

**Alberta Infrastructure**  
**Alberta Hansard – March 29, 2022**  
**Response to Questions at the Meeting with the**  
**Standing Committee on Public Accounts**

**1. Question from Ms. Rakhi Pancholi, MLA for Edmonton-Whitemud**

**Infrastructure Spending**

“We begin in the Infrastructure annual report with a statement by the minister that this was the largest infrastructure spending in the province’s history, yet right here within the government of Alberta’s own annual report it indicates, for example, that in 2017-2018 the capital spend was 30 per cent higher than what it was in 2020-21. Can you clarify why the minister would state that it’s the biggest infrastructure investment in the province’s history when clearly it is not?” ([Page PA-683](#))

**Supplemental Response:**

- In Infrastructure’s Annual Report, the statement regarding the \$10 billion for the development of Infrastructure projects and Infrastructure was a leading ministry in assisting Alberta’s economic recovery, with the largest infrastructure investment in the province’s history is the same information that was included in the Alberta Recovery Plan published in June 2020.
- In the plan, it noted that the Recovery Plan will create tens of thousands of jobs and make our economy more productive in the long run with the largest infrastructure build in Alberta history, with \$10 billion in projects identified in the plan that will move people from unemployment to good jobs right now building roads, bridges, overpasses, water projects, pipelines, gas lines, schools, hospitals, long term care homes for seniors, drug treatment centres, tourism infrastructure, and much more. This will spur the creation of thousands of other jobs for sub-contractors, suppliers, small businesses, hotels, and restaurants in every corner of the province. This infrastructure plan represents a 40 per cent increase over what had initially been budgeted in the province’s 2020 - 2021 Capital Plan.

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**2. Question from Ms. Marie Renaud, MLA for St. Albert**

**Design and Review of Barrier-Free Facilities**

“Key objective 1.4 states that “Infrastructure completed the guidelines for the design of barrier-free washrooms in public buildings” to ensure accessibility. Can you list all of – and you might not have this information and can certainly table it; that would be great – the Infrastructure buildings and facilities that have adopted these guidelines?...

...Would you also be able to table the guidelines noted in the objective?

...is there a framework or an evaluation tool that your ministry uses to do a systematic review of the barrier-free status or recommendations?” (Page PA-690)

**Supplemental Response:**

- The Guidelines for Inclusive Design of Universal Washrooms for Alberta Infrastructure Facilities is publicly available on Alberta Infrastructure’s Technical Resource Centre: <https://www.alberta.ca/assets/documents/tr/tr-guide-universal-washroom.pdf>
- Alberta Infrastructure does not keep a list of all the washrooms in government-owned buildings and the applicable codes/standards/guidelines that were in place at the time of their construction.
- Infrastructure’s Technical Design Requirements, which are publicly available online, include numerous barrier free and universal design requirements and principles: <https://www.alberta.ca/assets/documents/infra-technical-design-requirements.pdf>
- Infrastructure’s Technical Services team reviews several stages of design to ensure adherence to these requirements.
- Additionally, all new construction or major modernizations must adhere to the current National Building Code - Alberta Edition, which includes Barrier-Free Design Assumptions.

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**3. Question from Ms. Marie Renaud, MLA for St. Albert**

***Alberta Infrastructure Act and 20-Year Strategic Capital Plan***

“The key highlights on page 11... states that your ministry “conducted public engagement activities on the proposed *Alberta Infrastructure Act and 20-Year Strategic Capital Plan*.” Prior to the release of this work I’m wondering if you could describe the consultation that was undertaken by your ministry to ensure that your work was barrier free or was, you know, at the standard of universal design...

...were there any disability-specific groups? Or perhaps, you know, there is a legislated body that is supposed to provide advice to government, and that’s the Premier’s council on the status of people with disabilities. I’m just wondering: was there any advice seeking or any consultation with disability-specific groups or the Premier’s council?” ([Page PA-690](#))

**Supplemental Response:**

- As the *Infrastructure Accountability Act and 20-Year Strategic Capital Plan* outline infrastructure planning for all of government, the stakeholders are numerous and reflect much of Alberta’s economy. For this reason, stakeholder engagement was wide-reaching and included input from a variety of sectors.
- The public engagement was open to all Albertans to provide feedback for a period of seven weeks from June 22 to August 10, 2020.
- The Minister sent emails to a diverse group of stakeholders inviting them to provide their input to the proposed Act and Plan via an online survey or written submission. The stakeholder list was informed by all ministries. The stakeholders included disability-specific groups such as:
  - Special Olympics Alberta
  - Alberta Amputee Sports and Recreation Association
  - Alberta Cerebral Palsy Sports Association
  - Alberta Deaf Sports Association
  - Alberta Sports and Recreation Association for the Blind
  - Canadian Association for Disabled Skiing Alberta
- Government received 3,172 online survey responses and 56 written submissions from Albertans and stakeholders. Through the survey, we heard from a broad range of individual Albertans and organizations representing over 15 sectors.

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**4. Question from Ms. Rakhi Pancholi, MLA for Edmonton-Whitemud**

**Schools Approved and Completed between 2015 and 2019**

“The annual report indicates that 315 schools have been approved since 2011... how many of the schools were approved and funded between 2015 and 2019 and then finished and opened since?” ([Page PA-692](#))

**Supplemental Response:**

- 72 school projects were approved between Budget 2015 and Budget 2019. As of January 31, 2022, 32 of these projects are completed and opened for student occupancy.

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**5. Question from Ms. Rakhi Pancholi, MLA for Edmonton-Whitemud**

**Schools – Traditional Financing Model versus Public-Private Partnership (P3) Model and P3 Delivery for the Approved Five High Schools**

“With respect to the P3 schools that, you know, you’re looking at building or have been built, I’m imagining that you must have some sense of the cost of building a school through a traditional financing model versus a P3 model and by school type, obviously, different school sizes. Do you have that? Again, if you don’t have that information at your fingers, if you could table that information...

...You did mention that you had an independent analysis done on the cost benefit. Would you be able to table that analysis with the committee?” ([Page PA-693](#))

**Supplemental Response:**

- Value for Money reports for past and current P3 projects are publically available online: <https://www.alberta.ca/public-private-partnerships.aspx>
- Value in a P3 can be generated in a number of ways, including risk transfer, economies of scale, efficiencies, innovation, integration, price, and schedule certainty.

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**6. Question from Ms. Rakhi Pancholi, MLA for Edmonton-Whitemud**

**Playgrounds**

“If you could table with this committee, then, an assessment of how many of the schools built since 2019-20 have playgrounds and how many do not yet have playgrounds” ([Page PA-693](#))

**Supplemental Response:**

- School projects built since 2019 include playgrounds.
- As part of the school project, whether delivered through a traditional government method or a public-private partnership (P3), a playground will be provided if it is:
  - a new school project with a Kindergarten to Grade 6 component; or
  - a replacement school project with a Kindergarten to Grade 6 component and the project is being built on a greenfield site.

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**7. Question from Ms. Rakhi Pancholi, MLA for Edmonton-Whitemud**

**Schools – Child Care Spaces**

“I’m just going back to new school builds from 2019, including the fiscal year under consideration. How many of those new school builds or modernizations included creation of child care spaces?” ([Page PA-693](#))

**Supplemental Response:**

- Since 2019, six school projects have been approved for childcare spaces.

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**8. Question from Mr. Marlin Schmidt, MLA for Edmonton-Gold Bar**

**Reducing Environmental Footprint of Provincial Infrastructure**

“Page 28 references the ministry’s key objective of reducing the environmental footprint of provincial infrastructure.

- How does the department currently measure the environmental footprint?
- What are its goals with respect to reducing the footprint?
- What are the total annual greenhouse gas emissions of the buildings in Infrastructure’s portfolio?
- What is the estimated cost to get government-owned buildings to net zero by 2050?
- How many jobs could be created by such an investment, and
- What would the annual energy savings and the annual cost savings be on those energy reductions?” ([Page PA-695](#))

**Supplemental Response:**

- How does the government currently measure the environmental footprint?
  - Infrastructure measures the impact of its property operations by monitoring energy consumption and greenhouse gas emissions. The Ministry has implemented environmental and industry best practices and standards to guide the management of real property assets and achieve a reduced environmental footprint including:
    - Maximizing predictive and preventive maintenance and minimize reactive maintenance.
    - Identifying energy / Greenhouse Gas (GHG) saving opportunities in Infrastructure-owned buildings through the Energy Audit Program, such as implementing energy efficient components during the life-cycle of the asset.
    - Entering into procurements of energy supply for Infrastructure operations that are derived from Alberta-based renewable energy sources.
  - Performance metrics such as office density and cost per occupant have been established to benchmark and assess portfolio performance.



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- What are its goals with respect to reducing the footprint?
  - The ministry continues to focus on the future state of cost-effective functional space, reduced environmental footprint, and long-term sustainability including:
    - Right sizing the footprint of government office space to a target average density of 18 usable square metres (um<sup>2</sup>) per occupant.
    - Defining non-usable space standards in design and planning, and minimize non usable space in the buildings.
    - Implementing and adhering to defined office space standards.
    - Reducing the demand for government office space through a combined approach of increased space density targets, consolidation of offices, and through other innovative options such as telecommuting and hoteling.
  - Infrastructure has also implemented environmental and industry best practices and standards to guide the management of real property assets and achieve a reduced environmental footprint.
  
- What are the total annual greenhouse gas emissions of the buildings in Infrastructure's portfolio?
  - In 2020-21, Infrastructure's building inventory total GHG emissions are 253,622 Metric Tons CO<sub>2</sub>e.

Information pertaining to the following three questions raised is not available at this time as further future planning and analysis would need to be done before the information could be determined:

- What is the estimated cost to get government-owned buildings to net zero by 2050?
- How many jobs could be created by such an investment?
- What would the annual energy savings and the annual cost savings be on those energy reductions?

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**9. Question from Ms. Rakhi Pancholi, MLA for Edmonton-Whitemud**

**P3 Models – Creation and Building of Child Care Spaces**

“We’ve addressed that the P3 model doesn’t inherently include playground builds, but it does include the possibility of a grant to build a playground. A follow-up question to that for me is whether or not the P3 model includes the creation and building of child care spaces. Is that included in the P3 model?” ([Page PA-695](#))

**Supplemental Response:**

- The Government of Alberta has at times built childcare spaces; however, not every lot / school site has the space to accommodate a larger school that includes childcare spaces.
- Childcare spaces in new school projects requires support at the capital planning stage and would be proposed as part of the project’s scope. Alberta Education works with the respective school jurisdictions to determine the scope of the school project. Who operates the space and under what legal arrangements would be part of the evaluation.

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**10. Question from Ms. Marie Renaud, MLA for St. Albert**

**2020-21 Ministry Revenue**

“Ministry revenues were \$23.7 million higher than budgeted due to internal government asset transfers and gains on sales of surplus government properties. Will the department please table a full list of properties that make up this total of \$23.7 million?” ([Page PA-695](#))

**Supplemental Response:**

- The 2021 Actual revenue was \$23.7 million over budget primarily due to:
  - \$14.7 million for the transfer of tangible capital assets from other government entities (details in Table 1 below). This includes land and building transfers, and capital improvements to government buildings funded by other departments where Infrastructure owns the asset. These related party transactions are eliminated in the Government of Alberta consolidated financial statements.
  - \$8.4 million for the gain on the sale of surplus properties (details in Table 2 below). There is no budget for Gain on Disposal of Tangible Capital Assets revenue as it is uncertain as to what surplus lands or facilities will be sold, when they will be sold, and what the net proceeds may be.

**Table 1 – Transfer in of Tangible Capital Assets**

<b>Government Entities</b>	<b>Revenue (\$000)</b>
Environment and Parks	12,639
Transportation <sup>1</sup>	1,472
Community and Social Services	291
Culture and Status of Women	142
Alberta Health Services	136
Children’s Services	44
School Boards	13
<b>Total Transfer in of Tangible Capital Assets</b>	<b>14,737</b>

<sup>1</sup> Land transfers from Transportation to Infrastructure relates to land that was not required for roads.

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**Table 2 – Gain on Disposal of Tangible Capital Assets**

<b>Property Description</b>	<b>Revenue (\$000)</b>
Surplus land in Calgary	4,852
Surplus land in Edmonton	2,516
Surplus land adjacent to Slave Lake Airport	560
Surplus land in Red Deer	336
Surplus land in Spruce View	40
Surplus land in Municipal District of Smoky River	38
Surplus land in Clear Hills County	32
<b>Total Gain on Disposal of Tangible Capital Assets</b>	<b>8,374</b>

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**11. Question from Mr. Jordan Walker, MLA for Sherwood Park**

**2020-21 Spending to Manage Owned and Leased Space**

“Page 25 of the annual report states that in 2020-2021 the ministry budgeted \$528.3 million to manage owned and leased space, yet only \$466.7 million was spent; \$62.6 million is a significant cost reduction. Were these lower costs due to any specific savings initiatives?” ([Page PA-695](#))

**Supplemental Response:**

- The under-expenditure was primarily due to changes in project scheduling and cash flow requirements for various accommodation restacking projects at government-owned and leased buildings. They were delayed in many instances due to the uncertainty of program needs post-COVID pandemic.

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**12. Question from Mr. Jordan Walker, MLA for Sherwood Park**

**Statement of Revenues and Expenses**

“On page 38 the statement of revenues and expenses has a line there for leases, land and buildings, revenue. I see that the actual has decreased from \$34.1 million in 2020 to \$10.9 million in 2021. Can you explain why this revenue has decreased so significantly?” ([Page PA-696](#))

**Supplemental Response:**

- This revenue reflects rent received from entities occupying space in government-owned and operated buildings as well as one-time receipts under land compensation.
- The decrease from 2020 to 2021 is primarily due to one-time funds received in 2020 for a right of way access on Edmonton transportation utility corridor land. Revenue from rent is relatively stable from year to year.

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**13. Question from Mr. Roger Reid, MLA for Livingstone-Macleod**

**Non-Government User Policy**

“Page 26 of the annual report states that “the ministry finalized the Non-Government User policy in 2020-21 to ensure leasing of surplus government owned and administered space occurs in an equitable and consistent manner.” What is Infrastructure doing to ensure that the space in government facilities is being used by these valuable organizations, many of them being, of course, nonprofits with limited financial resources, and is being provided fairly and in a fiscally responsible manner?” ([Page PA-696](#))

**Supplemental Response:**

- The government is moving to an equitable leasing model for organizations using government space.
- We are committed to fairness. Previously, one non-profit might be paying market rates and another might be paying a nominal amount. Now both will pay cost-recovery rates. This is similar to models already in place in other provinces.
- The policy will eliminate no-cost leases, with non-profit entities paying at minimum cost-recovery rents, while for-profit entities will pay full market rents. To qualify for a less than market rate lease, non-profit entities require written support from their program ministry. Program ministries may fund rental increases through grant funding.
- This Policy puts Non-Government Users on a level playing field when considering accommodation costs.
- In a time of significant budget challenges, this Policy will also help government manage its buildings and facilities in a more cost-effective way to ensure the best use of taxpayer dollars, and provide certainty and fairness for organizations leasing government space.
- The program will be delivered using a tiered approach, and will ensure that there is a clear and transparent process for determining who gets to lease space and what the lease rate is.

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**14. Question from Mr. Roger Reid, MLA for Livingstone-Macleod**

**Auditor General’s Recommendations - Fort McMurray Residential Facility-  
Based Care Centre (Willow Square) Project**

“What was done to address the Auditor General’s recommendations to improve certain project management processes for capital projects in the Fort McMurray residential facility, and what benefits did Infrastructure see from the actions taken to address the recommendation?...

And, finally, what was done to improve the performance measures for capital projects, as recommended by the Auditor General’s recommendations? What have been the benefits of addressing these issues?” ([Page PA-696](#))

**Supplemental Response:**

- The Auditor General recommended Infrastructure improve certain project management processes for capital projects and to improve performance measures.
- Five update sessions were held with the Office of the Auditor General audit team throughout the audit. In February 2022, Infrastructure communicated that both recommendations are fully implemented, whereby plans can now begin for the follow-up audit.
- In response to the first recommendation, to “improve certain project management processes for capital projects”:
  - Infrastructure has undertaken a Project Delivery Standardization Initiative that targets enhancement and alignment of key Project Management processes, governance, and tools. This promotes a more consistent approach and clear expectation for project delivery.
  - Infrastructure has implemented a Project Management Plan Policy and accompanying Guideline, as well as a Manual to help guide the creation and maintenance of the Plan. The package includes a project charter, schedule, risk register, financial management tool, and issues log.
  - Project ‘Gate Meetings’ have also been established, as well as improved reporting and data quality using two main reporting tools.



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- In response to the second recommendation, to “improve performance measures for capital projects”:
  - The department developed leading and lagging indicators by leveraging data sources and reporting to supply performance metrics.
  - The new performance measures are the ‘on time’ and ‘on budget’ indicators.
  - The department has documented these processes and is using the new reporting, review and alert tools.
  
- Infrastructure will continue to explore and develop changes to its project management systems with a focus on continuous improvement.