draft outline and engagement strategy were developed. In conjunction with the development of the Alberta Infrastructure Act, the ministry will seek input from Albertans to better understand their needs to further inform the development of the plan. Public engagement has not yet been conducted as originally scheduled due to the COVID-19 pandemic.

Infrastructure will seek input from Albertans, as well as representatives from industry, healthcare, schools, post-secondary institutions, judiciary, municipalities, technology sector, cultural groups, recreational organizations and many others. The ministry is working toward releasing the 20-year Strategic Capital Plan following the passage of the Alberta Infrastructure Act.

#### **1.4 Lead the process to evaluate and use other procurement methods, such as public-private partnerships, and for procurement of capital projects where value for money for taxpayers can be demonstrated.**

Infrastructure is leading the process to examine alternative financing and procurement methods such as public-private partnerships, also known as P3s. A P3 is a long-term contract between the public sector and a private sector entity to:

- provide some or all of the financing for the project;
- design and build the project, often providing operations and maintenance for the project, and often backed by an “extended warranty”; and
- receive payments from government over an extended period of time, subject to deductions for failing to meet contractually defined performance standards.

In Alberta, P3s have been used successfully in the past to deliver all types of public infrastructure, with a total investment of \$7.8 billion, including:

- 40 schools;
- one wastewater treatment plant in Kananaskis Country; and
- portions of the Edmonton and Calgary ring roads.

These P3 projects saved an estimated \$2.2 billion over the cost of delivering through more traditional methods.

The use of P3s for priority infrastructure projects is being explored when there is a solid business case and value-for-money can be achieved for taxpayers. In 2019-20, Infrastructure started working with project delivery teams across all ministries to advance future P3 projects. To facilitate the government’s commitment to alternative financing, the ministry has been active in researching P3 opportunities from the approved Capital Plan to determine projects that could either be viable for P3 delivery on their own or could be bundled with other similar projects to make them viable for P3 delivery consideration.

Opportunities for P3 projects will be assessed on a case-by-case basis and will include all projects, or bundles of a similar type of projects, with a value of at least \$100 million. For example, the ministry is evaluating a new hospital in Edmonton, the Deerfoot Trail upgrade, and a bundle of five high schools for P3 suitability.

Not all projects identified will proceed using a P3 methodology. In 2019-20, Infrastructure developed a business case to assess the value for money of using a P3 for five schools approved in the 2019 Capital Plan. The ministry determined that it will proceed with a traditional design-build method to accelerate the completion of these schools, with occupancy to occur as early as September 2022, a year sooner than it would with a P3 method.



### **1.5 Limit the use of ‘cost plus contracts’ (a contract that covers project costs with additional profit being made) for procurement of capital projects.**

The government is ensuring best value for money and efficient use of Alberta taxpayers’ dollars by limiting the use of cost plus contracts for infrastructure projects. A cost plus contract is one where a specified profit is built into the contract, such as an agreed-upon fixed fee or a percentage of the total or partial contract value, and all work completed is reimbursed on a time and material basis. In a cost plus contract, the contractor invoices government and is then paid for all costs, including labour, equipment and materials in addition to the agreed-upon fee.

In November 2019, Infrastructure announced a cross-government policy to limit the use of cost plus contracts for future procurement of construction and maintenance of building and transportation projects. The policy covers the use of cost plus contracts in the procurement of capital assets, such as construction and maintenance of building and transportation capital projects. The new policy does permit the use of cost plus in unforeseen circumstances such as when a facility has experienced an emergency (e.g., flood) and expedited response or repair work is required.

### **1.6 Continuously improve planning, project management and procurement to deliver capital projects on time, on budget and to specification.**

#### *Vendor Performance*

In January 2020, Infrastructure launched a new Vendor Performance Management (VPM) Program to ensure contractors and consultants do their best work on infrastructure projects for the Government of Alberta. VPM is a contract management best practice used to track, analyze and manage the performance of a vendor in an effort to control costs, mitigate risks and drive continuous improvement throughout the contract life-cycle. The VPM Program will ensure that issues are identified and addressed early, resulting in better project outcomes for Albertans and vendors.

The ministry consulted with and obtained support from industry on the development of the program, including the Alberta Construction Association, Consulting Architects of Alberta, Consulting Engineers of Alberta, and the Association of Alberta Architects. Infrastructure will continuously evaluate the VPM Program to assess performance, identify and analyze trends and continuous improvement opportunities, including the efficiency and effectiveness of the program, alignment with VPM programs in other jurisdictions, and enhancement of accountability mechanisms.

Vendors (consultants and contractors) are assessed on five criteria:

- quality
- management
- schedule
- cost
- safety

A vendor will receive a score every six months for each contract subject to the VPM Program, resulting in an Overall Vendor Performance Rating.

### *Project Management*

As Infrastructure manages many small and large construction projects, robust project management techniques, processes and tools are required to ensure effective delivery. The Project Delivery Standardization initiative was introduced to drive improvements and quality standards to strengthen how Infrastructure delivers projects, improving the ministry's ability to deliver projects on time, on budget and within scope. Key items implemented in 2019-20 include consolidated data collection and tracking systems, streamlined processes, improvements to key tools and templates, and more efficient project reporting.

Introduction to Lean Six Sigma (also known as Continuous Improvement Yellow Belt) has now been delivered to over 500 Infrastructure staff, which will further develop staff in process management and improvement techniques that stimulate innovation and reduce red tape.

### *Digital Project Delivery*

Launched in 2018, digital project delivery is intended to ensure that project owners are receiving all of the data necessary to operate the facility in an efficient and sustainable manner throughout its entire life-cycle. The requirements ensure high quality digital asset information is received in a structured and useable format, and the eventual elimination of the requirement for paper deliverables. This will help ensure that Infrastructure's corporate information management systems are automatically populated with high-quality and accurate data.

In 2019-20, Infrastructure expanded its collection of digital information for its projects and imported this into existing database systems, thus providing an opportunity to establish detailed data standards and best practices. Digital project delivery requirements are included in five large capital projects, including the Calgary Cancer Center, Red Deer Justice Centre, Complex Continuing Care Facility, Willow Square Continuing Care Centre and the Peter Lougheed Medical Device Replacement project. Digital project delivery requirements are also being piloted on four smaller retrofit and renovation projects.

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

In 2019-20, Infrastructure further refined its technical guidelines on universal washroom facilities in public buildings to ensure washrooms are fully accessible to all members of society. The Government of Alberta has a number of universal washrooms in public buildings, including the Legislature Building, the Federal Building, the Royal Alberta Museum in Edmonton, as well as several modular courthouses in Red Earth Creek, Fort Vermillion and Chateh. Universal washrooms have also been integrated into school designs.

Infrastructure is collaborating with other ministries to identify diversity and inclusivity accommodation requirements for government spaces. In 2019-20, guidelines for inclusive design were drafted for smudging spaces and reflection spaces.

Infrastructure also conducts Post-Occupancy Evaluations (POEs) to recognize specific strengths and weaknesses of a completed project. POEs document the performance of a facility, specifically its functionality and how the building meets facility users' needs, activities and goals. The program informs Infrastructure on how to improve its practices and standards by learning from completed projects. When documented and shared, the lessons learned influence design criteria for future buildings that take into account the evolving needs of Albertans.

The ministry completed evaluations on two schools in 2019-20 at a cost of \$85,200. The findings were presented within Infrastructure and the Ministry of Education, as well as through industry associations, like the Association for Learning Environments. The findings included:

- Considering whether operable walls, which are designed to be easily manoeuvred and operated, are required based on how frequently the space is used. If operable walls are required and the frequency of use is high, consideration should be given to the minimal acoustic separation they provide when closed. Where frequency of use in creating a larger program space is anticipated to be low, and acoustic separation is important, installation of an operable wall is not recommended.
- Locating breakout or wrap-around rooms within classroom wings for convenient access and monitoring. POEs indicate, particularly in elementary schools, that teachers encourage the use of these spaces by students more if they are located nearby classrooms as opposed to the administration area or other centralized areas of the school.

### **Alberta's strategic interests are represented in federal infrastructure programs.**

The ministry is ensuring that federal infrastructure funding from the Investing in Canada Infrastructure Program (ICIP) is used to support the most critical and current needs in Alberta. The Government of Canada allocated \$3.65 billion to Alberta over 10 years under the program, spread across four funding streams:

- Green Infrastructure (\$1.25 billion);
- Community, Culture and Recreation (\$140.6 million);
- Rural and Northern Communities (\$159.7 million); and
- Public Transit (\$2.1 billion).

Municipalities, not-for-profits, Indigenous groups and other organizations have a keen interest in accessing this federal funding to support their communities. This is evident in the more than 700 Expressions of Interest the ministry received as of the July 31, 2019 deadline for applications. When reviewing applications for provincial endorsement, the ministry considered factors such as alignment with provincial priorities, federal program outcomes, as well as project readiness and viability when making decisions about which projects to endorse.

Infrastructure Canada approved six projects in 2019-20 for ICIP funding, bringing the total federally approved projects to 13. In early 2020, the province endorsed more than 70 additional projects to move towards the federal application stage. Endorsed applicants are currently working with ministry partners on their federal applications in the hopes of obtaining federal approval in time for the 2020 construction season. These provincial endorsement decisions will benefit Albertans, including rural and Indigenous populations, by supporting core infrastructure such as:

- cultural and community infrastructure, including community pools, community and performing arts centres;
- clean water and wastewater;
- flood mitigation;
- road paving; and

- broadband internet.

Infrastructure is working to review and submit applications for federal approval in a timely manner, and is also working with Infrastructure Canada to ensure that federal approval is received as quickly as possible.

In addition to ICIP, Infrastructure administers several other federal infrastructure programs. While funding under these legacy federal infrastructure programs is fully allocated to projects, there is significant ongoing monitoring and reporting requirements for the life of the agreements. The Provincial Territorial (PT) Base Funding Agreement, originally signed in 2008, provided up to \$175 million for approved Capital Plan infrastructure programs. This funding has been fully allocated, except for \$12.5 million being held back until the province fulfills final program requirements.

The Clean Water Wastewater Fund (CWWF) and Public Transit Infrastructure Fund (PTIF) are also fully allocated programs providing federal funding to Alberta projects. The CWWF was approved for \$196.7 million, and \$158.5 million of this funding has been paid out to Alberta. The PTIF was approved for \$347.2 million and \$282.9 million of this funding has been paid out to Alberta. These programs support municipalities to move forward with priority transit, water and wastewater projects benefiting communities throughout Alberta, including job creation. An amendment extending the CWWF and PTIF programs by two years, to allow remaining projects to complete and submit their costs, was finalized in early April 2020.

### **Manage the delivery of new construction and major modernization projects for health, school and government-owned facilities.**

#### *Health Facilities*

In collaboration with Health and Alberta Health Services, Infrastructure designs and builds health facilities to meet community needs. In 2019-20, the ministry spent over \$546.7 million on the construction of health facilities. As of March 31, 2020, key projects in progress or completed include:

- Calgary Cancer Centre – The facility will provide Albertans with a first-class health care facility and academic hub for cancer services in Southern Alberta. The project is currently in the construction phase and is on schedule and on budget.
- Edmonton hospital – The hospital will be located in Southwest Edmonton. The Clinical Services Plan was completed and signed off in March 2019. The project is currently in the planning phase with site master planning underway. Functional programming was temporarily paused due to the COVID-19 Pandemic.
- Grande Prairie Regional Hospital – The hospital will help more northern patients receive specialized, complex care that is closer to home and with shorter wait times. The hospital is currently in the construction phase with substantial completion anticipated in summer 2020.
- Medicine Hat Regional Hospital – The project will provide 224 new treatment spaces, six operating rooms and 40 renovated treatment spaces. The project is currently in the construction phase. Leadership in Energy and Environmental Design Certification was achieved for the new wing in April 2019.
- Complex Continuing Care Facility, Calgary – The facility will provide 198 new complex care beds. The project is currently in the design phase.

- Gene Zwozdesky Centre at Norwood, Edmonton – The facility will help with the growing need in Edmonton, providing 350 enhanced long-term care beds, with a broad range of support programs and services. The project is currently in the construction phase.
- Fort McMurray Residential Facility-Based Care Centre, Willow Square – The facility will include spaces for long-term care, supportive living of various levels and palliative care. It is currently in the construction phase.
- Stollery Children's Hospital Critical Care Program, Edmonton – The redevelopment and expansion of the Critical Care Program will increase clinical support space to accommodate new equipment that is needed to meet increasing levels of patient care and current health standards of practice. Phase Three (Neo Natal ICU) of the project is currently in the construction phase; however active construction was temporarily paused due to the COVID-19 Pandemic. Phases One and Two are already complete.
- Northern Lights Regional Health Centre Repairs, Fort McMurray – The project will repair issues with the building envelope such as insulation and sealing of the building to extend the life of the facility. The project is currently in the construction phase.
- Lloydminster Continuing Care Centre – The two-phase project involved the construction of a new 60-bed long-term care facility (completed in 2017) and then a small renovation to replace some support service areas and abatement and demolition of the existing Dr. Cooke facility. The second phase at Dr. Cooke is in the construction phase; however, active construction was temporarily paused due to the COVID-19 Pandemic.
- Peter Lougheed Centre, Emergency Department, Mental Health, Intensive Care Unit and Laboratory Redevelopment, Calgary – The project is currently in the planning and design phase, with functional programming completed.
- Misericordia Community Hospital New Emergency Department, Edmonton – The project will address service pressures in Edmonton and neighbouring communities. The project is currently in the construction phase.
- Medical Device Reprocessing (MDR) Upgrades Program, multiple sites – MDR is an essential service, supporting patient safety by preventing the transmission of infections from reusable medical devices used in the delivery of health care. The project supports MDR remediation at high priority sites. Functional programming, which outlines project objectives, space and technical requirements, was completed for Westlock, Sturgeon and Northern Lights. The Peter Lougheed Centre and Foothills Medical Centre programs are in the design phase.
- Provincial Pharmacy Central Drug Production and Distribution Centre –Edmonton - The project is to consolidate and centralize drug production and distribution activities in the province. The functional program was approved in December 2019. The project is currently in the design phase.
- University of Alberta Hospital Brain Centre - Neurosciences Intensive Care Unit (ICU), Edmonton – This project will redevelop the Neurosciences ICU to meet best practices for a new 24 bed, state of the art program that will include an associated dedicated computed tomography suite. The functional program was approved in February 2020, and the project is currently in the preliminary design phase.

- Red Deer Secure Detoxification and Residential Treatment Facility – The Protection of Children Abusing Drugs achieved substantial completion and was handed over to Alberta Health Services in 2020.

### *School Facilities*

In collaboration with Education and school jurisdictions, Infrastructure designs, builds and modernizes school facilities to ensure Alberta's kindergarten to grade 12 students and communities have access to modern and well-designed learning spaces. In 2019-20, the ministry expended \$420 million on the construction and modernization of school facilities. While Education is accountable for capital planning, Infrastructure is accountable for project implementation. School capital projects are delivered through two streams:

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

The new Meadow Ridge K-9 School in Okotoks was completed in the summer of 2019 and opened its doors to students in September 2019. The school's adaptive and open spaces enable collaboration, and both indoor and outdoor classrooms offer a laboratory-style setting conducive to learning.

Since 2011, the province has undertaken one of the most significant school building programs in North America. A total of 303 school capital projects have been approved, of which 226 have been completed, including 19 schools completed in 2019-20. Overall, as of March 31, 2020:

- 226 projects are Complete;
- 25 projects are in Construction;
- one is in Contract Award;
- three are in the Tender Stage;
- 19 are in the Design Stage; and
- 29 are in the Planning Stage.

As part of the Modular Classroom Program, Infrastructure delivers modular classrooms as a cost-effective and adaptable solution for managing school capacities. Under the program, Education makes the decisions to approve modular classrooms based on health and safety, and enrolment pressures. These modular classrooms also replace aging modular units/portables, while their improved durability and structural integrity provides flexibility to move classrooms where they are needed to accommodate students. Modular classrooms look like permanent classrooms on the inside, but are designed as relocatable structures, built off-site, to be easily transported as one unit. In 2019-20, Infrastructure budgeted \$44.9 million for the Modular Classroom Program, and spent \$32.2 million to deliver 62 modular classrooms.

To address the Office of the Auditor General's (OAG) April 2016 recommendations on the management of the School Capital Program, Infrastructure has made significant strides. Action items regarding the recommendations that Infrastructure is solely accountable for have been completed. The ministry continues to work with Education and provides regular updates to the OAG. The intent of the 2016 recommendations has been met with the following key achievements:

- The development of the Capital Infrastructure Dynamics system, which has improved:
  - project and financial reporting;
  - availability of timely information;
  - project management; and
  - assistance in identifying risks to project scope, schedule and budget.
- The Capital Infrastructure Dynamics system is also enabling project teams and decision-makers to formulate mitigation strategies to successfully implement the Capital Plan.
- Almost all of the action items for which Infrastructure and Education have joint accountability have been completed. Infrastructure is working with Education to complete the last of these joint accountability items, most notably an update to the School Capital Manual.

In 2019-20, 117 apprentices were working on Infrastructure-managed projects. The ministry requires apprenticeship plans on major public projects with budgets of more than \$15 million, or those that will require at least two years to complete. A minimum of one apprentice position is also required for each sub-contract valued at \$500,000 or greater. This ensures infrastructure projects create apprentice job training opportunities.

### *Post-Secondary Facilities*

Infrastructure provides support to post-secondary institutions (PSIs) to develop facilities to meet their needs, and collaborates with Advanced Education in reviewing and establishing project priorities during the capital planning process. This support includes reviewing business cases and working with PSIs to ensure complete and accurate proposals are submitted. Infrastructure also provided support to PSIs that require Orders in Council (OIC) for dispositions to sell or lease land as part of the ministry's responsibility. Approximately five to 10 requests are received per year for land dispositions. In 2019-20, in an effort to contribute toward the Red Tape Reduction initiative, Infrastructure collaborated with Advanced Education to reduce the number of steps involved in obtaining OIC and to provide PSIs with timely decisions. For more information, see the Red Tape Reduction section.

In 2019-20, two post-secondary capital projects delivered by the PSIs were completed, another seven are underway. No new post-secondary projects were approved in Budget 2019.

### *Government-Owned and Operated Facilities*

In collaboration with other ministries, Infrastructure plans, designs, builds and maintains facilities to support the provision of Government of Alberta programs and services. In 2019-20, the ministry spent \$38.8 million on the construction of government facilities. As of March 31, 2020, key projects in progress or recently completed include:

- Leduc Agrivalve Processing Business Incubator Expansion– The facility is being expanded to support the establishment and growth of new food companies or products and business ventures in Alberta. The expansion includes two additional incubator suites and a product development suite capable of supporting provincially inspected food processors. The project is currently nearing the end of design phase.
- Red Deer Justice Centre – The project will address space shortages in the community and ensure vital justice services are delivered effectively to residents of central Alberta. Land has been acquired and Infrastructure is working with the City of Red Deer to integrate the

development into the downtown cityscape. This project is currently wrapping up the design phase.

- Courthouse Renewal Program – The renewal of courthouses throughout the province, including:
  - upgrades to courthouses in Didsbury and Canmore and modular courthouses in Chateh were completed in 2019-20;
  - upgrades to the Whitecourt courthouse are nearing completion;
  - design and construction are ongoing at the Edmonton Law Courts and facilities at Hinton, Cochrane and Brooks; and
  - modular courthouse for Alexis Nakota Sioux Nation is in the construction phase.
- Calgary Remand Centre Divided Living Units – The current facility was constructed in 1989 and the living units are too large and pose security issues, to which the project will address by dividing the units. This project is currently in the construction phase.
- Emergency Services Centre, Kananaskis – This project involves constructing a new multi-services facility to replace the existing emergency services facility, which will provide a full range of fire and emergency services. The project is currently in the construction phase.
- Yellowhead Youth Centre, Edmonton – The existing campus includes 12 buildings that are past their useful lifespan and no longer meet the program needs of the client group. The project will include facility redesign and new construction to upgrade the campus to align with current programming requirements, treatment processes and building codes. This project is currently in the functional programming phase.

### Impacts of COVID-19 Pandemic

As COVID-19 moved into Alberta, Infrastructure responded accordingly to safeguard Alberta Public Service (APS) employees by ensuring that government facilities have hand sanitizer stations and that security guidelines are in place. The ministry collaborated with the Public Service Commission to develop an enhanced cleaning protocol for use in cleaning worksites in the event an APS employee tests positive for COVID-19. To support Alberta's Relaunch Strategy, Infrastructure collaborated with stakeholders to develop re-entry guidelines and cleaning protocols for government facilities and worksites.

In March 2020, Infrastructure collected over 1,400 masks from its inventory to assist in the fight against COVID-19. These masks were delivered to the government's Provincial Operations Centre in Edmonton for redistribution to high priority areas.

To support the Government of Alberta's COVID-19 pandemic response, Infrastructure provided parking lots of several government-owned buildings across the province for Alberta Health Services to use as drive-thru COVID-19 testing sites. Hand sanitizer stations and plexi-glass were installed in selected court facilities throughout the province to protect the public and employees. Office and warehouse spaces were provided for distribution of personal protective equipment by the Provincial Operations Centre to vulnerable groups and essential workers across the province.

Moving forward, Infrastructure will continue to evaluate its methods and adapt to changes as necessary during this pandemic.



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## Outcome One Performance Measure and Indicators

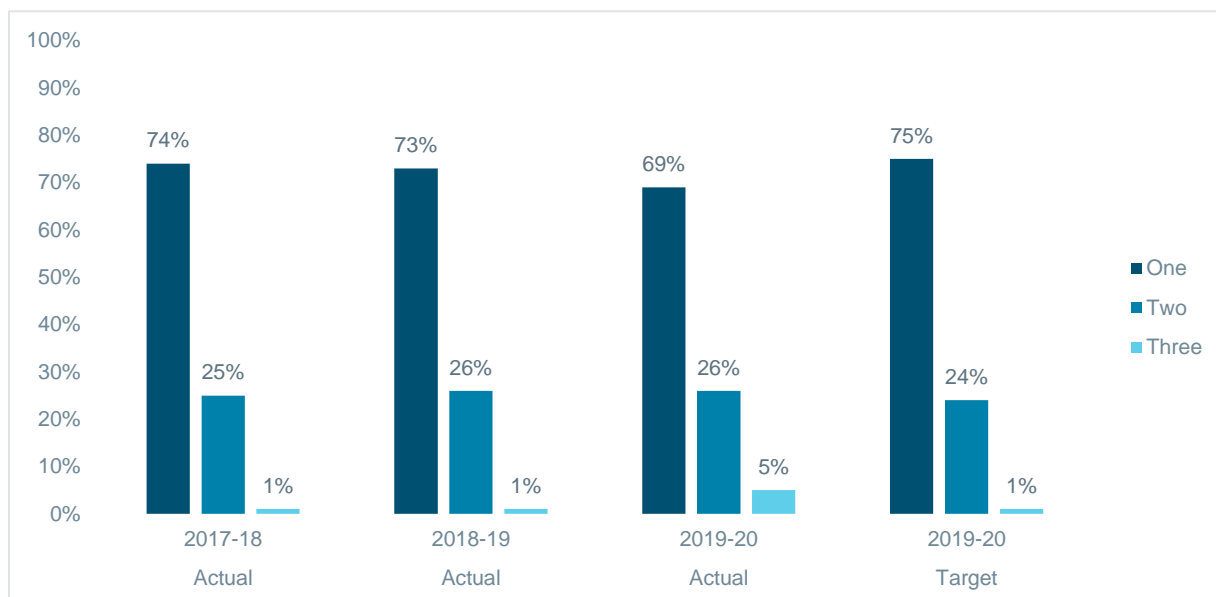
In measuring performance towards achieving Outcome One, the ministry monitors and reports on the physical condition of health facilities, K-12 schools and post-secondary institutions as performance indicators, and on government-owned and operated facilities as a performance measure. Infrastructure uses the Facility Condition Index (FCI) as a common metric, providing an indication of the physical condition for each facility type. The FCI is a ratio of the cost to address current and future (five year) maintenance and renewal needs, relative to facility replacement value, which is translated into three different categories:

- Category One - facilities with FCI less than or equal to 15 per cent;
- Category Two - facilities with FCI that is greater than 15 per cent or equal to or less than 40 per cent; and
- Category Three - facilities with FCI greater than 40 per cent.

These metrics support partner ministries to identify investment opportunities and set priorities for the purpose of capital planning on capital maintenance and renewal projects and potential cases for new or replacement facilities.

The physical condition of health, school and post-secondary facilities will be reported as performance indicators starting with the 2019-20 Annual Report. There are many factors beyond the control of Infrastructure that influence the results achieved for these facilities. However, physical condition of government-owned and operated facilities will continue to be reported as a performance measure. For more information about the measures and how the results are calculated, please see the performance measure and indicator methodology section.

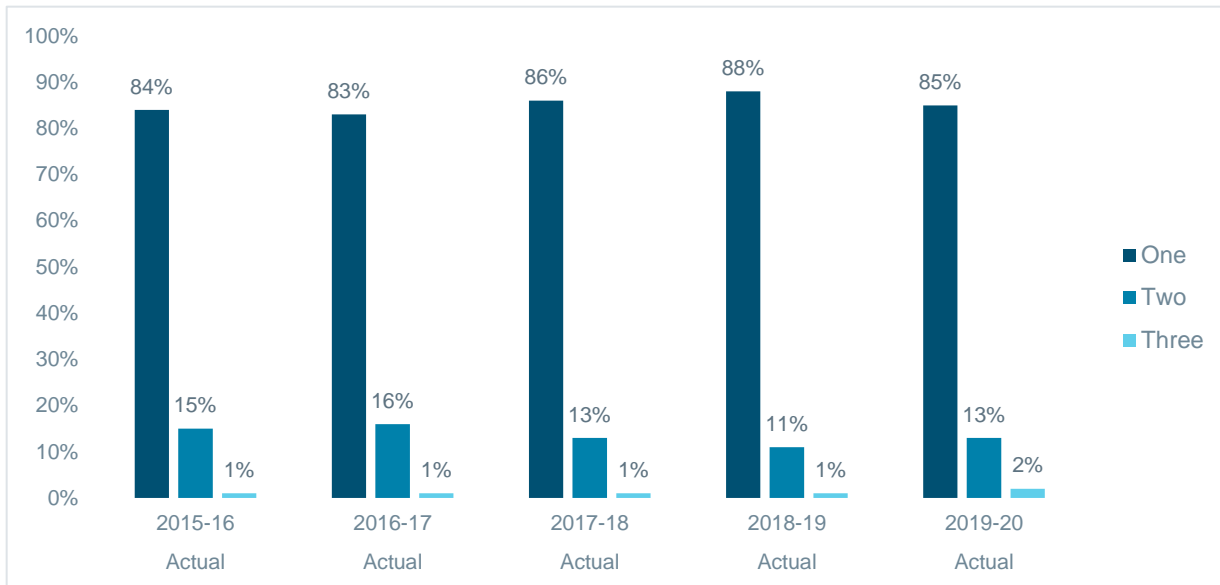
### Performance Measure 1.a: Government-Owned and Operated Facilities – Physical Condition



- This performance measure reports the percentage of government-owned and operated facilities rated in Category One, Two and Three (by area in square metres). This measure supports long-term capital planning of government-owned and operated facilities across the province. The average age of government-owned and operated facilities included in this measure is 43 years, with 88 per cent more than 30 years old.
- The targeted facility condition index for government-owned and operated facilities in 2019-20 was:
  - 75 per cent in Category One;
  - 24 per cent in Category Two; and
  - one per cent in Category Three.
- The 2019-20 results for government-owned and operated facilities were:
  - 69 per cent in Category One;
  - 26 per cent in Category Two; and
  - five per cent in Category Three.
- As compared to the target, the 2019-20 performance measure result is six per cent lower in Category One, two per cent higher in Category Two and four per cent higher in Category Three. The result indicates a decline in performance from the previous year.
- The performance result shows a decline in facility condition with buildings moving from Category One to Category Two or Three due to an increase in aging building inventory.

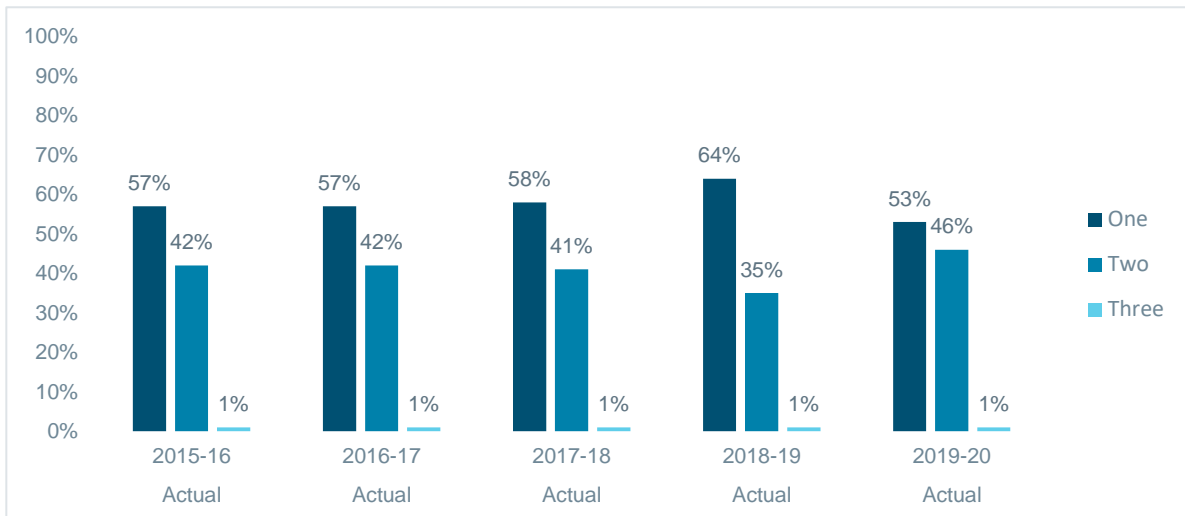
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- Recent evaluations on large buildings have further contributed to the shift from Category One to either Category Two or Three. Some of the buildings that were part of recent evaluations that impacted the results are:
    - Infrastructure Building moved to Category Two;
    - Alberta Tree Improvement & Seed Centre Greenhouses No. 1 – 20 all moved to Category Two;
    - Terrace Building moved to Category Three; and
    - Court Of Appeal - Queens Bench Building moved to Category Three.
  - Performance is influenced by several factors:
    - As facilities age, building components deteriorate, increasing the maintenance costs. This is why facilities shift from Category One to Category Two or Three as they age.
    - Impacts of major maintenance funding may not be reflected in the current condition assessments and may take several years to have an impact on the facility rating.
  - Infrastructure’s Asset Management Plan continues to support investing in core buildings while disposing of assets that are obsolete, inefficient and are no longer required.

**Performance Indicator 1.b:  
Health Facilities – Physical Condition**



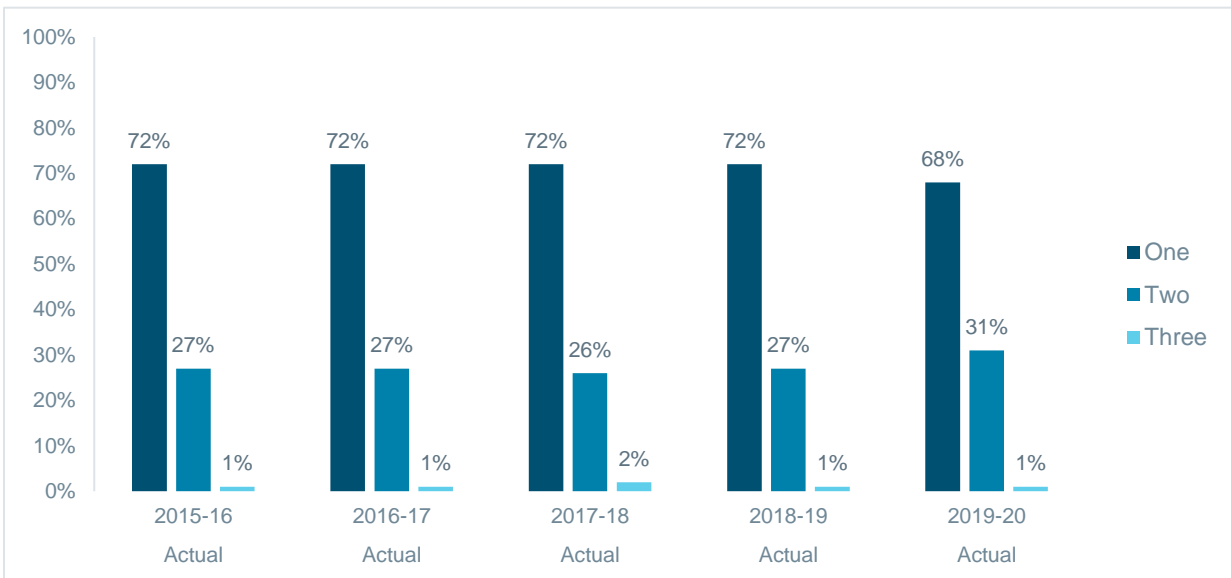
- This performance indicator reports the percentage of health facilities rated in Category One, Two and Three (by area in square metres). This indicator supports long-term capital planning of health facilities across the province. The average age of health facilities included in this indicator is 38 years, with 67 per cent more than 30 years old.
- In 2019-20, 85 per cent of health facilities were in Category One, 13 per cent were in Category Two and two per cent were in Category Three.
- Over the last five years the condition of health facilities has been fluctuating between Category One and Category Two. However, in 2019-20, two per cent of the facilities moved to Category Two and one per cent moved to Category Three. This is due to 16 facilities that were re-evaluated in 2019 and were moved to lower categories. Natural factors such as extreme weather conditions and aging have contributed to the recent shift from Category One.
- The current results and trend are expected to continue in the coming years as facilities age, new projects are completed and older facilities are disposed of.

### Performance Indicator 1.c: School Facilities – Physical Condition



- This performance indicator reports the percentage of schools rated in Category One, Two and Three (by area in square metres). The average age of school facilities included in this indicator is 46 years, with 72 per cent more than 35 years old.
- In 2019-20, 53 per cent of school facilities were in Category One, 46 per cent were in Category Two and one per cent were in Category Three.
- Over the last five years the condition of school facilities has fluctuated between Category One and Category Two, and is expected to continue in the coming years as facilities age, new projects are completed and older facilities are disposed of.
- Even with the significant investment in school infrastructure, existing facilities continue to age contributing in the recent shift from Category One to Category Two. Natural factors, such as extreme weather conditions, also contribute to the shift from Category One.

**Performance Indicator 1.d:  
Post-Secondary Facilities – Physical Condition**



- This performance indicator reports the percentage of post-secondary facilities rated in Category One, Two and Three (by area in square metres). The average age of post-secondary facilities included in this indicator is 38 years, with 57 per cent more than 35 years old.
- In 2019-20, 68 per cent of health facilities were in Category One, 31 per cent were in Category Two and one per cent were in Category Three.
- Over the last five years the condition of post-secondary facilities has been fluctuating between Category One and Category Two and are expected to continue in the coming years as facilities age, new projects are completed and older facilities are disposed of. Natural factors such as extreme weather conditions also contribute to the shift from Category One.

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

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

### Key Objectives

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

Infrastructure owns, leases and provides property management services for approximately 1,800 structures totaling over two million square metres (m<sup>2</sup>) of space, with a \$12.1 billion replacement value of owned assets. In 2019-20, the ministry budgeted \$502 million and spent \$450.8 million on the management of owned and leased space, including property operations, utilities, leases and accommodation projects that contribute to the efficient use of government space.

#### *Transportation Utility Corridors*

The ministry owns and operates the Transportation Utility Corridors (TUC) around Edmonton and Calgary. The TUCs were established as part of a long-term plan to accommodate a number of linear transportation and utility facilities within consolidated corridors to help maximize the efficiency of linear infrastructure. As the TUC administrator, Infrastructure purchases regulated lands, sells TUC lands when declared surplus to program needs, manages the land, often by lease, and issues authorizations to applicants who wish to undertake development in the TUC, including other departments. In collaboration with Transportation, the ministry continued to acquire properties needed for the west portion of the southwest Calgary Ring Road on a willing seller basis. The Calgary Ring Road lies within the Calgary TUC. In 2019-20, the ministry made six acquisitions, with two acquisitions to be completed in early 2020-21.

In 2019-20, Infrastructure issued a Ministerial Consent and Right of Entry to Trans Mountain Pipeline, LP to install a new 40 km long pipeline project within the Edmonton TUC. The Edmonton TUC forms a small portion of the overall 980 km long pipeline project situated between Trans Mountain's Tank Farm in Strathcona County and the Terminal facility in Burnaby, British Columbia. Construction on this portion began in December 2019 and will be completed by September 2020. As of March 31, 2020, Trans Mountain had installed 15 km of pipeline in the TUC. The ministry continues to work closely with Trans Mountain to ensure all conditions of the Ministerial Consent and Right of Entry are satisfied upon completion of the project. Trans Mountain paid an independently appraised, market value compensation fee of \$21.7 million to the Government of Alberta for a permanent Right of Way for the pipeline.

#### *Real Estate and Space Utilization*

Optimization of real estate portfolio performance is essential and must consider financial accountability including building life-cycle costs, lease costs and service levels. The current office real estate portfolio consists of 46 per cent owned buildings and 54 per cent leased buildings, with 66 per cent leased buildings in the Edmonton and Calgary areas. The ministry is reducing its reliance on leased space with a target of 60 per cent owned and 40 per cent leased space for its office real estate portfolio, which will result in annual operating savings. In 2019-20, the ministry achieved net lease reductions of 2,038 m<sup>2</sup> and avoided having to lease 4,210 m<sup>2</sup> of new space by improving utilization within existing owned and leased assets.

To further support these efforts, Infrastructure aims to increase government-owned and operated office space density per occupant in the long term. Improved density will translate to lower total costs per occupant. Some examples of this work in 2019-20 include:

- The Peace River Provincial Building space consolidation project resulted in a lease reduction of 1,847 m<sup>2</sup> of space and an annual savings of \$358,000.
- A project to accommodate Justice and Solicitor General staff in the J.J. Bowlen building in Calgary resulted in leased cost avoidance of \$192,000 annually.
- The ministry also completed a project for the Public Service Commission to align teams with their new sector model, resulting in consolidation of 577 staff from 19 to 16 buildings. This facilitated the return of approximately 1,400 m<sup>2</sup> of owned and leased space for other purposes.
- The former Remand Centre in downtown Edmonton was decommissioned in June 2019, resulting in annual operational cost savings of \$570,000.
- An ongoing project in the Forestry Building in Edmonton plans to increase office density from 24 to 15 useable m<sup>2</sup>. This will allow Infrastructure to add over 200 new staff into the building and eliminate approximately 3,300 m<sup>2</sup> of leased space by 2021-22. The project requires Infrastructure to invest \$9 million in renovations and furniture, with future savings expected of more than \$15 million in lease costs over a period of 10 years. Similarly, a space densification project in Commerce Place in Edmonton will consolidate various ministries from four other locations and eliminate approximately 12,600 m<sup>2</sup> of leased space when completed in 2023-24. This will lead to savings of more than \$47 million over 10 years, for an investment of roughly \$20 million by Infrastructure.

Beginning in 2020-21, Infrastructure will report both government office space density and total costs as performance metrics in its business plan and annual report, and will highlight the work that helps improve them.

Infrastructure is also exploring innovative office solutions that reduce space footprint while promoting flexibility, movement, conversation and autonomy among staff. The ministry launched the mobile suite pilot program in October 2019 at the Infrastructure Building in Edmonton. The suite is a significant achievement as the first fully unassigned work area in the Government of Alberta. The program offers a flexible workspace with a large café area to welcome staff and visitors, meeting booths for visual privacy without walls, lab space with dual monitors and height adjustable desks and solo pods providing space for quiet work. Staff participating in the program can work in any part of the suite as they are equipped with mobile devices, such as laptops and smartphones. As there are no longer assigned cubicles, the mobile suite achieved space efficiencies within 600 m<sup>2</sup>, creating capacity for 130 mobile staff at a design density of five square metres per person in a space that previously accommodated 43 staff. This has also led to an 80 per cent reduction in operating costs per occupant (\$5,000 to \$1,000), and ongoing annual savings of \$162,000 once at capacity. Overall, the mobile suite provides flexible space that meets staff needs, encourages digitization and facilitates collaboration. This allows staff to be agile, as recently

For the duration of the one-year mobile suite pilot program at the Infrastructure Building, a data sensor study is in place to inform utility, efficiency and effective design for future mobility suites. Findings from the pilot program will inform future space design and utilization considerations at other government office facilities. For example, a mobile suite is being designed for Commerce Place in Edmonton as part of a space utilization project with support from Advanced Education.



demonstrated during the disruptions caused by COVID-19 where pilot participants were able to avoid business interruptions.

Overall, opportunities to achieve further lease reductions and space utilization projects are dependent on available funding. The government faces the challenge of competing priorities and finite resources, and the ministry will have to balance them to obtain the greatest value for taxpayer money. To support this, Infrastructure developed a 10-year accommodation plan in alignment with its Asset Management Plan, which provides a roadmap of projects, priorities, targets and budget to effectively plan for the future. This information supports the decision making process to establish predictable funding levels and ensures adequate maintenance of existing assets. Through this process, the ministry can align planned projects with its three-year budget targets. Strategic planning and management of the capital assets will ensure the Government of Alberta continues to meet program needs in the future and do so in a cost effective manner.

## **2.2 Maximize the value of government-owned and operated infrastructure while minimizing overall costs by supporting effective long-term investment in core assets and the disposition of inefficient or obsolete assets.**

In 2019-20, the ministry budgeted \$178.8 million and \$152.8 million was spent on the maintenance of government-owned facilities, including the preservation work on government-owned facilities and the capital maintenance and renewal of health and school facilities.

Infrastructure disposes surplus properties for the Government of Alberta. Proceeds from most surplus sales is returned to the government's General Revenue Fund. Sale of surplus properties provide both revenue and savings through reductions to operations and maintenance expenses. In 2019-20, Infrastructure generated \$1.1 million in proceeds from sales. Infrastructure also identifies and prioritizes opportunities to achieve operations and maintenance cost savings. Five properties were transferred to Alberta Health Services, which will lead to a reduction in ongoing maintenance to Infrastructure.

The ministry continues to face challenges with contaminated sites and their disposal, but it is committed to addressing them, and conducted 42 environmental site assessments on contaminated sites in 2019-20. Remediation was completed on one site, and 16 properties have received environmental clearance for sale.

In 2019, the MacKinnon Panel on Alberta's Finances recommended the ministry redefine the government's inventory of land assets to include the broader public sector and create a definitive policy to clearly define surplus assets and a process for their disposal. Providing an increased ability to government and the broader public sector to dispose of surplus assets can act as an offset to the capital cost of new investments or provide revenue for the province. Infrastructure is leading a broader public sector working group to address this recommendation. In 2019-20, the ministry commenced work to clearly define the government's inventory of real property assets, improve reporting and develop a consistent Surplus and Disposal Policy, which will be finalized in 2020-21. With the policy, there may also be opportunities to reduce red tape by streamlining processes, sharing resources, consolidating activities to reduce time and costs, increasing value of property and improving reporting practices. As the work is ongoing, results of these efforts will be reported at the end of 2020-21.

The MacKinnon Panel on Alberta's Finances also recommended the government work to stabilize and rationalize the allocation of Capital Maintenance and Renewal (CMR) spending and give priority to areas of greatest need in the future capital expenditure decisions. Currently, CMR funding is across several ministries in the Capital Plan, and each ministry prioritizes funding decisions independently. Infrastructure collaborated with Treasury Board and Finance to develop a

framework to create a consistent and coordinated approach to the prioritization and planning of CMR funding, with a focus on ensuring highest priority investments are identified across the entire government asset base. In 2019-20, Infrastructure conducted cross-ministry engagement to identify opportunities and ideas in moving this framework forward. As the work is ongoing, results of these efforts will be reported at the end of 2020-21.

### **2.3 Continue to implement environmental efficiencies and green technologies to help reduce the environmental footprint of provincial infrastructure.**

Since May 2006, new government-owned and operated facilities have been built to meet Green Building Standards, including the Leadership in Energy and Environmental Design (LEED) Silver standards. LEED is a third party certification used for measuring sustainable design requirements and is used in over 160 countries. Facilities that are built to LEED standards are more adaptable and resilient to more intense weather events.

As of March 31, 2020, 212 government facilities (including post-secondary institutions, school and health facilities) have received LEED certifications and an additional 99 facilities are under review for certification. A total of 32 LEED certifications were awarded this year:

- 11 Gold certifications;
- 17 Silver certifications; and
- four LEED certifications.

Due to operational cost savings, the total life-cycle cost of LEED-certified buildings is less than that of baseline buildings, despite their greater initial cost. Energy costs are 23 to 28 per cent lower on Infrastructure LEED-certified buildings compared to baseline buildings.

Two notable examples in 2019-20 are the modular courthouses located in Fort Vermillion and Red Earth Creek. These modular courthouses achieved a certified level of LEED Certification, earning high energy performance points. This is a high achievement in prefabricated buildings, especially due to the challenges presented by being located in remote areas. Another notable project is the Senator Fairbairn School in Lethbridge, which received LEED Gold certification in energy efficiency and achieved all available points for reducing energy costs in LEED.

Infrastructure also seeks certifications from the Building Owners and Managers Association Building Environmental Standards (BOMA BEST) program. The program acknowledges the compliance of commercial buildings with industry best practices in energy, water and waste reduction. In 2019-20, Infrastructure conducted 16 energy audits and provided site-specific recommendations to reduce energy consumption. Meanwhile, six government-owned and operated buildings also achieved EnergyStar scores of over 75, which is the benchmark a building must receive in order to pursue EnergyStar certification. The provincial buildings located in Hanna, Edson and Lethbridge achieved scores over 90. Additionally, the provincial buildings in Drayton Valley and Barrhead achieved phenomenally low water use intensity scores (under 0.01 m<sup>3</sup>/m<sup>2</sup>), while the Westlock Provincial Building diverted 87 per cent of the waste generated onsite from the landfill, well above the industry average.

In 2019, the ministry awarded a contract for purchasing solar-generated power for the government. This new contract is expected to be operational in January 2021 and three new solar facilities will provide up to 146,000 megawatt-hours to Alberta's electricity grid on an annual basis. These solar facilities will provide up to 55 per cent of the current consumption for the government over the next 20 years. The contract is expected to save an estimated \$3.9 million per year, or \$79 million over the full 20-year term, when compared to the contract it will replace. The

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government will pay an average of \$48.05 per megawatt-hours for the electricity generated as compared to \$84.29 currently.

The Recycled Furniture Program eliminates the manufacturing and shipping of new furniture by providing good quality used furniture as a cost effective alternative. Recycled furniture is sourced through ministries that have furniture no longer required for their business needs, and through opportunities offered from furniture dealers and furniture installation companies. The cost savings of using recycled furniture is estimated at \$660,000 annually. In 2019-20, government ministries received 166 recycled workstations and 1,000 individual pieces of recycled furniture. The program spent \$262,000 out of a total \$300,000 budgeted for 2019-20.

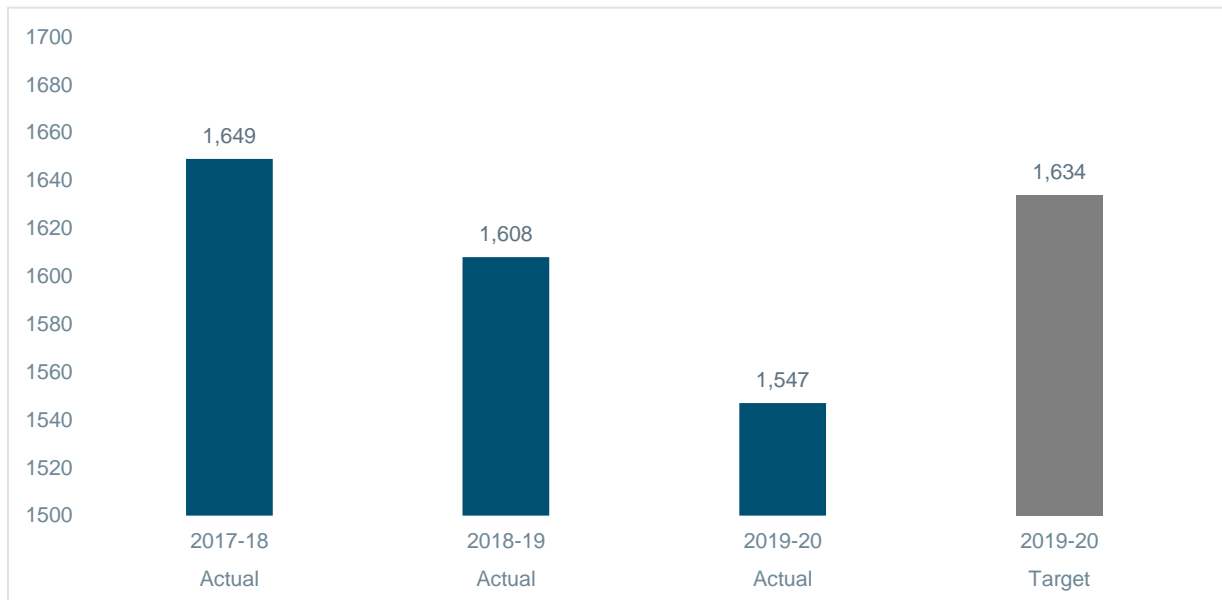
Since 2011, the Recycled Furniture Program has provided more than 13,300 individual furniture pieces and over 3,200 complete workstations to client ministries. This translates into a cost savings of approximately \$13.5 million for the government.

## Outcome Two Performance Measure

In measuring performance in achieving Outcome Two, the ministry monitors energy consumption in government-owned and operated facilities.

### Performance Measure 2.a:

#### Energy consumption intensity in megajoules per gross square metre in government-owned and operated facilities



- 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 targeted energy consumption intensity for 2019-20 was 1,634 megajoules per square metre. However, the ministry revised its expected results to 1,600 megajoules in fall 2019 based on the previous year's trends in energy consumption and the potential impact of energy efficiency projects.
- The 2019-20 result for energy consumption intensity is 1,547 megajoules per square metre.
- As compared to the target and the expected results, the results achieved in 2019-20 show a significant improvement in energy consumption intensity. The ministry was able to reduce its energy consumption in 2019-20 due to:
  - implementation of energy savings and deep energy retrofitting projects in:
    - Allison Brood Trout Facility
    - Provincial Building Peace River

- Provincial Building Athabasca
- Courthouse Wainwright
- Provincial Building Lac La Biche
- Reynolds - Alberta Museum
- John E. Brownlee Building
- ongoing in-house energy audits;
- routine execution of preventive maintenance program; and
- incorporation of new building areas.
- All these initiatives are intertwined factors and played a vital role towards energy savings of the government-owned portfolio.
- The performance measure results are expected to show further improvement in energy consumption in coming years due to Infrastructure's commitment, continuous efforts and significant investment in deep energy retrofits and energy efficiency projects.

## Performance Measure and Indicator Methodology

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

#### Methodology

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

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

#### 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.

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. As stated in the 2018-19 Annual Report, the definition for Category Three has been refined to reflect a more accurate description of these types of facilities.

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.

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

**Performance Measure 2.a:**  
**Energy consumption intensity in megajoules per gross square metre (MJ/m<sup>2</sup>) in government-owned and operated facilities**

### Methodology

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

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

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

Energy consumption intensity is then calculated by:

- Determining the total floor space in square metres (m<sup>2</sup>) of the facility by accessing the Building and Land Information Management System (BLIMS).
- The energy consumption in megajoules (MJ) processed through ESPM is divided by the applicable floor space to determine the energy consumption intensity (MJ/m<sup>2</sup>).
- The gross energy consumption intensity (MJ/m<sup>2</sup>) of all government-owned and operated facilities is then totalled to account for the current inventory.

### Source

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

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

Ministry Financial Highlights.....	40
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
Supplemental Financial Information.....	44
Tangible Capital Assets (unaudited).....	44
Financial Information.....	45
Statement of Credit or Recovery (unaudited).....	46
Lapse/Encumbrance (unaudited).....	47

## Ministry Financial Highlights

### Statement of Revenues and Expenses (unaudited)

End of the year March 31, 2020

	2020		2019	Change from	
	Budget	Actual	Actual Restated	Budget	2019 Actual
	<i>(in thousands)</i>				
<b>Revenues</b>					
Government Transfers	\$ 8,598	\$ 6,554	\$ 17,222	\$ (2,044)	\$ (10,668)
Premiums, Fees and Licences	1,870	2,383	2,190	513	193
Other Revenue				-	-
Swan Hills Treatment Centre	11,120	11,737	9,801	617	1,936
Leases (Land and Buildings)	10,930	34,128	15,157	23,198	18,971
Transfer In of Tangible Capital Assets	-	7,740	498	7,740	7,242
Refunds of Expenditure	1,400	5,033	5,506	3,633	(473)
Cost Recoveries	306	1,161	686	855	475
Gain on Disposal of Tangible Capital Assets	-	862	21,252	862	(20,390)
Miscellaneous	140	97	151	(43)	(54)
Ministry Total	34,364	69,695	72,463	35,331	(2,768)
Inter-ministry consolidation adjustments	(3,866)	(10,466)	(2,959)	(6,600)	(7,507)
Adjusted ministry total	30,498	59,229	69,504	28,731	(10,275)
<b>Expenses - Directly Incurred</b>					
<b>Programs</b>					
Ministry Support Services	11,634	11,066	11,112	(568)	(46)
Capital Construction	1,162,929	1,105,633	1,005,891	(57,296)	99,742
Property Management	389,887	383,471	398,411	(6,416)	(14,940)
Asset Management	6,331	5,968	5,262	(363)	706
Realty Services	181,685	174,747	206,577	(6,938)	(31,830)
2013 Alberta Flooding	1,651	306	1,523	(1,345)	(1,217)
Ministry Total	1,754,117	1,681,191	1,628,776	(72,926)	52,415
Inter-ministry consolidation adjustments	(1,140,707)	(1,075,773)	(990,081)	64,934	(85,692)
Adjusted ministry total	613,410	605,418	638,695	(7,992)	(33,277)
<b>Annual Deficit</b>	<b>\$ (582,912)</b>	<b>\$ (546,189)</b>	<b>\$ (569,191)</b>	<b>\$ 36,723</b>	<b>\$ 23,002</b>

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## Revenue and Expense Highlights

### Revenues

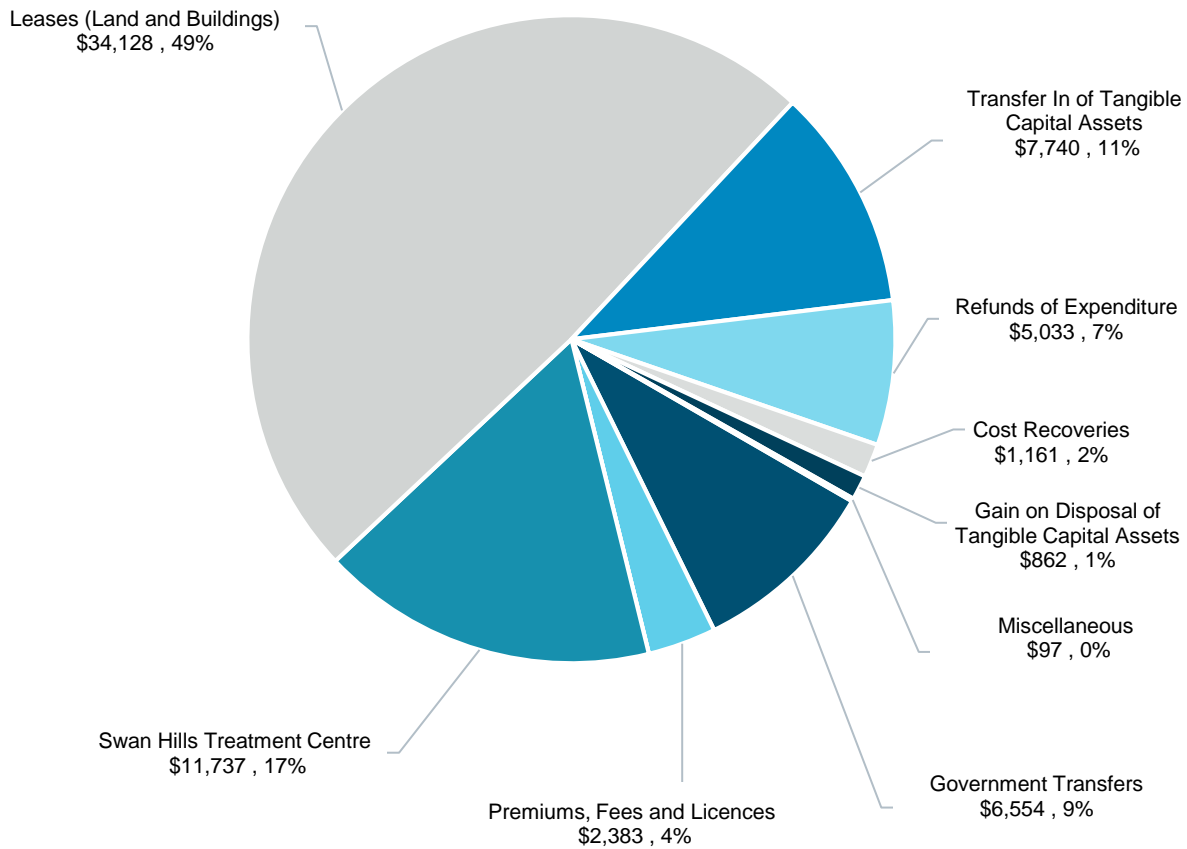
- Revenues totaled \$69.7 million in 2019-20, a slight decrease of \$2.8 million from 2018-19.
- Revenues were \$35.3 million higher than budget. This was primarily due to funds received from Trans Mountain Pipeline, LP for right of way access on Edmonton transportation utility corridor land.
- Government transfers of \$6.5 million includes \$3.3 million from the Peerless Trout First Nation for the construction of two schools on the Peerless Trout First Nation, and approximately \$3 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.
- Funds generated through the operation of the Swan Hills Treatment Centre and through the leasing of land and buildings (excluding the one-time funds received for right of way access noted above) are the two main stable and more predictable sources of revenue for the ministry. Other sources are more prone to fluctuation. Items such as the gain on sale or transfer of assets are typically not budgeted as they are very difficult to estimate, both in timing and value of the transactions.

### Expenses

- Expenses totaled \$1.7 billion in 2019-20, an increase of \$52.4 million from 2018-19.
- Budget 2019 allocated over \$1.7 billion in funding for expenses, nearly 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 \$72.9 million lower than the budget. This variance mainly relates to changes in project scheduling and cash flow requirements based on the progress of major health and school capital construction projects. Lapsed funding will be requested to be re-profiled for use in future years.
- The number and stage of delivery of health and school capital projects has the greatest impact on changes to expense for the ministry from year to year. Factors that could impact project progress include the timing and pace of procurement and construction work and project scope.

**Breakdown of Revenues (unaudited)**

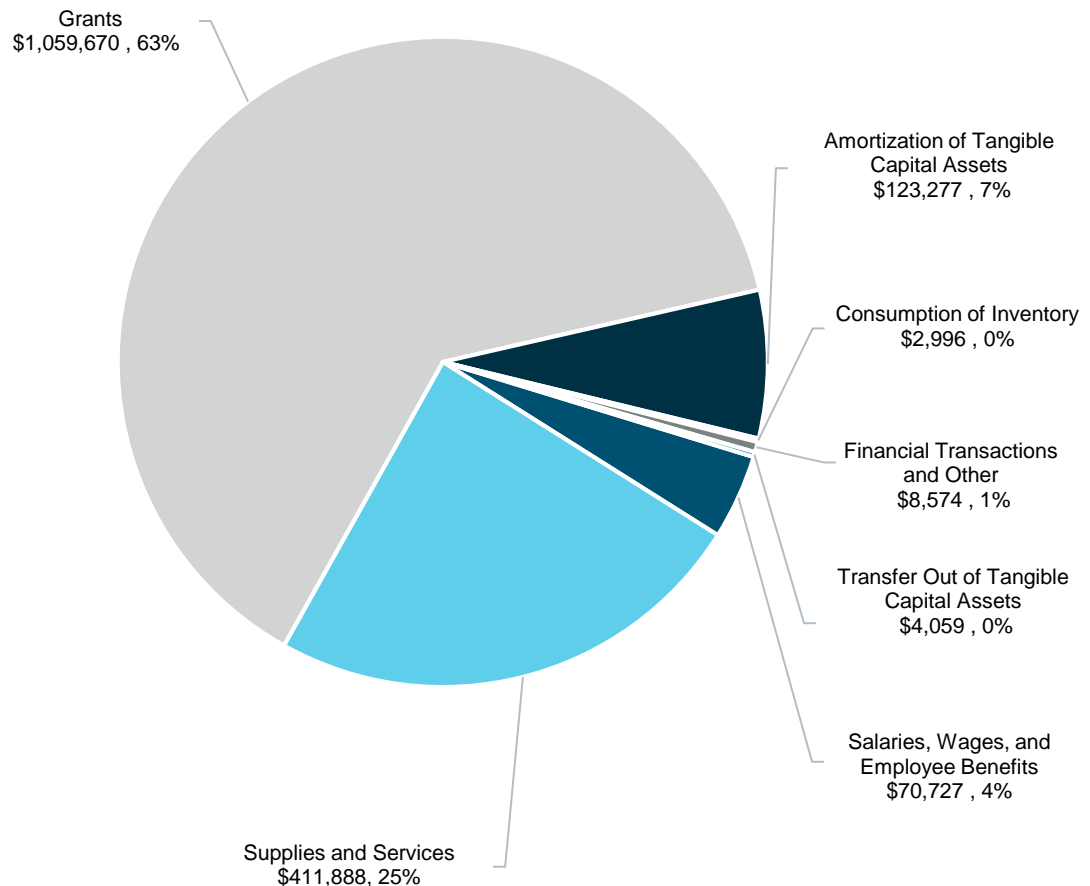
**2020 Actual**  
(in thousands)



- The largest component of revenue in 2019-20, totaling over \$34 million (49 per cent), relates to funds generated through the leasing of land and buildings and right of way fees. 2019-20 includes approximately \$22 million from Trans Mountain Pipeline, LP for right of way access on Edmonton transportation utility corridor land.
- Funds generated through the operation of the Swan Hills Treatment Centre of nearly \$12 million represents 17 per cent of Infrastructure’s total revenue. This remains a stable source of revenue for the ministry.

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

**2020 Actual**  
(in thousands)

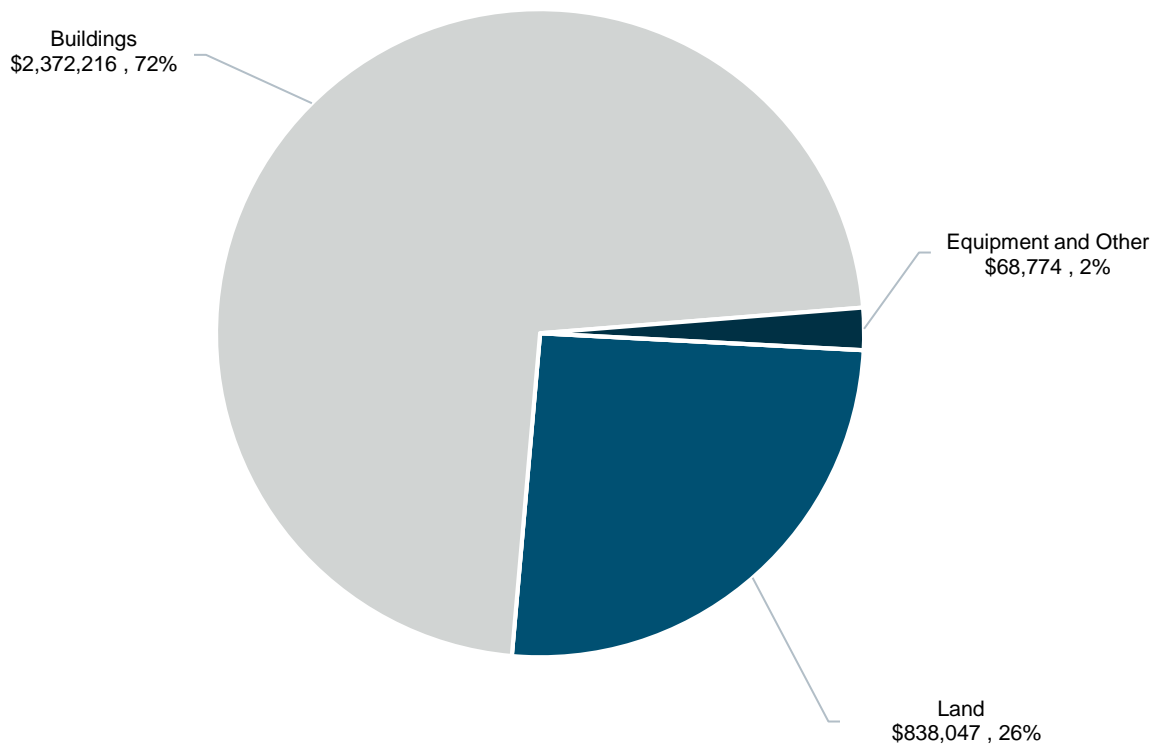


- The ministry's largest operating expense was grants, which made up 63 per cent of total operating expense. In 2019-20, over \$1 billion was provided to support the construction and maintenance of health (\$639.7 million) and school facilities (\$420 million).
- Supplies and services of \$411.9 million (24 per cent) primarily related to payments for leased space, property management and utility costs, and ongoing materials and supplies requirements for the ministry.
- Remaining ministry expenses mainly relate to the amortization of tangible capital assets (7 per cent), and salaries and employee benefits to administer programs (4 per cent).

## Supplemental Financial Information

### Tangible Capital Assets (unaudited)

**Net Book Value as of March 31, 2020**  
(in thousands)



- Buildings and land make up 98 per cent of the total net book value of \$3.3 billion for all assets owned by the ministry.
- Buildings are the largest asset group, made up of 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 56 per cent (\$1.3 billion) of the total net book value. These include the Edmonton Remand Centre, Edmonton Federal Building, and Royal Alberta Museum in Edmonton, as well as the Calgary Courts Centre, and the Swan Hills Treatment Centre.
- A lot 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.

## Financial Information

### Table of Contents

Statement of Credit or Recovery (unaudited) .....	46
Lapse/Encumbrance (unaudited) .....	47

**Statement of Credit or Recovery (unaudited)**

**For the year ended March 31, 2020**

*In thousands*

The following has been prepared pursuant to Section 24(3) of the *Financial Administration Act*.

	<u>Authorized</u>	<u>Actual Revenue Recognized</u>	<u>Unearned Revenue Balance</u>	<u>Total Revenue Received / Receivable</u>	<u>(Shortfall)/ Excess</u>
Leases (Land and Buildings)	\$ 10,930	\$ 12,602	\$ 1,160	\$ 13,762	\$ 2,832
Swan Hills Treatment Centre <sup>(1)</sup>	<u>11,120</u>	<u>11,737</u>	<u>1,310</u>	<u>13,047</u>	<u>1,927</u>
	<u>\$ 22,050</u>	<u>\$ 24,339</u>	<u>\$ 2,470</u>	<u>\$ 26,809</u>	<u>\$ 4,759</u>

<sup>(1)</sup> The private sector is charged for the disposal of hazardous waste.



## Lapse/Encumbrance (unaudited)

For the year ended March 31, 2020

In thousands

The following has been prepared pursuant to Section 28(5) and 28.1(4) of the *Financial Administration Act*.

Expense Vote by Program	Voted	Supplementary	Adjusted Voted		Voted	Unexpended
	Estimates <sup>(1)</sup>	Estimates	Adjustments <sup>(2)</sup>	Estimate	Actuals <sup>(3)</sup>	(Over Expended)
	<i>(in thousands)</i>					
<b>Operating Expense</b>						
<b>1 Ministry Support Services</b>						
1.1 Minister's Office	\$ 1,005	\$ -	\$ -	\$ 1,005	\$ 940	\$ 65
1.2 Deputy Minister's Office	790	-	-	790	671	119
1.3 Corporate Strategies and Services	9,839	-	-	9,839	9,510	329
	<u>11,634</u>	<u>-</u>	<u>-</u>	<u>11,634</u>	<u>11,121</u>	<u>513</u>
<b>2 Capital Construction</b>						
2.1 Government Facilities Infrastructure	2,200	-	-	2,200	1,753	447
2.2 Health Facilities Infrastructure	4,471	-	-	4,471	11,198	(6,727)
2.3 School Facilities Infrastructure	1,838	-	-	1,838	1,928	(90)
2.7 Project Procurement, Standards and Technical Services	7,872	-	-	7,872	6,529	1,343
	<u>16,381</u>	<u>-</u>	<u>-</u>	<u>16,381</u>	<u>21,408</u>	<u>(5,027)</u>
<b>3 Property Management</b>						
3.1 Property Operations	215,398	-	-	215,398	214,585	813
3.2 Swan Hills Treatment Centre	30,254	-	-	30,254	27,606	2,648
	<u>245,652</u>	<u>-</u>	<u>-</u>	<u>245,652</u>	<u>242,191</u>	<u>3,461</u>
<b>4 Asset Management</b>	6,331	-	-	6,331	5,937	394
<b>5 Realty Services</b>						
5.1 Leases	177,942	-	-	177,942	171,782	6,160
5.2 Land Acquisition and Services	2,750	-	-	2,750	1,926	824
5.3 Fort McMurray and Area Lands	993	-	-	993	931	62
	<u>181,685</u>	<u>-</u>	<u>-</u>	<u>181,685</u>	<u>174,639</u>	<u>7,046</u>
<b>6 2013 Alberta Flooding</b>						
6.1 Floodway Relocation Program	-	-	-	-	288	(288)
<b>Capital Grants</b>						
<b>2 Capital Construction</b>						
2.3 School Facilities Infrastructure	5,318	-	-	5,318	3,316	2,002
2.4 Capital Planning	8,948	-	-	8,948	4,241	4,707
	<u>14,266</u>	<u>-</u>	<u>-</u>	<u>14,266</u>	<u>7,557</u>	<u>6,709</u>
<b>3 Property Management</b>						
3.3 Government Owned Facilities Preservation	7,513	-	-	7,513	6,553	960
3.4 Accommodation Projects	773	-	-	773	886	(113)
	<u>8,286</u>	<u>-</u>	<u>-</u>	<u>8,286</u>	<u>7,439</u>	<u>847</u>
<b>Debt Servicing</b>						
<b>3 Property Management</b>						
3.5 Debt Servicing	123	-	-	123	123	-
Credit or Recovery Shortfall (Schedule 2)	-	-	-	-	-	-
<b>Total</b>	<u>\$ 484,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 484,358</u>	<u>\$ 470,703</u>	<u>\$ 13,655</u>
<b>Lapse/(Encumbrance)</b>						<u>\$ 13,655</u>

## Lapse/Encumbrance (unaudited)

For the year ended March 31, 2020

In thousands

	Voted Estimates <sup>(1)</sup>	Supplementary Estimates	Adjustments <sup>(2)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(3)</sup>	Unexpended (Over Expended)
<b>Capital Investment Vote by Program</b>						
<b>Capital Investment</b>						
<b>1 Ministry Support Services</b>						
1.3 Corporate Strategies and Services	\$ -	\$ -	\$ -	\$ -	\$ 19	\$ (19)
<b>2 Capital Construction</b>						
2.1 Government Facilities Infrastructure	46,233	-	-	46,233	38,736	7,497
2.2 Health Facilities Infrastructure	2,423	-	-	2,423	2,377	46
2.4 Capital Planning	1,247	-	-	1,247	30	1,217
	<u>49,903</u>	<u>-</u>	<u>-</u>	<u>49,903</u>	<u>41,143</u>	<u>8,760</u>
<b>3 Property Management</b>						
3.1 Property Operations	186	-	-	186	166	20
3.2 Swan Hills Treatment Centre	5,684	-	-	5,684	2,481	3,203
3.3 Government Owned Facilities Preservation	69,968	-	-	69,968	45,889	24,079
3.4 Accommodation Projects	60,027	-	-	60,027	21,374	38,653
	<u>135,865</u>	<u>-</u>	<u>-</u>	<u>135,865</u>	<u>69,910</u>	<u>65,955</u>
<b>5 Realty Services</b>						
5.2 Land Acquisition and Services	20,713	-	-	20,713	96	20,617
	<u>20,713</u>	<u>-</u>	<u>-</u>	<u>20,713</u>	<u>96</u>	<u>20,617</u>
<b>6 2013 Alberta Flooding</b>						
6.2 Reconstruction and Accommodation	18	-	-	18	18	-
<b>Capital for Related Parties</b>						
<b>2 Capital Construction</b>						
2.2 Health Facilities Infrastructure	495,669	-	-	495,669	544,345	(48,676)
2.3 School Facilities Infrastructure	514,603	-	-	514,603	416,657	97,946
2.5 Health Capital Maintenance and Renewal	97,289	-	-	97,289	95,352	1,937
2.6 School Capital Maintenance and Renewal	11,557	-	-	11,557	11,572	(15)
	<u>1,119,118</u>	<u>-</u>	<u>-</u>	<u>1,119,118</u>	<u>1,067,926</u>	<u>51,192</u>
<b>6 2013 Alberta Flooding</b>						
6.2 Reconstruction and Accommodation	1,651	-	-	1,651	-	1,651
Total before	<u>\$ 1,327,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,327,268</u>	<u>\$ 1,179,112</u>	<u>\$ 148,156</u>
Lapse/(Encumbrance)						<u>\$ 148,156</u>

	Voted Estimates <sup>(1)</sup>	Supplementary Estimates	Adjustments <sup>(2)</sup>	Adjusted Voted Estimate	Voted Actuals <sup>(3)</sup>	Unexpended (Over Expended)
<b>Financial Transactions Vote by Program</b>						
<b>Inventory Acquisition</b>						
<b>3 Property Management</b>						
3.2 Swan Hills Treatment Centre	\$ 2,845	\$ -	\$ -	\$ 2,845	\$ 2,998	\$ (153)
<b>Land Development Liability Retirement</b>						
<b>5 Realty Services</b>						
5.3 Fort McMurray and Area Lands	13,008	-	-	13,008	3,977	9,031
<b>Contaminated Site Liability Retirement</b>						
<b>3 Property Management</b>						
3.1 Property Operations	2,100	-	-	2,100	1,956	144
3.2 Swan Hills Treatment Centre	655	-	-	655	76	579
	<u>2,755</u>	<u>-</u>	<u>-</u>	<u>2,755</u>	<u>2,032</u>	<u>723</u>
<b>Legal Liability Retirement</b>						
<b>2 Capital Construction</b>						
2.3 School Facilities Infrastructure	16,840	-	-	16,840	14,866	1,974
<b>Lease Liability Retirement</b>						
<b>5 Realty Services</b>						
5.1 Leases	500	-	-	500	500	-
<b>Debt Repayment for Public Private Partnerships</b>						
<b>3 Property Management</b>						
3.6 Debt Repayment	829	-	-	829	829	-
Total	<u>\$ 36,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,777</u>	<u>\$ 25,202</u>	<u>\$ 11,575</u>
Lapse/(Encumbrance)						<u>\$ 11,575</u>

<sup>(1)</sup> As per "Expense Vote by Program", "Capital Investment Vote by Program", and "Financial Transactions Vote by Program" pages of the 2019-20 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 forward amounts, transfers between votes, Government Reorganizations, and credit or recovery increases approved by Treasury Board, and credit or recovery shortfalls (Schedule 2). 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.

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

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## Annual Report Extracts and Other Statutory Reports

### Public Interest Disclosure (Whistleblower Protection) Act

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

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

There were no disclosures of wrongdoing filed with the Public Interest Disclosure Office for Infrastructure between April 1, 2019 and March 31, 2020.