

**Alberta Infrastructure  
Response to Request for Written Answers at the  
Standing Committee on Public Accounts, February 28, 2017**

**1. Question from Mr. Wes Taylor (MLA, Battle River-Wainwright)**

**Wainwright Hospital**

What is the estimated time frame for a hospital build project from putting it into the unfunded capital project list to the time that it's completed, such as the Wainwright hospital? (Page PA-349)

**Supplemental Response:**

A major capital health project may be approved at various points during planning. At each stage potential projects are prioritized and submitted to the Capital Planning process by Alberta Health based on information received from Alberta Health Services.

Typically, a project may be approved after a business case is complete or it can be referred for more detailed planning, in which case a functional program will be completed before approval consideration.

In the case of the Wainwright Healthcare Centre, a functional program is complete and it is prioritized with other potential health capital projects.

Below are some rough timelines of an acute care project that is approved in the Capital Plan for new construction at a greenfield location:

	<b>Rural Facility</b>	<b>Regional Centre or Urban</b>
Functional Program	8-12 months	10-16 months
Design/Construction	42-54 months	48-78 months

**Alberta Infrastructure**  
**Response to Request for Written Answers at the**  
**Standing Committee on Public Accounts, February 28, 2017**

**2. Question from Mr. Richard Gotfried, (MLA, Calgary-Fish Creek)**

**Public-Private Partnerships**

Just a little bit back on P3s and other types of partnerships, can you tell us what the current liabilities are which remain from previous P3 projects, how they're being managed, and maybe just a little bit of a note on if this model has been relatively cost- and capital-effective for the previously referenced major infrastructure projects across the province? (Page PA-350)

**Infrastructure Department Response:**

That's information I don't have with me today, but I'm happy to provide that in writing.

**Supplemental Response:**

Infrastructure has a liability for public-private partnerships (P3s) of \$7.1 million at March 31, 2016. This amount is shown on page 37 of the ministry's annual report, with additional information on P3s shown on page 47 (Note 9) of the ministry's annual report. The annual report is available on-line and can be accessed at:

<http://www.infrastructure.alberta.ca/Content/Publications/production/annualreport.pdf#pagemode=bookmarks>

The Province of Alberta has a liability for P3s of \$2.7 billion at March 31, 2016, as shown on page 27 of the Government of Alberta Annual Report. Additional information is shown on pages 61 to 62 of the Government of Alberta Annual Report. The annual report is available on-line and can be accessed at:

[http://www.finance.alberta.ca/publications/annual\\_repts/govt/index.html](http://www.finance.alberta.ca/publications/annual_repts/govt/index.html)

Infrastructure manages the P3 contracts for the Evan Thomas Water and Wastewater Treatment Facility Project and for the schools P3 projects. Transportation manages the ring road P3 contracts.

The use of P3 projects has resulted in almost all the capital projects being delivered on time and on budget. The Evan Thomas Water and Wastewater Treatment Facility Project and the southeast segment of the Calgary Ring were delivered a few months late. There are two P3 projects where the final capital cost is not yet finalized; all other P3 projects were delivered within the agreed-upon capital cost. Ongoing costs related to the P3 projects are in accordance with the agreements.

Determination of whether the P3 projects result in lower costs over the long term is an analysis that will need to be undertaken with Treasury Board and Finance and Transportation as more data is obtained on the costs of P3s.

**Alberta Infrastructure  
Response to Request for Written Answers at the  
Standing Committee on Public Accounts, February 28, 2017**

**3. Question from Mr. Richard Gotfried, (MLA, Calgary-Fish Creek)**

**David Dodge Report**

I'd just like to know which major infrastructure projects which have been newly announced by this government have been initiated under this plan: newly announced, initiated because of the David Dodge recommendations, and actually moving forward in terms of getting a shovel in the ground and moving ahead. Do we have a list of those projects that were newly announced and is the funding in place? Also, how many are actually moving ahead, or are they being delayed? (Page PA-351)

**Infrastructure Department Response:**

Sure. I don't have my complete list in front of me, but I know that there was a postsecondary institution project that was announced at that point in time. There were a number of other smaller projects that were deemed to be shovel ready, ready to go. I think the other part that was done was that a significant amount of funding was set aside in Health, Education, postsecondary as well as in Seniors for future projects, and I think that when the capital plan comes out, you'll see that that funding has been allocated more effectively now because the planning, that's been talked about a number of times, and the upfront work have been done on a number of projects now.

I can get that (list) for you in writing.

**Supplemental Response:**

In *Budget 2016* there were 47 capital projects or programs that received new funding and were considered to be shovel ready. The list of projects, including their status as of January 31, 2017, is attached.

## Budget 2016 - Capital Plan Submissions - Shovel Ready Projects

(\$ thousands)	Comments and Additional Information
<b>Adult Education &amp; Skills Envelope</b>	
1 Keyano College - Heavy Industrial Campus Building Envelope & Code	Planning and design is underway.
2 University of Lethbridge Destination Project	Construction is underway.
3 NorQuest College Expansion and Retrofit (Edmonton)	Construction is underway.
<b>Farming, Natural Resources &amp; Industry Envelope</b>	
4 Agrivalue Business Processing Incubator	Planning and design is underway.
<b>Family, Social Supports &amp; Housing Envelope</b>	
5 Capital Region Housing - Parkdale II	Project started construction in August 2016. Alberta Social Housing Corporation is developing the agreements and awaiting invoices to advance costs incurred by Housing Management Body to date.
6 Lakeland Lodge & Housing Foundation - Bonny Lodge Phase 3	The design is underdevelopment and expected to be completed in early 2017 with construction in early summer 2017 to start. The original project design is being revised to reflect a significant change in scope.
7 Habitat for Humanity - President Jimmy Carter Build	Grant Funding Agreement signed and 90% of funds advanced on project. Funding was used to offset cost of acquiring and servicing the land. Habitat for Humanity is currently building framing the 75 homes in their warehouse over the winter with the build scheduled for July 2017.
8 Habitat for Humanity - Affordable Home Ownership Program	Grant Funding Agreement signed and 90% of funds advanced on project. Habitat for Humanity has worked with affiliates to assign funds and distribute funds. 12 homes are now complete, with the majority of the remaining 16 homes under construction.
9 Fourth Dimension Project - Permanent Supportive Housing (Calgary)	Construction started in September 2016. Grant Funding Agreements are in the process of development in order to advance funds.
10 Short term Housing for the Homeless (Calgary)	Construction has not yet begun. Agency advises that a tender will be distributed for the construction of the building pending finalization of the Grant Funding Agreement. Grant Funding Agreements are in the process of development in order to advance funds.
11 Permanent Supportive Housing-Balwin site (Edmonton)	Construction started in August 2016. Grant Funding Agreements are in the process of development in order to advance funds.
12 Permanent Supportive Housing (Medicine Hat)	Alberta Social Housing Corporation, Human Services and the Housing Management Body have reviewed available options for purchase and identified a preferred building location for purchase. An appraisal, inspection and hazardous materials assessment will be undertaken to ensure proper value for price paid.
<b>Government Facilities &amp; Support Envelope</b>	
13-30 Information Technology (18 projects)	Projects are underway.
<b>Health Facilities &amp; Equipment Envelope</b>	
31 Continuing Care Beds Partnership	Supports Affordable Supportive Living Initiative projects that were approved in 2015-16.
<b>Public Safety &amp; Emergency Services Envelope</b>	
32 Kananaskis Emergency Services Centre	Planning and design is underway.
33 Calgary Remand Centre Divided Living Units	Planning and design is underway.

## Budget 2016 - Capital Plan Submissions - Shovel Ready Projects

(\$ thousands)	Comments and Additional Information
<b>Roads &amp; Bridges Envelope</b>	
34 Highway 2 - Interchange upgrades Gaetz Ave/Taylor Drive	Project is underway, currently in construction.
35 Highway 63: 12 Truck staging area - south of Supertest Hill North of Fort	Contract awarded January 2017, construction started late February.
36 Highways 7/22- Black Diamond signal upgrade	Project completed.
37 Highway 43X:03 - Grade Prairie Bypass	Project is underway.
38 Highway 986 01/02 - Grade widening, Highway, Highway 688 to East of Highway 688	Project is underway.
39 Highway 35/58 - Intersection improvement at Highway 35, Highway 58 realignment	Project is underway.
40 Highway 744:04 - Grade Widening	Contract awarded last summer, however contractor not starting until May 2017.
41 Highway 741: 02 - Grading	Project is underway.
42 Peace River Bridge	Expected to award late May or June; awaiting federal funding announcement.
<b>Sports, Arts, Recreation &amp; Culture Envelope</b>	
43 Calgary Zoo Expansion	The capital funding agreement has been signed and the first year's funding has been released to the Zoo. Development of the Pathway to Pandas Exhibit has commenced including Construction of walkways and entrance; design of the panda enclosure is underway with construction to follow. Hoardings around the construction area are expected to go up in October. The GOA logo will appear as per grant funding agreement (not also, per MSI grant funding criteria, there will also be recognition for that stream of funding).
44 Royal Tyrrell Museum of Palaeontology - Expansion	Project is in the tender stage.
45 Fort Edmonton Park - Expansion	GOA capital grant funding for year 1 of this 3 year project has been released to Fort Edmonton Park. They are currently working with their designers/architects on concept refinement for the 1920's Midway and Indigenous Peoples' Experience (IPE). They will have schematic design completed for the IPE by spring of 2017 and issue for tender drawings complete for the Midway by summer 2017.
46 Parks Lower Athabasca Regional Plan Implementation	Project is underway.
47 Parks South Saskatchewan Regional Plan Implementation	Project is underway.

**Alberta Infrastructure  
Response to Request for Written Answers at the  
Standing Committee on Public Accounts, February 28, 2017**

**4. Question from Mr. Richard Gotfried, (MLA, Calgary-Fish Creek)**

**Projects for Capital Planning Process**

Is there a robust process in place for communities around Alberta to come forward with various types of projects? We know that there are some Seniors and Housing projects coming forward. Obviously, the schools have been previously announced. But are there other opportunities for municipalities and other rural areas to come forward with projects that are ready to go, possibly have complementary funding, and where there can be significant savings realized in moving ahead quickly? (Page PA-351)

**Supplemental Response:**

The annual capital planning process includes a call out to MLAs to collect capital priorities from their constituencies. This is an opportunity for MLAs to connect with municipal leaders in their constituencies. In Budget 2016, 21 projects submitted by MLAs received funding in the Capital Plan.

**Alberta Infrastructure  
Response to Request for Written Answers at the  
Standing Committee on Public Accounts, February 28, 2017**

**5. Question from Mr. Drew Barnes (MLA, Cypress-Medicine Hat)**

**Medicine Hat Hospital Expansion Project**

Do you have a process to analyze and review the causes of the delays experienced in the Medicine Hat Hospital Expansion Project? (Page PA-351)

**Supplemental Response:**

The delays experienced in the Medicine Hat Hospital project were caused by the following factors:

- The concrete placement company went in to receivership.
  - This was an unforeseeable event. The financial position of a company is not provided to Alberta Infrastructure, as the sub-contractor is contracted by the Construction Manager. The bond provided by the sub-contractor is held by the Construction Manager who manages the contract. The bond does reduce the risk of increased costs in the event of a contractor default; however, the integrated nature of a construction project means that any contractor failures will generally result in delays.
- The mechanical and electrical contractor tenders came in at over double the pretender estimates.
  - The values of the tenders were driven by market conditions. The major tenders for the project were issued during a period of high activity in the construction industry where construction costs substantially increased.
  - The project was delayed as Infrastructure re-tendered and negotiated major tender packages.
- It took longer than anticipated to address project deficiencies.
  - Weekly tracking of all outstanding deficiencies will continue until completion.

The New Wing Expansion of Medicine Hat Hospital was turned over to Alberta Health Services on January 9<sup>th</sup>, 2017.

**Alberta Infrastructure**  
**Response to Request for Written Answers at the**  
**Standing Committee on Public Accounts, February 28, 2017**

**6. Question from Mr. Drew Barnes (MLA, Cypress-Medicine Hat)**

**Design/Build vs. Bid/Design, Bid/Build Process**

What mechanisms or what matrices does Infrastructure use to decide when they should use design/build versus a more traditional bid/design, bid/build situation? (Page PA-351)

**Supplemental Response:**

Infrastructure has developed a Project Delivery System Evaluation Matrix for use within the Department.

A clear understanding of project objectives, constraints and risks is critical to selecting the most appropriate delivery method.

The evaluation tool assists in the selection of the project delivery method, such as Design-Bid-Build, Design-Build, Construction Management, and Integrated Project Delivery, that is most appropriate for the overall success of the project.

The evaluation process uses a multi-step process along with a weighted sum approach (matrix) that determines the "best fit" for the project. Finally, a validation step is completed prior to the selection of a project delivery method. Key criteria categories include such items as schedule, cost, environment and innovation, scope, quality, management, market, and risk.



**Alberta Infrastructure  
Response to Request for Written Answers at the  
Standing Committee on Public Accounts, February 28, 2017**

**7. Question from Mr. Wes Taylor (MLA, Battle River-Wainwright)**

**Annual Report - Modernization of Procurement Processes**

What risks are there in the development of standing offers of smaller or medium-sized contractors being excluded from bids? (Page PA-351)

**Supplemental Response:**

As with any procurement method, the details in how a standing offer contract is procured can affect whether small or medium-sized contractors are able to respond and be successful on the competition.

To ensure inclusion of all potential contractors, Alberta Infrastructure typically only uses standing offer agreements for small, repeat services where the administrative costs of repeated procurements is burdensome for contractors and government. These procurements are advertised openly for contractors of any size to respond. The likelihood of a small or medium-sized contractor providing services on an Alberta Infrastructure standing offer contract is the same as on individual contracts of similar size and nature.

**Alberta Infrastructure  
Response to Request for Written Answers at the  
Standing Committee on Public Accounts, February 28, 2017**

**8. Question from Mr. Wes Taylor (MLA, Battle River-Wainwright)**

**April 2016 Auditor General Report**

The Auditor General's April 2016 report states that Infrastructure lacks a system to manage and report on school projects. What is the ministry doing on this issue, and when can we expect a publicly accessible program that reports on such things as the progress of builds? (Page PA-351)

**Supplemental Response:**

Alberta Infrastructure implemented the Public website [projects.alberta.ca/](http://projects.alberta.ca/) in March 2015, and updates it monthly to provide current school capital project information. This website reports on active school capital projects and identifies the school's location, grade structure, student capacity, project status, and estimated completion date.

Education and Infrastructure have formalized and documented a monthly reporting process for updating the school capital projects website. Updated processes, procedures and systems have been implemented to ensure all publicly reported data is accurate.

Infrastructure enhanced its internal efforts to ensure that project management and project reporting is improved. This was achieved by:

- senior management receiving weekly updates on project status;
- communicating with the Department of Education to ensure that publicly reported milestones are reasonable and supported by project schedules that consider project status, project complexities and estimated timeframes for remaining activities;
- requires that senior management signs-off project information that is to be updated on the public website;
- current reporting practices and website updates are to monitor actual project progress with updates based only on verified information.

**Alberta Infrastructure  
Response to Request for Written Answers at the  
Standing Committee on Public Accounts, February 28, 2017**

**9. Question from Mr. Wes Taylor (MLA, Battle River-Wainwright)**

**Annual Report – Reporting on Deferred Maintenance and Performance Indicators**

Is the report, mentioned on page 13 of the 2015-16 annual plan, going to be made public? If not, why not? (Page PA-351)

**Supplemental Response:**

The report is still under review by department officials and an action plan is being drafted to address the recommendations in the report. We do not plan to make the report public.

Government does not always make available technical reports that were commissioned for internal purposes. The report referenced was commissioned to help identify areas for improvement and potential gaps in process. The report's audience is government experts who understand the appropriate context. Once the analysis of the report is concluded and an implementation plan is in place we will likely share publicly the improvements that will be made.

**Alberta Infrastructure**  
**Response to Request for Written Answers at the**  
**Standing Committee on Public Accounts, February 28, 2017**

**10. Question from Mr. Rick Fraser (MLA, Calgary-South East)**

**Partnerships with Municipalities**

Where there are cost-shared savings, partnerships, either between cities or private businesses, can you tell me how many projects you have embarked on with that type of cost sharing and if there are any slated to start this year? (Page PA-351)

**Supplemental Response:**

Several school capital projects have benefited from partnerships. School capital projects are delivered by school jurisdictions or by Infrastructure. Alberta Education is accountable for the School Capital Program budget; therefore, agreements for third-party funding and cost-shared contracts are the direct responsibility of Education for any school capital project.

For school capital projects delivered by Infrastructure, partnerships are regularly explored. Infrastructure is currently delivering 82 schools, of which nineteen (19) schools include third party contributions. A project was recently delivered in Lethbridge realizing project cost-savings through a municipal contribution to supplement gym spaces for community use and sports tournaments.

Education has confirmed that of the 118 grant funded schools, there are currently forty-seven schools that benefit from third party contributions. An example of a jurisdiction-managed project where a partnership has worked exceptionally well is the Calgary Arts Academy project where government invested \$10 million towards the modernization and an addition to the historic Weston Bakery Building located on the Calgary Stampede grounds. The project will allow the Calgary Arts Academy to locate 300 students on the Calgary Stampede grounds and thereby utilize other Calgary Stampede facilities to build a youth education campus and performing arts facility in partnership with the Calgary Stampede. This partnership will allow students to not only benefit from a newly modernized school facility but also to access programs not readily available to other students in Calgary.

For schools commencing this year, to date one school has been identified to include third party contributions. As future schools are announced and planned, cost sharing partnerships will continue to be explored.

**Alberta Infrastructure  
Response to Request for Written Answers at the  
Standing Committee on Public Accounts, February 28, 2017**

**11. Question from Mr. Wes Taylor (MLA, Battle River-Wainwright)**

**April 2016 Auditor General Report**

The Auditor General's April 2016 report recommends that the ministry use common reporting systems that specify, among other things, who will update documents and how they will be updated. Based on my reading of the school RECAPP reports online, many of them seem to be well passed the five-year deadline for a new report to be put online. What progress has been made on this recommendation?

Will the school VFA/RECAPP report be updated any time soon? Do they update in bunches or one at a time? Are the updates scheduled? (Page PA-351)

**Supplemental Response:**

Infrastructure communicates frequently with the school boards providing the reports directly, and to the public through the website.

The RECAPP platform was transitioned into VFA. Due to conversion, the evaluations were deferred for one year for all stakeholder groups.

The evaluations are performed on a five-year cycle, therefore each year only about 20 per cent of the buildings are assessed.

The first program/cycle of facility evaluations under the VFA will be available in the new fiscal year. The current program/cycle will be completed by the end of the year.

Infrastructure is updating its processes in order to be a center of excellence that provides leadership, best practices, support and training for facility evaluations.