



Legislative Assembly of Alberta

The 30th Legislature
Third Session

Standing Committee
on
Public Accounts

Infrastructure

Tuesday, March 29, 2022
8 a.m.

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Standing Committee on Public Accounts

Phillips, Shannon, Lethbridge-West (NDP), Chair
Reid, Roger W., Livingstone-Macleod (UC), Deputy Chair

Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UC)
Lovely, Jacqueline, Camrose (UC)
Pancholi, Rakhi, Edmonton-Whitemud (NDP)
Renaud, Marie F., St. Albert (NDP)
Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC)
Schmidt, Marlin, Edmonton-Gold Bar (NDP)
Singh, Peter, Calgary-East (UC)
Toor, Devinder, Calgary-Falconridge (UC)
Turton, Searle, Spruce Grove-Stony Plain (UC)
Walker, Jordan, Sherwood Park (UC)

Office of the Auditor General Participants

W. Doug Wylie	Auditor General
Brad Ireland	Assistant Auditor General
Michelle Fleming	Principal

Support Staff

Shannon Dean, QC	Clerk
Teri Cherkewich	Law Clerk
Trafton Koenig	Senior Parliamentary Counsel
Philip Massolin	Clerk Assistant and Director of House Services
Nancy Robert	Clerk of <i>Journals</i> and Committees
Sarah Amato	Research Officer
Melanie Niemi-Bohun	Research Officer
Warren Huffman	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications
Janet Laurie	Supervisor of Corporate Communications
Jeanette Dotimas	Communications Consultant
Michael Nguyen	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Director of Parliamentary Programs
Amanda LeBlanc	Deputy Editor of <i>Alberta Hansard</i>

Standing Committee on Public Accounts

Participants

Ministry of Infrastructure

Dale Beesley, Assistant Deputy Minister, Properties

Ghassan El-Chazli, Assistant Deputy Minister, Capital Projects Delivery

Dale Fung, Senior Financial Officer

Cathy Maniego, Assistant Deputy Minister, Strategic Integration and Operations

Mary Persson, Deputy Minister

Ian Robertson, Chief of Staff, Office of the Deputy Minister

8 a.m.

Tuesday, March 29, 2022

[Ms Phillips in the chair]

The Chair: All right. Good morning. I would like to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance.

My name is Shannon Phillips. I'm the MLA for Lethbridge-West and the chair of this committee. As we begin, I'll invite those participating in the committee room to introduce themselves, starting on my right.

Mr. Reid: Good morning. Roger Reid, MLA for Livingstone-Macleod.

Mr. Rowsell: Garth Rowsell, Vermilion-Lloydminster-Wainwright.

Mr. Turton: Good morning. Searle Turton, MLA for Spruce Grove-Stony Plain.

Mr. Singh: Good morning, everyone. Peter Singh, MLA, Calgary-East.

Mr. Walker: Good morning. Jordan Walker, Sherwood Park.

Ms Lovely: Good morning. Jackie Lovely, Camrose constituency.

Mr. Beesley: Good morning. Dale Beesley, ADM of properties, Alberta Infrastructure.

Mr. Robertson: Good morning. Ian Robertson, Alberta Infrastructure.

Ms Persson: Mary Persson, deputy minister, Alberta Infrastructure.

Mr. Fung: Good morning. Dale Fung, Alberta Infrastructure.

Ms Fleming: Michelle Fleming, office of the Auditor General.

Mr. Ireland: Good morning. Brad Ireland, Assistant Auditor General.

Ms Renaud: Marie Renaud, St. Albert.

Ms Pancholi: Good morning. Rakhi Pancholi, Edmonton-Whitemud.

Mr. Schmidt: Marlin Schmidt, Edmonton-Gold Bar.

Ms Robert: Good morning. Nancy Robert, clerk of *Journals* and committees.

Mr. Roth: Good morning. Aaron Roth, committee clerk.

The Chair: And we have folks joining us through various methods of communication. I do note that we have at least one member joining us via videoconference.

Ms Armstrong-Homeniuk, if you could introduce yourself for the record, and after that anyone else.

Ms Armstrong-Homeniuk: Good morning, everyone. Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville.

The Chair: Okay. That's everyone. Very good.

A few housekeeping items for the officials in the room. The microphones are operated by *Hansard*, and committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. Those participating via videoconference are encouraged to turn

on your camera while speaking, mute your microphone when not speaking and turn off your camera as well. Members participating virtually who want to be on the speakers list can put a message in the chat or message the committee clerk, Aaron Roth.

We will now move on to approval of the agenda. Are there any changes or additions to the agenda this morning?

Seeing none, I'll ask, friends, that someone move the agenda for March 29, 2022, meeting of our Standing Committee on Public Accounts be approved as distributed. Moved by Member Reid. Thank you. Any discussion on this motion? All in favour? Any opposed? Thank you. That motion is carried.

I noticed that Mr. Singh has now joined us if you – okay. You had left and come back. Okay. Good. All right.

Oh, but Mr. Toor is now arriving. Okay. Mr. Toor, I'll let you get settled in. If you wouldn't mind introducing yourself for the record.

Mr. Toor: Good morning, everyone. MLA Devinder Toor, Calgary-Falconridge.

The Chair: Okay. Very good.

Moving on to the approval of the minutes. We have minutes, friends, from our last meeting on March 22. Do members have any errors or omissions to note?

Seeing none, I'll ask that someone move that the minutes of the March 22, 2022, meeting of the Standing Committee on Public Accounts be approved as distributed. Moved by Member Pancholi. Is there any discussion on this motion? Seeing none. All in favour? Any opposed? All right. That motion is carried.

We will now welcome our guests from the Ministry of Infrastructure, who are here to address the annual report from '20-21 and outstanding recommendations from the Auditor General. As we are in a no-morning-session meeting time rotation, we're in an ordinary two-hour meeting, so our ministry opening remarks are 10 minutes and the first rotation is 15 and then 10 thereafter. I'll invite ministry officials to provide opening remarks not exceeding 10 minutes. Your time starts when you start speaking.

Ms Persson: Thank you, Chair, and good morning. At the outset I want to thank the office of the Auditor General for its desire to improve the delivery of infrastructure for Albertans. We take the Auditor's recommendations seriously and work hard to implement them.

With me at the table are Dale Beesley, the assistant deputy minister of properties division; Dale Fung, the senior financial officer; and Ian Robertson, chief of staff. There are also officials from the department in attendance in the gallery.

So 2020-2021 was a difficult year in Alberta. The COVID pandemic, a recession, and the collapse of world oil prices significantly affected Alberta's economy and the livelihoods of many Albertans. Infrastructure staff and contractors worked diligently to keep approximately 1,600 government buildings safe through the pandemic with enhanced cleaning practices and the installation of safety measures.

Additionally, we allocated \$238.7 million of Alberta's investing in Canada infrastructure program, the ICIP program, funding to the COVID-19 resilience stream. This resilience stream money is being used for a broad range of improvements on provincially owned facilities. The focus was on projects that would start immediately and be completed quickly to support employment and economic activity to help off-set the challenges brought on by the pandemic.

We know that investing in infrastructure during difficult times is a key means for governments to invest in the economy and to keep people working. Therefore, in '20-21 Infrastructure staff remained focused on leading the delivery of the province's capital investments.

As a result, the work undertaken at the department supported thousands of jobs in planning, design, and construction and ensured economic boosts were directed in local communities. Ultimately, staff worked to ensure Albertans would benefit over the long term through increased access to the vital programs and services housed within the facilities we built, renewed, and maintained. I am proud of all that the staff achieved, and I would like to take a few minutes now to provide you with the highlights of our accomplishments for the year under review.

Through '20-21 Infrastructure worked diligently to develop the frame for the Infrastructure Accountability Act and the 20-year strategic capital plan. In summer 2020 we invited Albertans to provide input. More than 3,100 responses were received, representing Albertans from around the province and from numerous sectors. We listened to what they had to say and ensured the act and the plan reflected their input.

In '20-21 Infrastructure worked closely with other ministries and stakeholders to deliver public infrastructure. We completed construction of 20 new or modernized schools, benefiting students or communities throughout the province. We continued with the construction and planning, design, and tender of 68 additional school projects. One of these projects, the Elizabeth Quintal school at Peerless Trout First Nation, was awarded the learning environment solutions jurors award from the Association for Learning Environments. This North American organization is dedicated to building fantastic learning environments for children. It is wonderful to see the team's hard work recognized.

We also improved our school capital project delivery processes by following through on recommendations from the Auditor General's 2016 audit on systems to manage the school building program. In December 2020 the office of the Auditor General concluded that these recommendations had been fully implemented.

Infrastructure also worked to address recommendations related to the Willow Square continuing care project in Fort McMurray. In July 2020 we developed an implementation plan to address the recommendations. We then worked to enhance standards and best practices on project management plans, financial management tools, and oversight measures to ensure consistency and project delivery practices and risk management. In February of 2022 Infrastructure advised the office of the Auditor General that these recommendations are implemented and ready for follow-up audit.

Turning your attention to health projects, in '20-21 Infrastructure completed the construction of five health facilities, including the Medicine Hat regional hospital; the Willow Square Fort McMurray residential facility-based care centre; repairs to the Northern Lights regional health centre, also located in Fort McMurray; the neonatal intensive care unit at the Stollery children's hospital in Edmonton; and phase 1 of the Grande Prairie regional hospital. I'm also pleased to note that phase 2 was completed in '20-21, and the new hospital recently celebrated its official opening. Throughout the year we continued planning, designing, and construction work on 29 health facility projects, including planning for the new Edmonton hospital and the redevelopment of the Red Deer regional hospital.

Infrastructure also remained busy with planning, design, and construction of government-owned facilities. In '20-21 this included the completion of the new Kananaskis emergency services centre, completion of upgrades to courthouses in Hinton and Alexis Nakota Sioux Nation, with upgrade work continuing in Cochrane, Brooks, and Edmonton. Lastly, we began construction on the Agrivalve Processing Business Incubator in Leduc and on the Red Deer justice centre.

In '20-21 we continued to focus on expanding partnership opportunities to enhance private-sector involvement in the

financing of infrastructure. This included the development and release of an updated public-private partnership framework and the new unsolicited proposal framework. These frameworks demonstrate government's commitment to attracting private-sector investment to the province to help build much-needed public infrastructure, create jobs, and stimulate the economy while making the most of limited taxpayer dollars.

In 2021 we moved through a competitive procurement process to deliver a bundle of five high schools using a P3 delivery methodology. In the fall of 2021 we awarded the P3 contract to Concert-Bird Partners at an estimated savings of \$114 million for Alberta taxpayers. This P3 project is supporting over 1,650 jobs and will provide about 7,000 new student spaces when the schools are open.

8:10

We continued our work with the government of Canada to approve projects through the investing in Canada infrastructure, or ICIP, program, which provides Albertans with an allocation of \$3.66 billion in federal capital funding. To date 197 infrastructure projects and project bundles have been approved in 30 constituencies across Alberta. This includes 112 shovel-ready capital maintenance and renewal projects or project bundles.

In addition to capital project delivery, Infrastructure is also responsible for maintaining and preserving government-owned and -leased properties with a focus on sound fiscal stewardship. In '20-21 Infrastructure continued to work to save dollars and improve its environmental footprint by making the best use of existing facilities. By reducing lease space in that year, we realized savings of about \$3.4 million in annual lease costs. We also initiated work that saved millions by relocating staff to redeveloped spaces in two government-owned facilities. This included modernizing office space in Commerce Place and moving the Alberta Emergency Management Agency, the Provincial Operations Centre, to renewed space in the Muriel Stanley Venne Provincial Centre.

It is impossible for Infrastructure to deliver the number of projects we do without having solid practices in place. In '20-21 this included our work with vendors to enhance accountability and ensure best value through the introduction of our vendor performance management program. The vendor performance management program was launched in January of 2020. By the end of 2021 the program had included 146 vendors working on 335 contracts, totaling more than \$1 billion, to ensure that savings or value is achieved.

We also continued to focus on achieving red tape reduction goals to support stakeholders by reducing regulatory and administrative burden. In fact, in '20-21 we exceeded the red tape reduction targets for the second year in a row, and we remain on track to contribute to the government's overall target of a 33 per cent reduction. To date this included 992 administrative process improvements, and we anticipate another 1,100 to be completed by 2023.

Also, in '20-21 Infrastructure supported initiatives to address the pandemic by securing sites for personal protective equipment storage, vaccination storage as well as vaccination sites.

While 2020-2021 brought with it many challenges world-wide, Infrastructure faced them head-on. The staff adapted, strategized, and acted. Together with our stakeholders and contractors our efforts ensured Albertans were working, local businesses and economies were benefiting, and the Alberta families and communities would get the good public infrastructure they needed.

This concludes my summary of the year's highlights for Infrastructure. On behalf of the department: thank you, and I'm happy to answer any questions from the committee.

The Chair: All right. Very good.

I'll now turn things over to the office of the Auditor General for five minutes. Mr. Ireland.

Mr. Ireland: Thank you, and good morning, Chair, committee members, and ministry management. I'll just take a couple of minutes to highlight our outstanding recommendations related to the ministry, and then I'll briefly summarize the auditing of the financial transactions that we performed with the ministry.

We have two outstanding recommendations at the ministry related to project management from our February 2020 report, where we recommended improvements be made to certain project management processes for capital projects and that the ministry improve its performance measures for capital projects. The ministry has indicated to us that both recommendations are ready for assessment, and we plan to complete our assessment this summer.

Also, consistent with other ministries, we audit financial transactions at the department as part of our audit of the consolidated financial statements of the province.

That concludes our opening remarks, and I'll pass back it to you, Chair.

The Chair: Very good. Thank you very much to the office of the Auditor General.

Now we've got our first rotation. We'll start with the Official Opposition, with a 15-minute block, please.

Ms Pancholi: Thank you, Madam Chair, and thank you to all the officials for being here today to present the 2020-21 annual report to this committee. I'd like to begin, if I can, with page 4 of the annual report, in the opening comments from the minister. In the second paragraph there the minister's message states, "Last year, Infrastructure was given the responsibility to be a leading ministry in assisting Alberta's economic recovery, with the largest infrastructure investment in the province's history." Would the deputy confirm that that is an accurate statement, in your opinion, that this was the largest infrastructure investment in the province's history?

Ms Persson: Thank you for the question. I know that for '20-21 we provided \$6.9 billion in GOA capital plan spending and that Infrastructure's portion was \$1.3 billion, which was about 19 per cent of that. The overall capital plan is delivered by many partners, and what we've got for that is that the '20-21 capital plan was generally comparable with the year before and the budget. We do have that we did spend a significant amount. We did spend almost \$660 million on health facilities in the budget. There was \$450 million for school facilities, including the school CMR, which was \$175 million. We did spend \$33 million on government facilities and \$91 million on government-owned facilities preservation. That was fairly significant, and that included a lot of investment from the federal government as well.

Ms Pancholi: Thank you, Deputy.

I just want to point you to the government of Alberta's annual report for 2020-21. I'm not sure if you have it handy, but this is the overall government of Alberta annual report for 2020-21. In that document on page 12 it indicates there the capital plan investment going back to 2008-2009, and it records the capital investment, the infrastructure investment by the government of Alberta over those years, you know, going back 12, 13 years. It indicates, as you've pointed out, Deputy, that for 2020-21 the capital plan investment was \$6.896 billion. However, if you look back on that, in 2017-2018 the capital plan investment was \$9 billion.

I'm just questioning – I would assume that an annual report is a factual document. I think Albertans assume – right? – that they can look at that and get a clear picture of the state of the government's work in a fiscal year and how it's met its targets. 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?

Ms Persson: Thank you for the question. It's a good question. I believe the context of the overall document is over the length of the three-year plan; therefore, I can get you some information on that. I was answering with a one-year response – you had indicated one year as well – but it's the rolling three-year that that would pertain to. I can verify and get you some information as well.

Ms Pancholi: I'd appreciate some follow-up information, but as it's reported in the government of Alberta annual report, it is reported per year, right? It's not three years. It's reported each annual year, and the number lines up there for 2020-21 as \$6.896 billion. That's the same as is reported in the Infrastructure annual report, and that number, which the Minister of Infrastructure claims is the largest provincial investment in infrastructure in the province's history, is not. It's 30 per cent lower than the \$9 billion in 2017-2018. I don't see the three-year rollout there. It's reported by year. Even from a year-to-year comparison, clearly there's a discrepancy. If the deputy is able to clarify the minister's statement that the investment spending in 2020 was the largest in the province's history, I'd appreciate that.

Ms Persson: We can definitely get you something back in writing, but I know that it is the context over the program. I will take that back and get you some clarity.

Ms Pancholi: I'd appreciate that. I think that's pretty important for transparency – right? – when statements are being made by the minister, actually. I guess it calls into question: are there any other statements that are made throughout the annual report that you feel need greater context so that Albertans can get a better picture of the accuracy of those statements?

8:20

Ms Persson: I think it's fair to say that the department tries to ensure the accuracy of the annual report. It's one of our obligations. There's a great amount of detail in here, and we are happy to answer any questions you may have with respect to that.

Ms Pancholi: So did the department review the accuracy of the minister's statement?

Ms Persson: I would have to get back to you on that. I wasn't here at that point, so I don't want to misspeak, but generally we do look at the overall annual report.

Ms Pancholi: I'm not sure if the Auditor General might be able to weigh in on this, only because they look at the reporting. To the Auditor General: if they're able to comment, would you agree that that statement is accurate from the minister, that it's the largest provincial spending in infrastructure?

Mr. Ireland: Thanks for the question. We wouldn't have looked specifically at that statement and done any audit work to verify that. Again, we'd have to take that away and look at that.

Ms Pancholi: I'd appreciate that. Thank you very much.

Perhaps I'll move on to another set of questions, then. I want to ask a little bit about the south Edmonton hospital project, that the deputy referred to and is mentioned a few times in the annual report. As the MLA for Edmonton-Whitemud a hospital on the south side is something that's of high interest to my constituents and to the surrounding communities. We have a large, growing population, and the nearest hospital is quite a bit away. I think that this was clearly a priority when the NDP was in government. Certainly, under the current government we've seen it delayed a little bit, but I still see reference to this priority in the Infrastructure annual report. I know that my constituents are very interested in seeing that hospital being built as quickly as possible.

It's mentioned on page 11 of the annual report that the south Edmonton hospital is a candidate to be a P3 model development. That's how it's proposed, I guess. My question is: when will the decision be made by the ministry as to whether a P3 model will be used or if it will go for a different model? When will that decision be made?

Ms Persson: As you've noted, this site is under way. The south Edmonton hospital will increase access and capacity for needed health care services and programs in Edmonton and surrounding communities. It is under way. The location, as you mentioned, is in the southwest, and planning work continues. This work was impacted a little bit due to the clinical staff availability during COVID, which resulted in some delays of the functional programming that we had, but we still worked actively through the year in question on a lot of work with the city to make sure that it was zoned properly for a hospital and making sure that we had the siteworks in working with EPCOR and others.

While we were doing that, we've got to make sure that we know what we're building, so the functional programming is actually pretty key to making sure that we can go to market sounding for the P3 assessment. It is a large project, and a market sounding will be undertaken very shortly with respect to determining whether it could be a P3 opportunity or not. That is under way this year.

Ms Pancholi: Do you have an estimation of when that will be completed, that assessment?

Ms Persson: I'd like to say, again, that with what we're doing, we are dealing with clinicians and everything to make sure that we can build what we need to, so the planning is ongoing to make sure that we are secure on what we're building. This work has been impacted by clinical staff availability during COVID, but we are undertaking the market sounding this year.

Ms Pancholi: Okay. Thank you very much.

You know, we've seen various P3 models in this province used in, you know, school projects, with mixed results, might I add. Perhaps mixed results is a generous interpretation. Using the P3 model: it's often been met with great criticism and critique. Having known many families and school staff who now work in P3 schools, there are significant challenges associated with those schools, which are well documented. Usually a P3 model is 25, 30, 40 years. What is the maximum length of time the government might consider a P3 contract for something like the south Edmonton hospital, including the construction and ongoing maintenance?

Ms Persson: That's a difficult question to answer to a certain degree. The P3s have been used since 2010 for schools. We've got the P3 models that have delivered and maintained 45 new schools, and a further 10 are under way. We actually do use lessons learned,

and we have a process in place from previous P3s to help improve the process and ensure that we have new spaces that meet the needs of the school jurisdictions, the parents, and others. We continue to engage with Education and school districts.

With respect to the P3 for the hospital, again, with the functional planning and the dictating for that, the market sounding will actually help also decide how long we would actually put a project out to market. There are also different levels and parts of P3s. You can do the design/build/finance. You can do a design/build/finance/maintain or a design/build/finance/maintain/operate. With the market sounding you have to determine which is the best value for market, what will work for Alberta Health and Alberta Health Services and the clients in determining that. All of those things will bleed into the decision with respect to how long that contract would be.

I don't know if there's anything further? No. My team has said that I've answered that.

Ms Pancholi: Thank you, Deputy.

I'd like to follow up. You mentioned a little bit that the delay in the south Edmonton hospital is due to COVID, right? But during COVID we saw the government clearly indicate that infrastructure investment was a priority. A key part of their economic recovery plan, getting Albertans back to work, was to significantly invest in infrastructure. You know, we could argue about whether or not there were other things they should have included in their economic recovery plan – I won't do that now – but certainly infrastructure was a top priority. Yet you just indicated that COVID was the reason for the delay in the south Edmonton hospital. I'm trying to understand why, when the government was prioritizing infrastructure builds and economic recovery, for some reason the south Edmonton hospital actually was delayed as a result. Why was it not prioritized as something to include in the economic recovery plan? Why was it one of the projects that was actually delayed as a result of COVID and not actually accelerated?

Ms Persson: There are a couple of things to answer with respect to that. The investment in shovel-ready projects and capital maintenance and renewal and the other avenues such as the school maintenance renewal and some of the government properties were accelerated. It's not that the new Edmonton hospital was delayed as a result; we had a delay with some of the clinicians. We are still working on other parts of the program that we could do without the physicians and without the nurses and without the others that we're prioritizing some of the work on the pandemic. We did actually accelerate some other programs that didn't involve health care workers at the time. We did try and make sure we delivered our capital project while we were respectful of some of the health authority elements that were needed. I would say that the new Edmonton hospital was delayed in the functional programming, not necessarily the planning of the site, not necessarily the siteworks and other pieces. We were reprioritizing what we could do with respect to that.

Ms Pancholi: Thank you.

Just to clarify, I mean, the south Edmonton hospital was something where, you know, when the former government, the NDP government, was in place, the goal was that it would be built by 2026 to serve the people in my constituency and surrounding constituencies. So 2026. What is the estimated timeline now? The last I heard, I believe it's 2030 for this hospital to be completed. What's the timeline now for Infrastructure?

Mr. Turton: Point of order.

The Chair: Sure. Please.

Mr. Turton: Yes. Under 23(b), the hon. member's questions about the timelines now specifically are referring to forward-facing policy declarations. Our job here today is to talk about the business plan in the year that's before us. Many of the questions that the member is asking would be better suited for question period today. I think I would just rather focus on the business of Public Accounts in terms of the business plan from prior years and maybe just stay away from forward-facing policy questions.

Thank you.

Mr. Schmidt: You know, I always appreciate Member Turton's willingness and efforts to keep us on track. I'm sure that my colleague from Edmonton-Whitemud meant to ask about planning dates that were in place during the 2020-2021 fiscal year.

The Chair: Thank you.

If we look at the annual report, for example, page 15, on health facilities, contains, by my read just in half a page here, about four different references to anticipated timelines, so that is within the annual report. If the hon. member is asking about anticipated timelines for projects referenced within the annual report, as the south Edmonton hospital is on page 14, the reference to the functional programming, then it's in order.

If the member would like to proceed on that basis.

8:30

Ms Pancholi: Thank you, Madam Chair. I'll restate my question. So, you know, based on the fact that the south Edmonton hospital is mentioned several times in the annual report with anticipated timelines, what is the anticipated timeline either within the context of this fiscal year or currently for the completion of the south Edmonton hospital?

Ms Persson: Within the context of the fiscal year it was noted that the project is in the planning phase, and the completion date is determined as the project progresses. It is determined when the contracts and the construction contract is awarded.

Ms Pancholi: Thank you. So what can I tell my constituents in this fiscal year under consideration? What was the expected timeline for that fiscal year? What can I tell my constituents?

Ms Persson: You can tell your constituents that the siteworks is active and well under way to be the future home of the south Edmonton hospital and the government is committed to making world-class accessible health care in that area.

The Chair: Thank you, Deputy.

We will now move on to the government side for 15 minutes in the first rotation. Okay. Yes. Mr. Toor.

Mr. Toor: Thank you, Chair, and thank you, everyone. I really appreciate the work you do. You know, building infrastructure is really important for Alberta, and it was the key commitment for us, to build infrastructure, and it was a part of the Alberta recovery plan. As the Ministry of Infrastructure is accountable for the long-term planning of provincial public infrastructure to support social programs and services, one of these responsibilities is to deliver K to grade 12 education facilities. Schools are very important to support strong communities. The continued investment into the construction and modernization of Alberta's school infrastructure is essential for our growing province, and I'm happy to see that this has been a main priority of this government.

On page 16 of the annual report it states that during the year Infrastructure invested \$441.7 million in school building and

modernization initiatives. In addition, it also states on page 17 that of the 315 school capital projects approved under these initiatives, 247 were completed. My first question is: how many school projects were completed in year '20-21, and how many classroom spaces were created in that year?

Ms Persson: Thank you very much for the question. Since 2011 there have been 315 school capital projects that were approved, of which 247, as you note, have been completed as of March 31, 2021. This includes 20 schools that were completed in the 2020-2021 school year, and that provided nearly 14,900 new and modernized student spaces. Some of the completed school projects include modernization of St. Francis high school in Calgary, providing 2,348 modernized school spaces; new construction of the Divine Mercy Catholic elementary school in Edmonton, creating 600 student spaces; and new construction of the Northcott Prairie school in Airdrie, creating 700 new spaces.

Mr. Toor: Thank you. And for these completed projects, how many were completed on time and on budget?

Ms Persson: For these projects, all 20 of the new school projects were completed on time or as expected through construction; 18 of the 20 projects were completed on budget. Two of the projects are still pending a receipt of final costs from the school jurisdictions that did build them.

Mr. Toor: Thank you. On page 16 it indicates that the ministry had budgeted about \$616.1 million for school construction and the modular classroom program. Could you explain why \$174 million were not spent?

Ms Persson: The \$174 million underexpenditure was primarily due to change in the project scheduling cash-flow requirements for various school capital projects that year. Revised cash flows occur for a variety of reasons such as delays in receiving statements of final costs from school jurisdictions, perhaps some slower progress during parts of construction as a result of weather or some unforeseen site conditions.

Mr. Toor: Thank you. Page 11 of the annual report states that the ministry was active on an initiative to reduce lease space and decrease costs. My question is: what initiative has Infrastructure undertaken to reduce or better utilize government space in the past year?

Ms Persson: Infrastructure manages its portfolio according to its asset management plan, which guides facility strategic planning and management through the facility's life cycle. The asset management plan includes principles of rightsizing the real estate portfolio, considering current and future needs, and optimizing utilization of assets. Infrastructure's projects align with the plan to achieve cost-effective functional space, a reduction of environmental footprint, and a long-term sustainability of our assets. Efforts to rightsize the portfolio resulted in a 4 per cent decrease in the total cost per occupant in government space from 2019 to 2021, going from \$8,855 to \$8,520 per occupant. As part of Infrastructure's asset management plan we actively review opportunities to better utilize government space, support ministry consolidations, and densify to government standards and facilitate the reduction of our leased office space footprint.

Some notable projects during the '20-21 fiscal year include the Alberta Emergency Management Agency Provincial Operations Centre project, this project to optimize government-owned space to accommodate the Provincial Operations Centre and the Muriel

Stanley Venne Provincial Centre in Edmonton. This investment replaced a proposed \$122 million new capital project with a \$6 million investment in an existing government-owned building. This project commenced in October 2020 and was completed a year later in September of 2021, providing the Alberta Emergency Management Agency with a modern and efficient space to respond to emergencies across the province.

There was also the Commerce Place building modernization. Commerce Place is a core and strategic building within our inventory. The first phase of this multiphase project began in October of 2019; it was completed in April of 2021 at a cost of about \$3 million. It consolidated space for Advanced Education and realized a lease space reduction of 6,470 square metres and an annual savings of approximately \$1.8 million.

In addition, we continue to develop mobile suites as an innovative alternative space option to reduce leased government space. We have a mobile suite which opened in June of 2019 at the Infrastructure Building, where mobile workers from Infrastructure can utilize that space as their primary work location. It offers various work points from private offices to solar pods on a drop-in basis and an assigned basis, and the resulting space savings are significant, with 130 mobile workers using about a quarter of the space that comparable resident local offices can use. The mobile suites were expanded in April 2021, and we've included them in Commerce Place.

Mr. Toor: Thank you.

Chair, I'll pass my time to MLA Rowswell.

Mr. Rowswell: Thank you, and welcome here today. Obviously, the last years we're dealing with a global pandemic, but that's not the only issue that's been impacting us. The opioid crisis has claimed thousands of lives in Alberta, many of which are struggling with addiction. That's why I truly believe that people who are struggling with addictions should receive the help they need. On page 16 of the annual report it states that the recovery communities program will "establish multiple recovery communities for addictions treatment across Alberta" and that it was in the design stage in 2020-2021. I'm just wondering: could you give us an update on this program and which communities will benefit by having these additional treatment centres built? When are they expected to open?

Ms Persson: Thank you for the question. We are very committed to making more care accessible to people experiencing addiction and mental health challenges, access to life-saving prevention, intervention, treatment, and recovery resources. Supporting additional recovery-oriented solutions is a government priority, so Infrastructure is playing a key role in delivering those facilities, which will undoubtedly help many people. The recovery communities initiative will build facilities for people experiencing addiction and mental health challenges, and Alberta Health intends to open four recovery communities. Locations have been announced in Red Deer, Lethbridge, Blood Tribe, and Gunn.

8:40

The project is split into two streams. Stream 1 consists of the following three sites: Red Deer, which is a 75-bed facility. Construction started in November 2021, and the project is scheduled to be completed in September of 2022. Lethbridge is a 50-bed facility. The construction contract was awarded in December of 2021, and construction of prefabricated modular buildings is occurring off-site now. Groundbreaking is scheduled for this spring, and the project is on schedule to be completed in December of 2022. And Gunn is a 50-bed facility. The project is in the design

stage, and construction and completion dates will be determined as the project progresses. The estimated cost of this stream is \$55.7 million to complete the three sites.

Stream 2 currently consists of the one site, the Blood Tribe, as well as providing increased capacity in Gunn. The Blood Tribe site is currently in the planning stage. The estimated capital cost for stream 2 is \$35.8 million, for which new funding was provided and approved in Budget 2022.

Mr. Rowswell: Those are public places, right? Like, those are all government owned, even the Blood one?

Ms Persson: Right.

Mr. Rowswell: Yeah. Now, Community and Social Services, I'm assuming, is making those decisions.

Ms Persson: That is correct.

Mr. Rowswell: Right. The capital flows through them to you, and then you build it.

Ms Persson: Yeah. Frankly, that's exactly how it happens. We build what others in the service areas determine should be built.

Mr. Rowswell: Okay. Do you in any way, shape, or form deal with the nonprofit area? Like, there are a lot of nonprofits that did fundraising locally and went and built facilities. I guess my question is: do you get involved with them? Do you help them out?

Ms Persson: There are a couple of ways that that happens. Typically they would work directly with the ministry that is involved, but we do have an unsolicited proposal process that we introduced. As I mentioned in my opening statements, we have an unsolicited proposal process for infrastructure projects from the private or nonprofit sector, so that is a way for Albertans or groups to pass on their good ideas and infrastructure investment opportunities to government through Infrastructure. We didn't have this mechanism before, and now they can come to us with some of their ideas. It does signal to the private sector and nonprofit groups that government is open to consider other ways to build infrastructure and have it financed. It encourages the private sector and nonprofits to come forward with infrastructure projects and fill much-needed infrastructure gaps which government can't fill alone.

We did have a USP that was approved this year and announced a centre in Red Deer, which was for wraparound services for health centres. We paid for the servicing; someone else is building the building.

Mr. Rowswell: Yeah. So you don't get involved in the actual construction?

Ms Persson: Not in that case, because someone else has offered to buy it for us, but we will work with Health Services and Children's Services to occupy the space.

Mr. Rowswell: Okay. All right. Good.

I guess I'll cede the rest of my time to MLA Lovely.

Ms Lovely: Well, thank you so much, Member. I welcome everyone. Good to see you all here. On page 15 of the annual report it states that the "Fort McMurray Residential Facility-Based Care Centre (Willow Square) . . . project was completed under budget in January 2021, despite delays [due to flooding] in April 2020." This facility "includes spaces for long-term care, supportive living of various levels and palliative care" and was a very important

initiative to continue investing in health care facilities across Alberta to support the different needs of our population. So why was the location of the facility changed from where it was initially recommended to be built, in Parsons Creek?

Ms Persson: After listening to concerns from the community about the site of the Fort McMurray residential facility-based care centre, government announced that the facility would be moved to Willow Square site from the original proposed Parsons Creek location. Some of the concerns about the Parsons Creek location included distance of the site from essential supports and services and the community's vision for a centrally located aging-in-place facility.

Ms Lovely: Okay. What was the final cost of the Willow Square project, and did it increase at all because of changing the location?

Ms Persson: This state-of-the-art facility cost \$102 million. With the 2015 decision to construct the facility at Willow Square location instead of the Parsons Creek site, it was estimated to cost an additional \$30 million to build a 100-bed facility, from a total of \$50 million to \$80 million, due to the site considerations and the need for flood mitigation. Subsequently, in 2016 Infrastructure revised the estimated cost from \$80 million to \$110 million after Alberta Health Services and Alberta Health reassessed the need and increased the facility to 144 beds, which included space for 36 beds that Alberta Health Services could add at a later date. So there were several decisions that changed the cost of the project, essentially the scope.

Ms Lovely: Thank you so much. I see that the report of the Auditor General of November 2021 lists two outstanding recommendations for Infrastructure regarding the Willow Square project to improve certain project management processes for capital projects. What is Infrastructure doing to address these recommendations, and what benefits are expected to be gained as a result of any actions taken?

Ms Persson: The Auditor General recommended that Infrastructure improve project management processes, as noted, for capital projects and improve performance measures. Five update sessions were held with the Auditor General's office team throughout the audit, and I'm pleased to confirm that in February this year we've communicated, as I mentioned, that we believe we have fully implemented those recommendations.

In response to the first recommendation, "to improve certain project management processes for capital projects," Infrastructure undertook a project delivery standardization initiative that targets enhancement.

The Chair: Thank you, Deputy.

We'll now move on to the second rotation, the Official Opposition for 10 minutes.

Mr. Schmidt: Thank you very much. On page 11 of the report it notes that the ministry advanced "a consistent and coordinated approach to prioritize" the capital maintenance and renewal spend. Page 11 also notes that the ministry was "committed to protecting lives" throughout COVID, but we have seen some failures in execution. We heard from Dr. Hinshaw when we met with Health last fall. Her advice during the fiscal year in question was to improve ventilation in schools, for example, but we found out that just under a fifth of the total CMR spend for schools went to ventilation. When asked about this, the chief medical officer of health said that all she could do was give advice. When the Ministry of Education came, they didn't really have satisfactory answers. This department co-ordinates the CMR spend in a consistent way. I'm wondering: why not spend capital maintenance and renewal

money during a global pandemic on improving ventilation, as the chief medical officer of health has directed?

Ms Persson: Thank you very much for this important question. We did highlight that there was an investment in capital maintenance and renewal spending in '20-21 for Infrastructure. We had a budget of \$77 million for government-owned facilities, \$110 million for health facilities. In Infrastructure we had \$12 million for school facilities because most of the CMR, which was over \$100 million – \$107 million for the CMR – was delivered by school boards. A lot of the investment was for the school boards to determine where they would spend some of that money, the \$107 million.

With that and the school HVAC, we are confident that all school authorities have been given the supports needed to provide a safe, world-class education to students during the previous and current school years. In general Alberta's position is that ventilation is one of the factors that has to be considered in the COVID spread, and the ventilation system should be well maintained and functioning optimally. General guidance recommends that HVAC systems should be maintained in accordance with the manufacturer's operating guidelines and updated as necessary. Alberta is making significant investments in capital maintenance and renewal, which does frequently include HVAC upgrades.

As we mentioned, a significant amount of CMR was provided in accelerated funding to school boards, and the school divisions decide how best to spend each of these dollars. We believe they spent about \$44 million of that on HVAC and ventilation upgrades. The rest of the funding they did direct to other CMR projects.

But I do want to highlight that the Alberta government, when we build the schools and when we do some maintenance, follows the American Society of Heating, Refrigerating and Air-conditioning Engineers' design and operation recommendations for school facilities in response to COVID. For schools in design and construction our government standards are required to meet those standards, and we do recommend ventilation designs for two stages of filtration in schools. Both ventilation systems of either 100 per cent outside-air or mixed-air ventilation are acceptable, and humidification systems must be developed. We are building these in because they are to code.

The government's requirements for total air rates and air exchanges per hour are higher than the American Society of Heating, Refrigerating and Air-conditioning Engineers' requirements. There are no restrictions on using additional technologies for air filtration and sterilization, but it's the school board's decision to use and add them for schools in design and construction. We can't comment on the decisions made by the school divisions with respect to their air filtration, but we do encourage and recommend that the HVAC system be maintained in accordance with those standards.

8:50

Mr. Schmidt: Did the department look at whether or not those standards were sufficient to prevent the spread of COVID-19? I mean, those standards were developed, I assume, prior to the pandemic hitting us all. Was there any evaluation of whether or not the standards were sufficient to meet the challenge of the day?

Ms Persson: I do know that what we do – sorry. I'm going to pass to one of my ADMs, who has a little bit more technical knowledge, but we do confer a lot with the federal government and others around the codes and the requirements and not changing the codes to which we build. Therefore, we do rely on the experts federally and provincially to guide the codes, and then we build to those standards.

With that, Cathy, do you have any detail? Please introduce yourself.

Ms Maniego: Hi. I'm Cathy Maniego. I'm the assistant deputy minister of strategic integration and operations at Alberta Infrastructure. We continue to monitor the standards and work with our federal partners and with the American society of engineers as well and are continuing to monitor their research on the standards. We will continue to adapt as we need to as they adapt theirs. We don't have the capacity in-house to do those measurements inside, so we monitor what they're doing and will adapt as they change.

Mr. Schmidt: That leads on to my next question. Pages 26 and 27 of the annual report discuss Infrastructure's objective to "support vital public service delivery through effective long-term investments in core assets." The section gives examples of CMR projects that enhance the safety and security in government-owned facilities. Alberta public service employees were ordered back to work in offices in August 2020 and then were sent home again in November 2020, when COVID cases skyrocketed. I'm just wondering: what work did Infrastructure do prior to employees returning to the office to evaluate the effectiveness of ventilation and filtration systems for preventing the spread of COVID in government spaces?

Ms Persson: I'll start, and then I'm going to ask Dale Beesley, our ADM of properties, to discuss this. I will say that we actually follow the guidance of the chief medical officer of health, Dr. Hinshaw, with respect to where we work and some of the guidance around the buildings.

Dale, did you want to answer?

Mr. Beesley: Sure. To supplement the deputy's comments, during that year of COVID we did have to maintain our buildings. While a lot of people did work from home under the mandatory health order, which was CMOH order 42-2020, which was issued December 11, 2020, we did have a number of people that couldn't work from home. Prison guards, social workers, lots of other people essential to the government services weren't able to, so what we did is that we maintained our offices by enhancing our cleaning in high-touch areas. There were lots of services for that. We also had air quality testing run through some of the buildings, not all of them but where needed.

Generally we maintained a higher level of standards. We brought in a lot of PPE. We had markers in our hallways around, you know, people maintaining six feet of distance. Again, as the deputy said, we were also following the public health orders. The high-touch areas would be, like, door handles, knobs, push bars, elevator buttons, panels, restrooms, and hand sanitizers.

Mr. Schmidt: With due respect, ADM, my question was about filtration. We knew early on that fomite transmission was not really significant when it came to preventing the spread of COVID. You mentioned that you did some air quality testing in some buildings. I mean, how widespread was air quality testing? Is that the right approach? You know, what engineering or public health expertise did the department do to evaluate the risk of transmitting COVID in government spaces?

Mr. Beesley: Again, as the deputy mentioned, we did follow the advice of the chief medical officer of health for physical distancing and whatnot. As you mentioned, people were supposed to come back in August 2020, so prior to people coming back into areas of high density or areas of concern where the building standards maybe were older, we did bring in some areas where it was requested or where it was looked at in determining air quality tests for the buildings. We didn't find any issues around that in terms of spread, but this was a very fluid situation at the time, and we worked with

the staff at Municipal Affairs at the time under any of the building codes.

We took advice from the federal government, as the deputy pointed out. We did what we could, but there wasn't a lot we could do. It was a fluid situation. But we didn't find any medical evidence that said that testing the air quality was related to COVID. We were just following the public health advice of the chief medical officer of health.

Mr. Schmidt: Well, I mean, we did hear the chief medical officer of health tell this committee that, in fact, she did provide advice to address ventilation and filtration in public buildings, so it's disappointing to me that either that advice didn't come in time or wasn't heeded.

I guess, during the period of fiscal 2020-2021, when APS employees were working in-office, what kind of systems to evaluate COVID safety were in place?

Mr. Beesley: Again, we followed the advice of the chief medical officer of health: enhanced cleaning, additional PPE, floor markers. And, to be honest, the offices weren't that fully stocked, I guess. Like, I was on a floor that would hold 85 people, and there were six, so we spread out.

The Chair: Thank you.

We'll now move to the government side for a 10-minute rotation, please.

Ms Lovely: Well, thank you so much, Madam Chair. Before we proceed, I know that we ran out of time before you had a chance to finish your answer, but I just wanted to pause for a minute and thank you so much for the investment that we've had in my community. We do have a school. The Chester Ronning replacement school is now finished and open, and the kids and teachers are in there working and enjoying that investment. We have another new school that's going to be built this year to help out with OLMP, which is over capacity, and we also received the highest amount of money that the city of Camrose has ever received with the waste-water treatment plant, which is currently being upgraded. It's not just the community of Camrose, but the constituency has received a large amount of investment money, and my community is very grateful for this investment. I just wanted to pause and thank you so much for that.

But the time ran out, and I'll just go back because there has been quite a bit of conversation that's happened. Just as a reminder, I had mentioned that I see that the report of the Auditor General of November 2021 lists two outstanding recommendations for Infrastructure regarding the Willow Square project to "improve certain project management processes for capital projects," and then I asked: what is Infrastructure doing to address these recommendations, and what benefits are expected to be gained as a result of any actions taken?

Ms Persson: Thank you, and I will pass your thanks on to the team that co-ordinates the building of the schools.

In response to the first recommendation that the Auditor General made, which was 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 clearer expectations for project delivery.

To address this recommendation, we've implemented a project management plan policy and accompanying guidelines 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. There are project gate meetings that have also been established as well as improved reporting and data quality using the two main reporting tools we have in Infrastructure.

In response to the second recommendation, to “improve performance measures for capital projects,” the tracking and reporting of performance is a key component to successful management and delivery of the capital projects. To this end, the department developed leading and lagging indicators by leveraging data sources and reporting good performance metrics. We supply these performance metrics through our detailed data.

Now we have in our reports and our business plan new performance measures that are whether projects are on time and on budget. The department has documented these processes and is using the new reporting and the review and the alert tools to signal when something is perhaps not on time and on budget.

We will continue to explore and develop changes to this project management system, with a focus on continuous improvement. For us, what we will see out of this is more consistency in our project delivery, a repository of lessons learned, which will help inform future projects. For us, there’s clearer transparency now on our project measurement for on time and on budget.

9:00

Ms Lovely: That’s great. Well, thank you so much. I appreciate the full answer and will pass the rest of my time now back to my colleague MLA Rowswell.

Mr. Rowswell: Yeah. Thank you. I’d like to talk a little bit about – like, on page 11 the annual report states that “the ministry released an updated Public-Private Partnerships . . . Framework and a new Unsolicited Proposal Framework.” Now, you’ve talked about that a little bit. I know that when I have mayors or reeves or people come to me, they’re very good at, you know: I’ll get money from this government and that government, whatever. That’s kind of their mindset, right? I bring up public-private partnerships, and they say: well, who would do that? It’s just that no one has that concept solidly in their mind. Can you explain what unsolicited proposals are, and what was the government hoping to achieve with both of these new frameworks? And just maybe expand a little bit into who the private part of this typically is if that’s in your area of responsibility.

Ms Persson: It is in our area of responsibility to co-ordinate. Again, as we mentioned in our last question, I usually co-ordinate, but we do work with our partners. If it’s a health project or something else, we involve Alberta Health. But an unsolicited proposal – we call it a USP on occasion; if we use an acronym, we’re sorry – is a proposal for an infrastructure project initiated by the private sector. In the past Albertans didn’t have the chance and were missing out on potentially good ideas about infrastructure investment opportunities because the government didn’t have a mechanism in place to hear them or consider submissions from the private sector or nonprofits. The USP framework signals to the private sector that the government is open for business and is interested in private infrastructure investment opportunity in the province. It encourages the private sector to come forward with infrastructure projects and fill in much-needed infrastructure gaps. USPs may include investment ideas. They could include technologies or strategies to provide infrastructure such as public transportation, health, education facilities, housing, or irrigation infrastructure.

Just to give you an idea, we’ve received to date 13 unsolicited proposals in the year in which it was introduced worth multibillions of dollars. We’ve received six ideas for health projects, four for transportation and rail, including some that are public like the

Edmonton-Calgary high-speed rail project, the Calgary-Banff rail project. In education we’ve received two proposals, and we had one which was an energy retrofit, just to give an idea of the types of projects that are coming forward.

Alberta’s public-private partnership framework and guideline is intended to be used as a guide to assessing capital projects for potential public-private partnership procurement and, after the appropriate approvals, in procuring a capital project as a P3. It outlines our principles for P3s to be transparent and the assessment and procurement principles for them. We just want everybody to know how we’re going to operate in this space. The P3 principles are consistent with and should be considered alongside Alberta’s capital planning manual, which guides the capital planning process. Those are really – what we’re trying to do is make sure we’re open and transparent and demonstrate that we’re open for ideas for needed public infrastructure.

Mr. Rowswell: Can you give an example – I don’t need names or anything – of who the private would be? Like, would it be a pension fund or what? Where does that money come from?

Ms Persson: I can start. We’ve had things from pretty much, like, all sorts of areas, but Mr. Beesley can probably give you examples as he’s leading this.

Mr. Beesley: Sure. I’ll give you a good illustrative example. A group in a smaller community outside of Edmonton would, say, fund raise to build supports to support vulnerable women or youth. They got some land donated to them, they have some local community leaders that have raised some money successfully, and they’re just short one thing.

In the case that we approved, it was servicing to the new building that was going to be built. They approached the government asking for some money. We looked at it to make sure that our partners from our crossministry work agreed with this, so that would be Children’s Services, Health, Alberta Health Services, CSS. Assuming that they were okay with it, we ensured this wasn’t part of the capital plan, and we provided them with some money. But we also, as we go into these processes, wanted to make sure that they had adequate funding, so we had to make sure we had risk-mitigation strategies in place to show that, yeah, they’ve secured the funding they need, they’ve secured the land they need, and in this case we had success.

As the deputy mentioned, we’ve had many other processes that are just early on, that require more regulatory hurdles to be overcome such as building a high-speed rail when you have to deal with jurisdictional issues with First Nations’ land, say, federal land for airports. There’s no real limit to it, but we have had success in one area. We do form these committees, as I mentioned, to look at these, and if the proposal isn’t something that is in the public interest of Albertans, we would then tell the proponent: this is not the right forum, but maybe there’s another way you can approach the government for funding.

Ms Persson: To be clear, I just want to be – this is not a back door in. If you require public funds, it does go through the capital planning process. It’s just a way for others to come to the table with ideas and innovative ways to deliver infrastructure that we can consider, but there’s a lot of due diligence before something is accepted.

Mr. Rowswell: Yeah. Fair enough. I just know that locally there’s, like, a hockey rink. They want to build a hockey rink. Well, where would private money come from for that? So, you know, if they wanted suggestions, maybe they’ll come in and have a chat and go down that path.

Ms Persson: We are always open to speak with proponents and outline how the process works.

Mr. Rowsell: Okay. Well, I appreciate that. That gives me a feel for where everything goes, so very good. Thank you.

The Chair: Thank you very much.

We'll move to the third rotation for the Official Opposition, 10 minutes.

Ms Renaud: Thank you, Madam Chair. My first question. 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?

Ms Persson: Thanks. We're very proud of having the guidelines, but I do not believe we have the full listing of buildings. I'm looking. No, we don't, but we can provide that in writing if you like.

Ms Renaud: Would you also be able to table the guidelines noted in the objective?

Ms Persson: We can certainly table the guidelines.

Ms Renaud: Great. When the ministry evaluates Infrastructure public buildings owned or leased to meet objective 1.4, which is "account for the evolving needs of Albertans by designing future Infrastructure-delivered projects that are inclusive and adaptable," can you describe the work undertaken to identify, remove, or prevent barriers to the built environment – now, this will include, but is not limited to, washrooms – and can you tell me who within your ministry is responsible for that?

Ms Persson: We have a couple of things that we do to ensure that we honour the guidelines around barriers. I'm going to talk about schools specifically for now, but we can broaden this as well in that we do have space that – when we build the design standards, the school standardization, we standardize areas such as classrooms, science rooms, gymnasiums, and libraries, and we standardize the space and the programming requirements to ensure that they are barrier free. We do have some things that are not standardized in a school, but that's more related to the site, like the site size, shape, slope, and others.

What we also do to ensure that we are honouring the requirements around barrier-free access is that we do postoccupancy evaluations to obtain feedback on the building's performance, and it does include whether we have barrier-free access or not – or maybe somebody has put a photocopier where they shouldn't and those types of things – to make sure that, you know, a hallway is large enough to meet all the needs. We have completed close to 50 postoccupancy evaluations with groups since 2013. We've chosen projects that are schools and government facilities like courthouses to make sure they are barrier free. No matter what the typology of project, the program, we do get assessments from those that use the sites – urban, suburban, rural areas – and we do test to make sure that the design as we envisioned it for barrier free is actually in place.

Ms Renaud: I'm sure you all are experts, but creating barrier-free environments is complex. There is a lot more to it than a photocopier in the hallway or a bathroom. So I'm wondering if you could tell me within the ministry, number one, who is responsible for this work, and is there a framework or an evaluation tool that

your ministry uses to do a systematic review of the barrier-free status or recommendations?

9:10

Ms Persson: We have a couple of people that are very interested. I didn't mean to marginalize or downplay what it is; I was just giving you some examples that are quite visual. But Dale can speak to what we're doing in this space. As well, we do have a technical design team that does ensure some of the barrier-free access is there.

Mr. Beesley: In addition to working with our technical teams, we do of course work with the provincial barrier-free administrator under the Ministry of Municipal Affairs. We do consult with that person, a she in this case, around that. We do make sure that we are up to date on the national building codes, and as buildings, as you know, are retrofitted, like public retrofits, if the retrofits go beyond a certain percentage, we do have to bring those to code. But as we do look at retrofitting government-owned buildings that are in our control, we would look for barrier free. Also, when we do leases, we also look as requirements into leases to have those spaces, so both washrooms, accessibility. One thing, fortunately, during COVID is that we have installed a lot more wave doors in buildings that we previously hadn't. They're not necessarily barrier free, but they have become very handy for those that have mobility issues.

Ms Renaud: Okay. Thank you for that.

I have a question for you. Oh, actually, going back, you didn't answer. Is there a framework or an evaluation tool that your ministry uses, like a standard evaluation tool or framework? Now, I know that there are building codes, which are minimum standard, and barrier free is not that. Is there a framework that your ministry uses? You know, you can think about that and table that if possible. That would be interesting to see.

I'm going to go back to the key highlights on page 11. Now, it 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.

Ms Persson: When we consulted on the development of the Infrastructure Accountability Act, the act reflects input from several areas of Alberta. Between June and August of 2020 we received 3,172 total survey submissions and 56 written submissions, including input from various sectors: energy, health care, schools, municipality, construction, postsecondary, community, recreation, and transportation.

Ms Renaud: If I could just interrupt, 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?

Ms Persson: I can get back to whether they provided a response. Everybody was welcome to participate. It was not a closed consultation. It was an open consultation.

Ms Renaud: Just so I'm clear, there was no deliberate sort of undertaking?

Ms Persson: I want to get back to you on that, with respect to that, but I also would say that the 20-year strategic capital plan and the Infrastructure Accountability Act are very principle based. They do

actually have principles of inclusion, principles of ensuring that infrastructure is available for all Albertans. Because it's so high level, it does include a lot of inclusive language.

Ms Renaud: I look forward to your tablings.

I'm going to switch gears a little bit. On outcome 2, performance metrics 2(a) and 2(b), measures are reported on a one-year lag, meaning results for 2020-21 are actually results from 2019-20, the year prior. These are two of the only three performance metrics included for this outcome. Can the ministry comment on the accuracy of these metrics given the fact that they're not relevant for the time frame reported in the annual report?

Ms Persson: Could you repeat, please, which measures you're looking at?

Ms Renaud: Outcome 2, performance metrics 2(a) and 2(b). Measures are reported on a one-year lag. I don't have the page number for you, though.

Ms Persson: I'm just trying to get there, if you don't mind. This is on the office density. Most of the measures that are in here are actually lagging measures. It is just to get the best information that we have available at the time, and that's the intent of the report.

With respect to the office equipment, Dale, did you have anything?

Mr. Beesley: One of the reasons for the delay is the complexity of the data collection. It's just that there's a lot of data. There are a lot of things to process. A lot of it's manual, so it does take time. Over a number of years you would see, you know, trends still, but we did feel that it was transparent of us to acknowledge the one-year lag in the annual report.

Ms Renaud: I acknowledge the transparency, but why not undertake whatever work to present results for the year in which the results are achieved? I don't know. It seems unusual to have this sort of information that is really a year behind.

Mr. Beesley: We're always striving for continuous improvements in our systems, and we do take the point. We are always looking to enhance our abilities and our reporting around this. Hopefully, one day we would get to that, but right now we're just not quite there. I do take your point.

Ms Renaud: Okay. I'm going to switch gears and get cut off, but I'm going to ask about the Lethbridge hospital. On page 16 you note an investment in the Red Deer hospital, including a cardiac catheterization lab, but this is not the only health region that needs a cath lab. In fact, there's been an analysis that the Lethbridge hospital may need this facility more urgently. AHS south zone has cited this as an urgently pressing need; so has the city of Lethbridge council. Can you share your planning and costing for the facility in Lethbridge?

Ms Persson: I don't know if I have anything specific for Lethbridge, but I will highlight that it's Alberta Health that makes the decision based on a needs assessment with Alberta Health Services as to which programs move forward on the capital plan. There's a detailed needs assessment that's done provincially to then prioritize the work, and then we get involved with the functional programming and other pieces. It is Alberta Health Services that provides the capital submission and the needs assessment and then the delivery of the business case, and it's at that point that you would get the assessment onto the capital plan.

I'm just seeing if we have anything on Lethbridge, but I don't believe we do.

Mr. Singh: Thank you, Madam Chair.

The Chair: Yes, please.

Mr. Rowswell: Yeah. I just wanted to get back to P3s and the USPs as well a bit. What are the significant changes made to the new framework and guidelines compared to what was done previously?

Ms Persson: With that, I'm going to speak to the P3s. Sorry. I'm just going to – the P3 framework, I think, is a bit clearer on what – sorry. The P3 partnership and guideline, as you said, is a guideline to assess capital projects for P3 partnerships. What we did is that we learned from what we had done before. We wanted to be very clear that a P3 approach is the preferred option for any major capital projects – that transparency was key – but only if it shows value in doing so. We also expanded the P3 definition to allow other alternative financing opportunities beyond the typical design/build/finance/maintain or design/build/finance/operate models, again, to allow some flexibility and some innovation in that space. But, again, the premise, which has stayed the same, is that building this way must show value for Albertans. With respect to the USP framework, that was a new framework introduced in 2020; therefore, it's completely new. The entire thing is 2020.

Mr. Rowswell: Five years will be the last one changed.

Ms Persson: Precisely.

Mr. Rowswell: Okay. It's my understanding that Infrastructure started planning in 2020-21 to deliver five new school projects through a public-private partnership. What was achieved in '20-21, and how did these activities relate to the P3 framework?

Ms Persson: In that year the ministry assessed a bundle of five high schools for P3 delivery. In September 2020 we invited industry to submit qualifications to deliver the schools through a public-private partnership, and in November 2020 government shortlisted three qualified groups to deliver the project. In the fall of 2021 the P3 contract was awarded to Concert-Bird Partners to design, build, and finance the five new high schools, one each located in Blackfalds, Langdon, Leduc, and two in Edmonton.

The construction on the southeast high school in Edmonton began this year, and the construction on the other four schools is expected to begin in the spring or summer. Sorry. The Edmonton hospital began in the fall of 2021. All five high schools are expected to be completed in 2024 and have 7,000 spaces.

The delivery of these high schools follows that P3 guideline and framework, and the use of the model to deliver these schools we think will save Albertan taxpayers about \$114.5 million when compared to the costs of delivering and maintaining the schools over a traditional approach. We think Alberta has a successful track record of delivering much-needed school infrastructure using P3s, and this process once again can demonstrate that this is the best method for providing communities with new schools quickly and in a cost-effective way.

9:20

Mr. Rowswell: Thank you.

I'll cede the rest of my time to MLA Singh.

Mr. Singh: Thank you, Madam Chair. I would like to thank the representative of the Infrastructure ministry for being with us today as well as the office of the Auditor General. My questions are about the policies of the ministry related to the surplus properties of the government. Page 27 of the annual report explains that Infrastructure disposes of surplus properties for the government of Alberta, with

proceeds from surplus sales returned to the government's general revenue fund. It also states that \$8.9 million in proceeds were generated from the sale of 14 parcels of surplus land. What kind of analysis is conducted when declaring properties surplus?

Ms Persson: Thank you for the question. A property is declared surplus when it's no longer being used by a program. Infrastructure then circulates it to all ministries to see if they need the property, and if so, we'll review what the program needs and confirm whether the surplus property matches with the program area requirements. If a property can be used, we keep it – it's retained by the government of Alberta – but if it's not required following circulation, it's deemed to be surplus for government purposes. Then we surplus it.

Mr. Singh: Thank you for answering.

How can Albertans be sure that Infrastructure is getting maximum value when these assets are sold?

Ms Persson: When a property is declared to be surplus for government purposes, the property is first offered to the local municipality for municipal purposes as well. If a municipality chooses to purchase the site, it's typically at market value. If a municipality declines, the property is listed for public sale at market value with a realtor and posted on the MLS, or the multiple listing service, site and on Infrastructure's property site for sale, and it is done through the market.

Mr. Singh: Thank you for answering.

It also states on page 27 that the ministry was developing a new policy that would have Infrastructure managing the disposal of all surplus properties for government as well as most acquisitions. Can you tell us about the progress made on this policy in 2020 and 2021?

Ms Persson: Thank you. This policy is an intent to streamline the acquisition and disposal process. In December 2021 cabinet approved a new acquisition, surplus, and disposal policy which centralizes government's acquisitions and sales of real estate within Infrastructure's property division starting in April of this year, so in the next week. An enhanced website has also been developed for users. The disposal of surplus properties reduces operating costs and increases cash proceeds for government, and a centralized approach can lead to cost efficiencies in administering the program. So we are increasing our revenue generation and ideally reducing the red tape opportunities. In short, the benefits of the new policy include shortened timelines for properties to move to sale and reduced carrying costs. There's also clarity over roles and responsibilities and reducing the administrative processes.

Mr. Singh: Thank you, Deputy and all the staff of the ministry, for answering all my questions. I really appreciate you all for coming today.

With that, I will cede my time to MLA Turton.

Mr. Turton: Perfect. Well, thank you very much, everyone, for coming out here today. You know, most of my questions I was going to ask actually pertain to the amazing riding of Camrose, but I think their MLA is doing such a great job. She asked most of them already. Yeah, I think it's an amazing riding. I think MLA Lovely is doing a great job. But even more than the amazing riding of Camrose what I want to talk about is something that I know many members here and across the floor are very interested in, and that's red tape, because I know that obviously we have to talk . . .

Mr. Schmidt: Yes. Yes.

Mr. Turton: You know, I hear the calls from across the floor. I mean, this is something I know that many residents in Spruce Grove and Stony Plain and Edmonton-Gold Bar are looking for.

My first question has to deal with page 11 of the annual report. It states that "Infrastructure completed the development of its Three-Year Plan for red tape reduction . . . to identify legislation, policies, forms, guidelines and processes that were [all] deemed administratively burdensome on stakeholders." It also states that Infrastructure exceeded that year's annual red tape reduction target of 12 per cent and was on track to achieve the government's 33 per cent reduction target in three years, which I think everyone will say is a fantastic achievement. I guess my first question is: what are some of the main achievements of the red tape reduction initiatives in Infrastructure during the fiscal year that we're talking about here today?

Ms Persson: Thank you for the question. Red tape reduction is a key initiative for Infrastructure, as it is across government. We identified roughly 2,000 opportunities for red tape reduction in 2019. Thank you for saying that we have exceeded our reduction targets set for the '19-20 and '20-21 fiscal years.

What we accomplished in a year – there are a lot of initiatives that contributed to the success of reducing regulatory and administrative burden. Some are actually the simplified transportation/utility corridor application process, by developing a single electronic application form for requesting TUC access. We adopted the use of electronic signatures for all leasing agreements, which saves on courier servicing and printing. It may seem small, but it's actually quite a jump for us. We have improved Infrastructure's technical resource site, which is ongoing and makes things a lot more user friendly for people that we work with. We have accelerated the approval process for postsecondary institutions' land disposition by changing the order in council approval requirements to a ministerial order approval requirement. We have simplified the rural property sales appraisal policy by removing the requirement to undertake an external property appraisal if the internal appraisal is within 15 per cent of the last external appraisal.

The Chair: Thank you very much.

We'll now move on to the fourth rotation. The Official Opposition . . .

Mr. Schmidt: There's never enough time for red tape. Never enough time.

The Chair: I'm looking at Member Pancholi, who has the floor right now, hon. members.

Ms Pancholi: Thank you, Madam Chair, and thank you to the officials. Okay. I'm going to ask a few questions about schools. Specifically in the annual report, the annual report indicates that 315 schools have been approved since 2011, which is kind of an odd timeline because, of course, that period of time covers about five different Premiers. I wonder if the deputy can be a little bit more specific and say how many of the schools were approved and funded between 2015 and 2019 and then finished and opened since. If you don't have that information handy right now, if you could actually table that information. That's the number of approved and funded schools between 2015 and '19 and which ones were opened and finished after that time.

Go ahead.

Ms Persson: I actually do have the listing. I'm just trying to find it. It seems like an odd time period, but it's just 10 years. It's not any surprise, the 10 years. We've used it consistently in Infrastructure.

We do have some schools – I actually think it's best probably to table which ones are completed. I do have a table. I don't want to read it out.

Ms Pancholi: Thank you. I appreciate that. That would be very helpful given the time constraints.

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.

Ms Persson: I don't. But when we do the comparison, you've also got to consider the maintaining component. We will have what we have for the infrastructure components around building, but we do have on average what it takes for a high school, a junior high school, and an elementary school, and then we use that for the assessment against our value for money on the P3.

Ms Pancholi: Certainly. If you could table that analysis, that would be very helpful.

Do P3 schools typically include a playground?

Ms Persson: All schools right now get a grant for a playground. All the approved schools I believe have a grant for \$250,000 per playground.

I'd like my ADM of capital projects to come talk about that, please. He'll correct me if I'm wrong.

Mr. El-Chazli: Thank you. Ghassan El-Chazli, ADM for capital projects in Infrastructure. Alberta Education provides grant funding, up to \$250,000 per school, to support the construction of playgrounds for eligible projects. For school communities that wish – if the numbers exceed \$250,000, then usually the school jurisdictions would utilize something like fundraising to supplement the project. The decision actually lies within Alberta Education in conjunction with the school jurisdictions. Accordingly, once the decision is made, we will disclose according to what the decisions are.

9:30

Ms Pancholi: Thank you.

If I may, then, just to confirm. That would seem to suggest that each school built since 2019 includes a playground. Does \$250,000, in your expertise, cover the cost of a playground?

Mr. El-Chazli: No. I mean, I cannot actually comment on specifically a long list of schools since 2019, but we can definitely look into that and get back to you. As far as the coverage itself is concerned, when we're estimating the overall project, since that's the allowance, we have to understand that you're looking at an overall budget for the entire school. If it does exceed, then as we're doing the estimates for Alberta Education, we do notify them accordingly, and then they deal with the idea of, you know, discussing it with the school jurisdiction as to whether fundraising is required to augment or not.

Ms Pancholi: Thank you. 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. You know, ultimately, trying to get an idea of how much parents do have to personally fund raise. That's really what it is. It's parents fund raising to make up the cost to build a playground at the schools. Thank you. I appreciate that.

There were five high schools that were mentioned within the annual report in terms of – I think they're either planned or they're

being built. I was wondering if the deputy can give us a cost comparison between the P3 and traditional financing for the five high schools. As you've said repeatedly, the P3 model has to make sense, right? You have to have a value-for-money comparison for the full build, including the grounds, not just the buildings, because a high school isn't a high school, of course, as we know, without the sports pitches, the parking lots, all those other pieces. Can you give us full cost comparisons for the five high schools, and if you don't have that available, of course, table it with this committee?

Ms Persson: I do. I have that. The contract with the successful P3 proponent was finalized in September 2021. The Concert-Bird Partners had the lowest bid price at \$300 million of a net present value. For us, compared to the traditional build and the maintenance, that's savings of more than \$114 million compared to our estimate of \$414 million net present value to do the same work. The savings were actually validated by an independent accounting firm. That's how we do it.

The other thing that I do have is the schools announced through 2015 onward. There were actually no schools in 2015. I have the school capital announcements. For 2017, phase 4, there were 26 projects that were announced in Budget 2017 and two more projects that were subsequently approved in the fall of 2017, for a total of 28. The school capital announcement in 2018 had originally 20 projects. One was approved for design only and then got the construction later. In the school capital announcements for 2019 there were originally 25 projects, which included two for design only and then subsequently approved. Those were the Auburn Bay middle school in Calgary and the Coventry Hills high school in Calgary as well. That will give you the numbers.

Ms Pancholi: Thank you. 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?

Ms Persson: We can give you the analysis of the overview. We typically do for all P3 evaluations. We do have an accounting firm that assists us with the net present value assessments.

Ms Pancholi: Thank you. That was a confirmation that you can table that with the committee? Thank you.

Just a quick question. 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?

Ms Persson: That I do not believe I have details on right now unless my team does. No, we don't, but we will get that for you in writing.

Ms Pancholi: Thank you. I appreciate that.

I'll turn it over to my colleague the Member for Edmonton-Gold Bar.

Mr. Schmidt: Thank you very much. The government operates the Swan Hills Treatment Centre, which is mentioned on page 9. With correspondence that I've received from the department, it looks like the Swan Hills Treatment Centre operation is going to be phased out by 2025. How many people does the facility employ, and what will be the impact to the town of Swan Hills when that facility closes?

Ms Persson: The Swan Hills facility is operated by a contractor, and therefore the labour ebbs and flows, but for us the change in operating model was key because yearly cost to the province, the net cost to us to operate the centre, had increased to a subsidization

of \$30 million a year. We have to manage the province's buildings and facilities in a cost-effective manner to ensure the best value for taxpayers. With that, there was the decision – you know, there's the federal regulation that requires the end of the use of high-concentration polychlorinated biphenyls, the high concentration of PCBs, by December 2025. That's what Swan Hills was built for, and it's very expensive to use for other things. If we are not abolishing the high-concentration PCBs, it's something that we do have to evaluate whether it's cost-effective to run.

Mr. Schmidt: I appreciate that. Our government had a lot of experience shutting down facilities, but we also put in place just transitions for the workers who were impacted. What plans does Infrastructure have to provide a just transition for the workers at the Swan Hills Treatment Centre?

Ms Persson: I might get Mr. Beesley to assist me in answering, but one of the pieces that we have is actually a very long notification and transition period. This was noted earlier on, that we would be ending production in December 2025 or 2026. We will follow whether the federal government changes any of their rules, but Mr. Beesley does have some more information.

Mr. Beesley: As the deputy mentioned, we do have mostly contracted staff, but if you're asking for the number, it's approximately 60 people; six zero.

Mr. Schmidt: Okay. But no plan to find other employment for those folks or, you know, have a transition plan for the community of Swan Hills, that will obviously be impacted when that facility closes down?

Mr. Beesley: We'll continue to work with the community, but as we mentioned, this is a contractual arrangement, so it's a large consulting firm or a large contractor that does this. They would then be working with their employees.

The Chair: Thank you.

This is the fourth rotation. Government side: 10 minutes. This is the last rotation.

Mr. Turton: Yes. Thank you very much, Madam Chair, and then also thank you again for coming out here today. You know, one of the few things that's better than talking about either the riding of Camrose or one session on red tape reduction is a second set of questions on red tape reduction, so I'm looking forward to kind of continuing my line of questioning that I have.

Mary, I know you started talking about some of the main achievements of the red tape reduction initiatives in Infrastructure. I was just hoping you could maybe elaborate and finish your answer, specifically about: what's some of the feedback that you received from stakeholders?

Ms Persson: Generally stakeholders are supportive of Infrastructure's initiatives to better align practices with industry across government and to improve efficiencies and cost savings. The concept of electronic signatures has been out in the industry for a while, so it's been extremely well received. They're also quite supportive of the ministry's focus on streamlining, simplifying, and standardizing forms and processes in an effort to reduce red tape. It makes things simpler.

We find that our stakeholders, specifically, are mainly seeking consistency and standardization in our procurement and our project delivery processes as well. Our industry liaison council and others

are our main stakeholders and those that help us build projects, so they are very interested in that side of the house as well.

Mr. Turton: Excellent. I mean, obviously, a key metric to red tape reduction is that there has to be a quantifiable benefit to it, to taxpayers either on a quicker pace of construction or also lower costs, so given the complexity of the procurement process for government-funded infrastructure, I guess my main question is: what type of progress has the government made with reducing red tape so that those taxpayers can receive greater value by those efficiencies that you have found or realized?

Ms Persson: Some of the more complex efficiencies that we are starting to reap the rewards of are on things in our procurement, like category management, to improve and expedite procurements. This is a strategy where the services we purchase are grouped into common categories for more efficient and effective acquisition. By using category management, we've been able to engage the required services with shorter lead times and with vendors who meet common department-standard qualifications and experiences.

Three category management strategies currently in use are prequalified requests, bulk contracts, and multicontract requests for proposals. We use the prequalification requests for specific categories containing a list of vendors that meet certain qualifications. Once they're qualified, they're only required to submit a price submission to the ministry each time we issue a statement of work, so we know they're qualified; they can deal with price.

9:40

Bulk contracts are used for smaller, limited-risk work, where one vendor is engaged under a bulk contract instead of issuing several small contracts to multiple vendors. The same as PQRs, or the prequalification request, multiple vendors are prequalified for various categories, therefore allowing bulk packages to be issued under pricing requests again.

Then multicontract requests for proposal issues. We issue one RFP for multiple projects, requiring scope of work from services. Vendors provide a single qualification proposal, again, with multiple fee proposals, so one for each separate contract. The qualifications are then evaluated once, and then they're applied to separate projects.

Another initiative that's been very successful by the ministry to reduce red tape was revisions to our procurement for total property management, again, not the building of construction but the maintenance and property management. Again, we use prequalification requests to evaluate proposals, and we've really reduced the administrative burden for the total property management contracts and the vendors submitting proposals. Infrastructure is now able to evaluate qualifications for each shortlisted vendor only once as opposed to multiple times, and the vendors that make the short list will now only have to submit pricing rather than a full submission, thereby saving them time and effort. This allows us to complete projects quicker and potentially at a lower cost. The one thing that I will add: it has not impacted the number of contractors that are local and come from Alberta; most of our contracts still are with Alberta companies.

Mr. Turton: Excellent. Well, thank you very much for the response.

You know, before I cede to my good friend MLA Jackie Armstrong-Homeniuk, I also just want to appreciate the question put forth by the Member for Edmonton-Whitemud about playgrounds at schools. I know in my riding there was a school built about six years ago, when the previous government was there. It was an elementary school, and they went for almost six years

without a playground at that school because it wasn't included. I am thankful that that change has happened, moving forward, to allow kids the ability just to play, you know, and have a healthy and robust upbringing. Anyways, thank you very much for your question.

I'd like to cede the rest of my time to MLA Jackie Armstrong-Homeniuk. Thank you very much.

Ms Armstrong-Homeniuk: Thank you, MLA. Good morning, everyone. On page 4 of the annual report it states that Infrastructure would continue to work with federal partners to have locally identified priority projects approved under the investing in Canada infrastructure program, or ICIP, and under way as quickly as possible. I just wanted to mention that I'm grateful that in my riding, the amazing riding of Fort Saskatchewan-Vegreville, there have been a few recipients of the ICIP funding.

One of them is the town of Vegreville and the agrifood industrial park. This park will attract agricultural value-added companies to the area, providing many local jobs, and in Fort Saskatchewan there is Fort Saskatchewan Smart Fare, a smart bus program. An interesting fact: the Smart Fare is an account-based electronic fare payment system. This program is being pilot tested in Fort Saskatchewan and the Edmonton region but not extending as far to Camrose at this point.

A question for you: how much funding was allocated under the program to invest in Alberta infrastructure, and how much was received in 2020-2021?

Ms Persson: Thank you. Through ICIP Alberta has been allocated \$3.66 billion by the federal government to invest in infrastructure projects that strengthen the economy and build resilient communities. The funding was distributed across five streams: public transit is \$1.8 billion; green infrastructure, \$1.17 billion; the community and culture and recreation was \$140.3 million; rural and northern communities received \$152.3 million; and the COVID resilience stream was \$199.9 million, which was launched in 2020. Federal funding – they pay based on progress claims, so in 2020-2021 \$5.6 million was received.

I want to highlight that while Infrastructure leads the ICIP program from Alberta, it is administered across ministry – like, it's a crossministry initiative with other participating ministries, including Advanced Education, Culture, Status of Women, Environment and Parks, Indigenous Relations, Municipal Affairs, Seniors and Housing, and Transportation. It's Transportation that gets to administer the bulk of this, with the public transit stream, which does include that smart card that you've discussed. So we're getting a substantial amount, and it's just starting to come in the door in 2020-2021.

Ms Armstrong-Homeniuk: Thank you.

How many ICIP projects were approved, and which communities have mainly benefited? Also, can the department share with us what has been done to make sure the projects under this initiative are done as quickly as possible?

Ms Persson: As of March 31, 2021, Alberta received federal approval for about 171 projects or bundles, so that benefits over 30 constituencies all across the province. Through these projects we're investing about \$9 billion worth of design and construction work directly into communities. The total investment includes 80 projects receiving \$2.95 billion in federal funding for buildings or renewing culture, community, and rec centres; recreational infrastructure; LRTs; water, waste-water systems; flood mitigation; and Indigenous projects such as power and broadband system upgrades.

It also includes 91 COVID stream capital maintenance and renewal or municipal infrastructure projects receiving \$160.3 million

in federal funds. These projects are construction or upgrading of infrastructure such as sidewalks, trails, flood berms, and stormwater infrastructure. As of March 31, 2021, we committed all of our ICIP funding, so there will be no further intakes.

What has been done to make sure that the initiatives are built as quickly as possible? The projects that were selected were based in part on their shovel readiness and the ability to be done as quickly as possible. Approved recipients are required to report on their project status quarterly, enabling partner ministries and Infrastructure to monitor progress and address any concerns as needed.

There have been some project delays due to COVID and supply chain issues, but partner ministries and Infrastructure are really working collaboratively to make sure these approved recipients continue their projects and move forward. We're working together to make sure they get done.

Ms Armstrong-Homeniuk: Well, thank you. I just wanted to say that you are working really hard. I know that these two projects were thought of for a while, but once they were finally implemented, the process was very, very quick. I want to thank you because my communities are quite happy with the funding that they've received.

Thank you.

The Chair: Thank you.

We'll now move on to the fifth rotation, which is an opportunity for each side to read questions into the record. Official Opposition, three minutes.

Mr. Schmidt: Thank you. 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?

Then I will pass it over to my colleague from Edmonton-Whitemud.

Ms Pancholi: Thank you. Just to follow up in writing. 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?

Thank you. I'll turn it over to my colleague the Member for St. Albert.

Ms Renaud: Thank you. 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.

Thank you.

The Chair: Okay. Very good.

We'll head on over to the government side, please, for the three minutes of read-in.

Mr. Walker: Thank you, Chair. 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?

And my other question. 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?

I'll cede the rest of my time to the Member for Livingstone-Macleod.

9:50

Mr. Reid: Thank you, Madam Chair. 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?

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?

Thank you for your time with Public Accounts this morning.

The Chair: That's everything. Thank you very much.

All right. Thanks to the officials for attending today and responding to the committee members' questions. We ask that outstanding questions be responded to in writing within 30 days and forwarded to the committee clerk.

Are there any other items for discussion under other business?

Seeing none, the date of our next meeting is Tuesday, April 19, with the Ministry of Municipal Affairs.

We'll now move on to adjournment. Those at table, please be reminded to remove your own bottles and cups for the safety of LAO staff. I'll now call for a motion to adjourn. Would a member move that the meeting be adjourned. Member Reid has moved as such. All in favour? Any opposed? That motion is carried. See you on the 19th.

[The committee adjourned at 9:52 a.m.]

