



Legislative Assembly of Alberta

The 31st Legislature
First Session

Standing Committee
on
Alberta's Economic Future

Ministry of Infrastructure
Consideration of Main Estimates

Thursday, March 20, 2025
9 a.m.

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The 31st Legislature
First Session**

Standing Committee on Alberta's Economic Future

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Loyola, Rodrigo, Edmonton-Ellerslie (NDP), Deputy Chair
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Standing Committee on Alberta's Economic Future

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Ministry of Infrastructure

Hon. Martin Long, Minister

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

Cathy Maniego, Assistant Deputy Minister, Strategic Integration and Operations

Leonid Oukrainski, Acting Assistant Deputy Minister, Properties

Brad Smid, Assistant Deputy Minister, Strategic Partnerships and Learning Facilities

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[Mr. Getson in the chair]

**Ministry of Infrastructure
Consideration of Main Estimates**

The Chair: Welcome, everyone. I'd like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates for the Ministry of Infrastructure for the fiscal year ending March 31, 2026.

I'd like to ask that we go around the table, let members introduce themselves for the record. Minister, if you could introduce yourself and then your officials who are joining you at the table. Note that *Hansard* is operating the microphones, so we won't have to be grabbing for those as we go. I'll kick this off to get everyone started. My name is Shane Getson, MLA for Lac Ste. Anne-Parkland, God's country, and also the committee chair. Starting to my right with introductions.

Mr. Wright: Thank you, Mr. Chair. Justin Wright, MLA for the charming constituency of Cypress-Medicine Hat.

Mr. Wiebe: Good morning, everyone. Ron Wiebe, MLA, Grande Prairie-Wapiti.

Ms de Jonge: Good morning. Chantelle de Jonge, MLA for Chestermere-Strathmore.

Mr. Cyr: Scott Cyr, MLA, Bonnyville-Cold Lake-St. Paul.

Mr. Stephan: Jason Stephan, MLA, Red Deer-South.

Mr. Long: Good morning, folks. Martin Long, the MLA for West Yellowhead and the Minister of Infrastructure. With me today I have – I'll start with Ghassan on my left – Ghassan El-Chazli, assistant deputy minister of capital projects delivery; Dale Fung, senior financial officer for Infrastructure; Cathy Maniego, my acting deputy minister; and Brad Smid, the assistant deputy minister of strategic partnerships and learning facilities.

Mr. Deol: I'm Jasvir Deol, MLA for Edmonton-Meadows, and I'm also the shadow minister of Infrastructure. Thank you.

Ms Pancholi: Good morning, everyone. Rakhi Pancholi, MLA for Edmonton-Whitemud.

Member Tejada: Morning, everyone. Lizette Tejada, MLA for Calgary-Klein.

Ms Wright: Hi, everybody. Peggy Wright, MLA for Edmonton-Beverly-Clareview.

The Chair: Perfect. We have two Wrights aboard today again. That's always fun.

There aren't any members joining us remotely. If they do, we'll just give them the cautions about turning on the microphone, waving hands remotely, and cameras, of course.

I'd like to announce the following substitutions for the record. We have Member Tejada for Member Loyola, deputy chair; Mr. Dach for Member Hoyle, but I don't see Mr. Dach here. We have Member Deol for Member Boparai, but I don't see that here as well today. We have Mr. Wiebe for Mr. van Dijken, so that one is correct, and Member Wright for Elmeligi.

Did I say that incorrectly again?

Ms Wright: Elmeligi.

The Chair: Elmeligi? Okay. Perfect. I'll get that correct here one day.

As I noted earlier here, microphones are operated by *Hansard*. Committee proceedings are live streamed on the Internet, broadcast on Assembly TV. Audio- and videostreams and transcripts of the meetings can be accessed via the Legislative Assembly website. Remote participants: we kind of covered that. For those in the room, please set your cellphones and your devices to the least disturbing function as possible.

Speaking time and limits. Members, main estimates for the Ministry of Infrastructure shall be considered for three hours. Standing Order 59.01 sets the process for consideration of the main estimates in legislative policy committees. Suborder 59.01(6) sets out the speaking rotations for this meeting. The speaking rotation chart is available on the committee's internal website, and copies have been provided to the ministry officials at the table. For each segment of the meeting blocks of speaking time will be combined only if both the minister and the member speaking agree. If debate is exhausted prior to three hours, the ministry estimates are deemed to have been considered for the time allotted in the main estimates schedule and the committee shall adjourn. Should members have any questions regarding speaking times, the rotation, please e-mail or message the clerk. He's the gentleman sitting to my left.

With concurrence of the committee I'd like to call a five-minute break near the midpoint of the meeting, and then we'll continue on after that. Note that the three-hour clock will continue to run. Does anyone oppose having a biobreak partway through? Appreciate it. The chair is much appreciative of that.

Ministry officials who are present may, at the direction of the minister, address the committee. Ministry officials seated in the gallery, if called upon, have access to the microphone in the gallery area and are asked to please introduce themselves for the record. Obviously, the podium over there.

Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

Points of order will be dealt with as they arise, and individual speaking times will be paused; however, the block of speaking time and overall three-hour meeting time shall continue to run.

Any written materials provided in response to the questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

The committee should have opportunity to hear both questions and answers without interruption during the estimates debate. Debate flows through the chair at all times, including instances when speaking time is shared between the member and the minister. What keeps decorum awfully handy is that we stick to the items within the estimates. It makes it easy for me to follow along as the chair and those folks following at home. If you reference to the book that you're talking about and a section or page number, it would be awfully handy.

We had another member join us at the table. If you could introduce yourself into the record, sir.

Member Boparai: Good morning. My name is Parmeet Singh Boparai, MLA for Calgary-Falconridge.

The Chair: I appreciate it, sir.

With that, is everyone good to go?

Minister, you have 10 minutes for your opening remarks. The floor is yours, sir.

Mr. Long: Thank you, Chair, and thank you, committee, for your time today. While I'm still getting used to this role, I am pleased to be on this side of the table today to present Alberta Infrastructure's

estimates for the 2025-26 fiscal year and our 2025-28 business plan. With me at the table are some dedicated and hard-working Albertans, great members of our public service, to which we all owe a debt of gratitude. I've already introduced them, so I won't go through that again. But I would like to take a moment to point out in the gallery my chief of staff, Bryan Rogers; my policy adviser, Jared Gustafson; my press secretary, Benji Smith; and other ministry representatives.

As Alberta's Minister of Infrastructure my focus is on ensuring Albertans get the new, modernized, and well-maintained public infrastructure that they need on time and in a fiscally responsible manner. Throughout Alberta, Infrastructure is managing hundreds of projects. We are actively modernizing or building new schools, health and mental health facilities, and government-owned buildings like courthouses and correctional facilities. We are also upgrading and repairing existing government and health facilities to ensure Albertans today and long into the future have continued access to the vital programs and services they need for healthy and prosperous lives.

This past fiscal year, 2024-2025, in addition to all the projects under way in planning, design, and construction, Infrastructure completed 24 projects above the \$3 million threshold. These 24 projects were worth about \$750 million in total. In more detail, we completed construction of 11 new or modernized schools in 10 locations across the province, including Fort Vermilion, Grande Prairie, and Sherwood Park; three health facilities and one mental health facility, including the Rockyview general hospital redevelopment project in Calgary and the Calgary Valleyview Lodge recovery community; and nine major capital maintenance and renewal projects to upgrade or repair existing government facilities, including one I am particularly happy about, construction of the new reflecting pool and dome fountain at the Legislature Grounds, which was completed in time for Albertans and visitors to enjoy over the Canada Day long weekend celebrations this summer. We are also on track to have the second and final phase of the Legislature Grounds project, the river water feature, open this spring.

On another note, while delivering all these projects, I'd also like to highlight that Infrastructure's Public Works Act was amended last year to mandate payment timelines and invoicing provisions for public infrastructure work. This helps ensure contractors and subcontractors are paid fairly and promptly and builds on our overall commitment to foster strong relationships with industry to ensure that Albertans get the timely, cost-effective infrastructure that they need.

Looking at Budget 2025, our government is meeting the challenges faced by our province with continued investments in education and health, lower taxes for families, and a focus on supporting the economy. Infrastructure will continue to play an important role in meeting these challenges by delivering on our hundreds of existing projects in addition to new projects from this year's capital plan. Overall, through the 2025 capital plan, Infrastructure will be investing \$6 billion over the next three years into public infrastructure across our great province. This is an increase of \$321 million, or 5.6 per cent, from last year's capital plan. Breaking down this \$6 billion investment over the next three years, which is almost one-quarter of the government's total capital plan, my ministry will deliver on \$2.6 billion for school facilities, \$2.6 billion for health and mental health and addiction facilities, \$328 million for the renewal of government-owned facilities, \$298 million for accommodation projects, and \$178 million for government facilities.

To give you an idea of how this spending is allocated over the next year, I'd like to turn now to Infrastructure's estimates for 2025-26, where we have \$2.4 billion being allocated for spending this upcoming year. Of this total, a majority, \$1.9 billion, is in the capital investment vote. This is an increase of \$481 million, or 35

per cent, from the 2024-25 forecast. This increase is due to project scheduling and cash-flow requirements for approved major projects as well as additional funding approved in Budget 2025. Cash flows are fine-tuned as projects progress from planning to construction, which can affect the timing of expenditures.

9:10

Funds in the capital investment vote align with desired outcome 1 of Alberta Infrastructure's business plan, which is innovative, adaptive, and responsible infrastructure solutions that meet current and future provincial needs. This outcome reflects Infrastructure's role in the timely, cost-effective planning, design, and construction of public facilities that are necessary to support the delivery of government programs and services. The majority of our capital investment is split between schools and health facilities.

Our school infrastructure budget for 2025-26 is \$806 million. This provides funds for dozens of new and modernized schools that are currently being built. This investment includes \$213 million in new funding to support 38 school projects and modular classrooms, a result of the government's commitment to accelerate school projects to help meet increased demand.

Our capital targets also include health and mental health and addiction facility infrastructure, which is budgeted at \$787 million for 2025-26. This includes funding to build new health facilities as well as modernizing or completing capital maintenance and renewal work on existing facilities. Some key health projects include the redevelopment of the Red Deer regional hospital centre, which is expected to begin construction this year; construction of the La Crête maternity and community health centre, and the University of Alberta hospital brain centre neurosciences intensive care unit project in Edmonton. Health capital funding also supports the planning, design, and construction of mental health and addiction facilities in various locations, including Calgary, Edmonton, and Grande Prairie.

Infrastructure's 2025-26 capital budget also includes \$265 million for property acquisitions, maintenance and renewal of government-owned facilities, accommodation projects, and the delivery of major capital projects such as the Red Deer Justice Centre, Canmore Nordic Centre upgrades, and Yellowhead Youth Centre in Edmonton.

Expanding on funding for capital maintenance and renewal, or CMR, I note that Infrastructure's capital plan allocates \$864 million over the next three years for projects that help keep our existing government-owned health and P3 school facilities in good working condition, which is critical.

Now we will look at Infrastructure's 2025-26 expense vote, that primarily supports desired outcome 2 of Infrastructure's business plan, which states that Alberta's public infrastructure is effectively and responsibly managed and sustainable. This outcome reflects my ministry's efforts to effectively manage government-owned and -operated facilities with a focus on responsible financial stewardship, a commitment to quality, and efficient use of government assets.

Overall, the expense budget covers funding for day-to-day operations of more than 1,500 Infrastructure-owned or -leased buildings as well as the operation of the Swan Hills Treatment Centre, management of leased space and land services to meet government program needs, and staffing to support these activities. About 90 per cent of all operating expense is devoted to the management of government space, the most significant components being for leases and property management. Much of this budget is contractually committed.

In 2025-26 Infrastructure's expense vote is \$502 million. This is an increase of \$9.5 million, or 1.9 per cent, from the 2024-25 forecast. This slight difference is mainly due to cash-flow requirements for the

demolition of the former Royal Alberta Museum site in Edmonton-Glenora's community.

In closing, Infrastructure is committed to working with industry and ministry partners to complete work on time and on budget, ensuring maximum value for taxpayers while delivering the essential infrastructure needed to support the demands of Alberta's growing communities.

Again, I thank you all for the opportunity to present Alberta Infrastructure's 2025-26 estimates and the 2025-28 business plan. Now I'll turn it back to you, Chair, and I'm happy to take questions.

The Chair: Perfect. Thank you, Minister.

Before we get started on the next block, we'll just run out how that works. Sixty minutes goes to the Official Opposition. No one may speak longer than 10 minutes at a time. Default time is 10 minutes maximum speaking time and a request to combine time is revisited with each member. Basically, ask in advance; let us know on the shot clock up front if it's going to be combined or block time, agreed by the minister and yourselves; and you can transfer time. Nobody can speak longer than 10 minutes.

With that, whoever wants to speak, just get the chair's attention. Perfect. Member Deol, I recognize you, and please proceed, sir.

Mr. Deol: Thank you, Mr. Chair, and thank you, Minister. Before I say anything, I would like to ask: would you like to share the time?

Mr. Long: If it's all right with you, I'd like to do block time to start with today.

Mr. Deol: Block time. Okay. Thank you.

Once again, thank you very much. Thank you for being here, accompanied by your deputies and your staff doing the work on behalf of Albertans and here to provide some information with a line of questioning. I just wanted to be clear that we are all here for transparency and asking questions on behalf of Albertans so they can have knowledge and information with regard to what they have on their minds. You know, we have shared goals and we agree that we are, on both sides, here to serve Albertans. Thank you.

On the budget, Minister, I would like to start with your ministry mandate in the business plan. It says that Alberta continues to experience substantial pressure on our infrastructure such as schools, health care facilities, roads, and other public facilities due to the province's ongoing rapid population growth. The 2025 capital plan addresses key growth-related pressures while continuing to invest in the other priority areas to support Albertans and the growth of the Alberta economy. Budget 2025 features significant capital investment in education, K to 12, postsecondary, affordable housing, roads and bridges, health care, municipalities' priorities. It also highlights \$2.6 billion over three years for educational infrastructure, K to 12 infrastructure. The minister seems to be aware of and acknowledges the growing need of our infrastructure facilities. I broadly see the ministry's mandate, and we agree on that part. You know, the population growth has been very rapid, and there have been some capacity challenges. We all agreed many times in the House what Alberta is facing to be able to keep pace with ever-increasing demand for services due to the population growth.

There are roughly 20,000 more students registered in Alberta schools every year, and our school boards are struggling to keep up with the demand. Many schools in the province are running their operations near 90 to 100 per cent of the capacity they have. The schools are running a lottery-based admission system because of their capacity. I've received complaints; even as of today, I have calls from my constituents. They're struggling to admit their kids into the school in the neighbourhood. The constituents who purchased homes just across the street from the school building,

even paying a higher price, extra costs, understanding, you know, assuming that it will make their life better for the next five, six years, so kids don't have to travel hours of time to get to school. They are experiencing nothing but despair right now because applications for admission of their kids are lost in the lottery system.

Through the chair, my question to the minister would be: how much of that \$2.6 billion, that is in the business plan, is being spent or dedicated in the Budget 2025-2026 to build new schools, specifically to expand capacity in the province to address these challenges we are facing? How many new school projects with the capital funding will start construction in this current year? And, Minister, once again, I would really appreciate it if you can explain or shed light on how many of these school projects are in the city of Edmonton and are in the city of Calgary. My question is not about the projects under design; how many school projects are under construction right now? How many new projects will actually have shovels in the ground in the current year? And how many of those will be public schools, and how many are private schools?

One of the grave concerns from my stakeholders is why the government is building these schools under P3 models. Once, it had denounced the idea due to discrepancies and costs related to P3s. It is known that more than 90 per cent of Alberta students still study and graduate through public schools compared to private for-profit schools. My question for clarity, through the chair once again, would be: how much in this budget and specifically this year is being spent to add capacity in the province's public school system? How many spaces will be added, and where can we see it in the government estimates?

9:20

Once again through the chair, Minister, my question is on the information on page 99 of the ministry business plan, under building communities. Line two of the first paragraph states that, beginning with the 2025 budget, \$8.6 billion is being allocated to the new school construction accelerator program to kick-start construction on up to 30 new schools. My question around that is: what is the expected timeline of that big announcement of \$8.6 billion the government had allocated to school projects? Which population growth metric is the government taking into consideration to properly fund the education system and add capacity to address the current challenge of student space in the public school system and meet the growing demand for capacity in the schools for the future years?

My question is also, Minister: if the funding of \$8.6 billion is projected to kick-start 30 new school construction projects and the government is only spending \$2.6 billion for the next three years as to your business plan, so \$8.6 billion is for 30 new projects, and the \$2.6 billion we understand is to build about seven new school projects only. That is in the next three years; that's not even in this current year. The 2025-2026 government estimates on page 138, line item 2.3, the school facilities infrastructure have allocated \$697,000 only. This finding seems very small. Is the rest of the funding for school infrastructure coming through capital grants? Can the minister also elaborate on what projects this funding will go to directly? This doesn't seem to be enough to fully meet all government announcements around school projects.

On page 106 of the fiscal plan, there are discrepancies between the budgeted and forecasted amounts for the capital spending. On previously announced school projects, the government missed their target and only spent 75 per cent of what should have been spent. In their words, the funding was underspent by \$157 million, allocated dollars to build new school projects. This is a big, big gap in the announcement and what exactly we spent.

Through the chair once again, Minister, if you can explain why the money promised for building new schools was not spent: how many schools and which schools specifically did not receive funding due to the significant underspending on capital projects? What impact does the minister think this underspend will have on the timelines of the schools being opened, and how much is the government relying on private funding and P3 models for these projects that have been considered not only unhelpful but rather the costliest and unsustainable plans by successive governments previously, including not only the previous PC government, the NDP government, but the last term, this UCP government also had the same view around that.

Again, through the chair: Minister, are you aware of the P3 risks? How many P3 schools is this government constructing this year, and how many schools will be built in P3 next year, and what are the budgetary negotiations with the private partners? I would really appreciate if we can have that.

Thank you, Minister.

Mr. Getson: Thank you, Member, for that.

Minister, the next 10 minutes is back to you.

Mr. Long: Awesome. Thank you, Member, for your questions. I will allow ministry officials to jump in on a few things today; a number of things, actually, today. For starters, I'd like to actually just acknowledge even this week to be involved with the Minister of Education at an announcement of new schools in Edmonton and the excitement for those by the Edmonton public school chair and the Catholic school chair, who were on-site, and then many members of the community and school boards and how they acknowledged that it was desperately needed and would be a very well-received message. So thank you for your advocacy for Edmonton in particular and all the province on that.

That said, as you pointed out, we have a lot of work to do, a lot of work to keep up with the rapid growth of our province and the pressures on our school system. One of the exciting things about the school accelerator program that we have brought in is, you know, historically as projects went from funding to planning to design to construction, those projects would have to wait for the next budget cycle to take those next steps from planning to design to construction. Basically, you would be looking at a minimum of three years from the money being allocated for a project before you would potentially see shovels in the ground. That's, again, one of the exciting things that even the school board chairs and the principals this week at that announcement were ecstatic about, that the faster that we are able to move through the process with them, the faster that funding gets directed to them so they can actually move towards construction.

With that, I'll turn it over to Brad.

Mr. Smid: Thank you. Thank you for the questions. Great questions. In collaboration with the Ministry of Education and school authorities, Infrastructure designs, builds, and modernizes the school facilities to ensure Alberta's K to 12 students and communities have access to modern, well-designed learning spaces. School capital projects are delivered through two streams, Infrastructure-managed projects as well as grant-funded projects that are managed by school jurisdictions. Infrastructure does lead the planning, design, construction, and close-out activities for Infrastructure-managed school capital projects and provides oversight on the grant-funded projects that are delivered by school jurisdictions.

As you pointed out, there are several major school projects under way, resulting in hundreds of jobs in our province related to planning, design, and construction. That continues to strengthen our

economy. In September, specifically on September 18, 2024, the Premier announced a commitment of \$8.6 billion in capital investment through the school construction accelerator program, which will allow our government to kick-start up to 30 new schools and as many as eight modernization and replacement schools every year for the next three years as well as the rollout of modular classrooms, beginning in this budget.

Education works closely with the school boards. They remain responsible for identifying school priorities and obtaining the approval for the school capital projects. Together we provide new and modernized schools for Alberta families and communities. Budget 2025 provides \$2.6 billion to invest in school infrastructure throughout the province over the next three years; \$806.1 million of that will be spent in the next fiscal year supporting the delivery of school projects.

Currently there are 80 active projects, including eight in planning, 51 in design, 15 in construction, four on hold, and two in postconstruction. As those projects advance, obviously, we will have projects going from planning to design to construction, and we will see increasing numbers of construction in the coming years. Eleven school facilities will be built or modernized in 2024-25, creating space for approximately 10,000 students in 10 communities, including Blackfalds, Coaldale, Edmonton, Fort Vermilion, Grande Prairie, Langdon, Leduc, Manning, Red Deer, and Sherwood Park. In addition, through the new in-year accelerated program, as part of the school construction accelerator program, incremental funding of \$617.5 million has been approved to progress 22 previously approved projects into the next stages of their life, from planning to design or from design to construction.

9:30

Over the next three years – you asked about regional breakdown – Infrastructure's school capital plan spending of \$2.6 billion is broken down by region as follows: \$586.9 million in Edmonton, \$410.2 million in Calgary, and \$1.4 billion throughout the rest of the project as well as \$236.2 million for province-wide programs to be allocated such as CMR.

Regarding P3s, government has employed the use of P3s to deliver school bundles in the past and continues to do so to provide urgently needed school facilities as quickly as possible to meet demand and at less cost than if delivered through traditional methods. We assess all school projects to see if a P3 is viable, and by bundling similar projects in similar geographic areas, we can get economies of scale on both the construction as well as the maintenance over a 30-year period of those schools. That's how we generate value for money. We only deliver schools when there is value for money generated. The bundles are managed under a single contractual arrangement to design, build, finance, and maintain the schools.

In the 2025-28 capital plan \$8.1 million has been allocated over the next two years for maintenance work related to P3 school bundle 2, which successfully opened last year for students in September. This bundle was comprised of five high schools located across Alberta. They include Father Michael McCaffery Catholic high school in Edmonton, Elder Dr. Francis Whiskyjack school in Edmonton, Iron Ridge secondary campus in Blackfalds, Ohpaho secondary school in Leduc, and Horseshoe Crossing high school in Langdon. Construction was completed on all five of these bundled high schools on May 31, 2024, and they opened successfully last year, providing 6,375 new student spaces. It is important to note as well that all three P3 schools are owned and operated by the school divisions. The P3 contractor just is the maintenance provider.

There is \$324.8 million approved for P3 school bundle 5 over the next three years in the capital plan. This is a bundle of six schools, including a new K to 5 school in Blackfalds, a new K to 9 school in Chestermere, a new K to 9 school in Nolan Hill in Calgary, a new

7 to 12 school in Glenriding Heights in Edmonton, replacement of the K to 6 l'école Good Shepherd with a new K to 9 school in Okotoks, and a new K to 8 school in southwest Airdrie.

Procurement has been completed for this bundle, with the preferred proponent selected and contract expected to be executed by the end of March. When completed, these schools will provide 5,350 new student spaces. We are working with our municipal partners on these schools to incorporate designs as well that expand the construction and use of these facilities to maximize benefit for the local community, showing again that P3s can be flexible. We can work with stakeholders and partners to do things like incorporate additional gym space or community amenity that is then funded by those partners.

Mr. Long: Thank you. I appreciate that.

As we've already had lots of headlines around the school accelerator program, the previously approved school projects will actually create 50,000 new and updated student spaces in the next three years. The school construction accelerator program will create approximately 150,000 additional new and updated student spaces. That 150,000 includes over 100,000 new student spaces and over 16,600 updated student spaces, additional spaces through new or relocated modular classrooms, and approximately 12,500 new public charter school spaces. Yeah. That's how we anticipate that we are on track to deliver 200,000 student spaces over the next seven years.

I know that we have a few left, but I only have two seconds left on the timer.

The Chair: Well, a good thing the first block was 60 minutes.

MLA Deol, is it back to you?

Mr. Deol: Yes. Thank you, sir.

The Chair: Perfect.

Mr. Deol: Thank you, Mr. Chair.

The Chair: Just ask if it's block or shared. We have to do that every time.

Mr. Deol: Yeah. Would you like to share this block or . . .

Mr. Long: If we can try the block a little bit more. I'm sure eventually I'll get my feet under me.

Mr. Deol: Thank you, Minister. I also want to take the opportunity to congratulate you on your new role. I understand that you might not have all the answers to all the questions and concerns I'm raising, and you will be most welcome to provide answers, if you don't have any answers right now, in writing later on. That would be equally perfect.

Once again, Minister, I just wanted to refer to page 44 of the business plan. There is \$3.3 billion of capital investment over the next three years. However, as the corrupt care scandal continues to grow and very recently this ministry saw the previous minister step down because of these concerns around government procurement specifically and given that the allocations of the funds is one of the largest procurements seen in the budget, it is important that all Albertans have confidence in how these procurements for these capital projects happened. Through the chair once again to the minister: can you share with us the documents that would validate these projects for Albertans so that can build their confidence, also if the minister is going to use any firm which has or had any sorts of involvement with Rubicon, Marshall Smith's, the Premier's former chief of staff, lobbying firm, to achieve any of their mandate?

My question is on behalf of so many constituents and specifically the e-mails we are getting and the stakeholders' concerns.

Mr. Cyr: Point of order.

The Chair: A point of order has been called.

Mr. Cyr: Yes. Thank you, Mr. Chair. I'd like to call this as 23(b), and I also would like to go with 23(j) as well. Standing Order 23(b) is that this is out of the scope of this meeting. The member hasn't referenced where he's looking at within the budget or the fiscal framework. I also recognize that the former minister had concerns regarding a separate ministry, and I'm not sure how this relates to this ministry. Also, going down this road will likely cause disorder in this committee if we continue on this line of questioning, sir. Please rule that question and the following points that he's made out of order, sir.

The Chair: Go ahead.

Ms Pancholi: Thank you, Mr. Chair. This is not a point of order. The member clearly referenced page 44 of the business plan and the budget documents in his question. I understand that the questions related to concerns that the former Minister of Infrastructure raised around procurement across government, which would include the ministry he's responsible for, a matter of which has been referred to the Auditor General, may cause disorder, but that disorder is actually just a difficult question that I think is right within the scope of this committee to discuss. That is not a point of order. Difficult questions should be asked of ministers in this room. It is very relevant to the discussion here. This is simply not a point of order.

The Chair: Okay. At this time not a point of order. Obviously, we want to ask difficult questions. What I want from all committee members here is to make sure that we maintain decorum. Some of the rules that really seem to help that, if members can agree to that – we have a lot of latitude in some of the language we use in the House, which is kind of a different environment. Quite honestly, I want to keep this boring like a business room. If the member could heed that, understand that potentially using different language to ask your questions on some of those more contentious items, then please continue, and we'll try to monitor ourselves accordingly. If the chair feels that we tend to be slipping back there, so we don't waste a bunch of time in points of order, I might caution the member or quietly try to intervene, to steer the language a little bit differently.

Member, are you okay with that? MLA Deol? Please continue, sir.

9:40

Mr. Deol: Thank you, Mr. Chair. I really appreciate your guidance and instructions in this.

Definitely, I was trying to express the importance and the background of the question, where this question was coming from. I'll be very straightforward to a question related to page 44 of the business plan.

Further to that, you know, I would also like to briefly touch on procurement for Mental Health and Addiction. There are 11 recovery communities being built. Only three have been completed, and the rest are still coming. The Ministry of Mental Health and Addiction noted that these projects are funded through capital funding on page 108 of the fiscal plan from the Ministry of Infrastructure. Through the chair once again, Minister, can you please explain why we would then identify private, for-profit companies from out of province? We have a lot of exceptionally talented organizations that have been operating here for many decades who cannot seem to get any of those contracts.

What were the identified criteria or another matrix that secured these contracts for those out-of-province providers? Are all these private facilities being paid the same amount, or do they vary as widely as some of the numbers that we see in the other elements of the health care system?

Once again through the chair, Minister, does this government have any liability to projects completed under the P3 model? For example, is the government allocating and keeping any money, any funding for regular maintenance or fixing or discrepancies found in the P3 projects?

Also, Minister, if you can provide – this is really helpful. I asked the previous minister. It can help address a lot of concerns if the minister can provide a value-for-money report when we are using private sector in public infrastructure projects. I really feel that Albertans deserve to know that their tax dollars are being spent wisely.

In the 2025-2026 government estimates general revenue fund on page 138, line item 3.3, the government-owned facilities preservation is described as repairs, upgrades, maintenance, and replacement of building systems and building services. Can the minister speak to how much of the funding from this line goes to maintenance on government buildings that were built as P3s?

Also, once again through the chair to the minister: if you can tell us how many contracts for new infrastructure the government currently has that will be using P3s to complete the projects. How does the ministry choose which private contractors to collaborate with for P3s? Does the ministry develop a criteria to determine eligibility of P3 partners? Is that criteria posted and made publicly available to Albertans?

Under outcome 1 on page 101 in the 2025-28 business plan for Infrastructure, key objective 1.2 refers to exploring P3s to deliver public infrastructure for Albertans. Performance measure 1(b) appears most relevant to P3s. However, there are two common approaches to measuring performance in terms of on-schedule completion, particularly for larger and complex projects. The initial forecast completion date model measures performance against the initial completion date forecast as it reflects an agreed-upon timeline at the start of the project. The latest completion forecast model evaluates performance based on the latest or last updated schedule and considers challenges, changes to orders, or other reasons for timeline adjustment. It allows for flexibility in addressing evolving circumstances.

Minister, I would really appreciate if you can shed more light. Which model does the ministry use to identify targets and measure successful completion of a project on schedule under performance measure 1(b) on page 102?

My next question is regarding the capital plan. In the last budget the funding projection of \$34.8 million was announced for Stollery hospital, and the government bragged about their plan for this hospital to mitigate the public outcry over the south Edmonton hospital. Surprisingly, this funding has almost gone to none. It was projected in the last capital plan at \$5.8 million for this year, but I see that the 2025-2028 capital plan shows only \$1 million. What has changed in the ministry's plan, and how is it going to impact the Stollery children's hospital?

Another thing is that Red Deer regional hospital saw a \$21.6 million cut this year from the funding that was projected in the 2024-2027 capital plan, and the funding was projected to save \$253 million in the next three years in the last capital plan. Why is that? What is the government compromising on this project, and what has changed since last year? The cost has gone significantly up due to inflation and so many other factors, but the funding is going down by 34 per cent. Is the government planning to shelve something

from their projected or original plan, and how would it contribute to the completion of this project in Red Deer?

On page 138 of the government budget estimates, we also saw a considerable cut – it's almost 33 per cent of the dollar amount – of \$156 million from health facilities infrastructure and operating expenses last year. Now we see a further cut of \$742,000. This cut amounts to 24 per cent, so we see a combined cut to this line item by 58 per cent in two years. That is a massive cut to this line item, so how is it going to impact the government planning?

I would really appreciate some of the answers to those questions.

The Chair: Thank you, Member.

Minister, back to you.

Mr. Long: Thank you, Chair. Thank you, Member, for the questions. I'll actually start. You had begun your time asking about the previous minister and comments that they made. I don't speak for anyone else's words, so if you want to take it up with them for comment on that, I'd appreciate that.

Your question about Rubicon. Rubicon has no contracts. Thank you for that.

Around procurement, I'm actually really pleased to talk about that. We could talk about that probably for our entire 3 hours, between procurement and P3s. I'll touch on procurement a bit with this block if that's okay. Infrastructure's procurement process is aligned with trade agreements, contract law, directives, and the government of Alberta's procurement accountability framework. The government of Alberta's procurement accountability framework ensures procurement activities are conducted in a fair, open, and transparent manner. Infrastructure follows the guidance developed by Service Alberta and Red Tape Reduction within the PAF, the procurement accountability framework, as it provides consistent procurement guidelines and direction for all ministries.

Trade agreements regulate trade between jurisdictions, reduce barriers, and set monetary thresholds as to when the agreements are applicable. Procurement posting thresholds are governed by the New West Partnership trade agreement as it contains the lowest dollar thresholds, requiring open public tender for procurements greater than \$75,000 for services or \$100,000 for construction. Infrastructure posts procurement opportunities to the Alberta purchasing connection website, where interested parties can access opportunities for all the GOA. Procurement opportunities are open to all businesses.

9:50

Infrastructure uses a category management program to improve and expedite procurements. By streamlining the qualification stage for the most common categories, Infrastructure is able to engage the services with shorter lead time with vendors who meet a common department standard on qualifications and experience. Three category management strategies are currently in use: prequalification requests, bulk contracts, and multicontract requests for proposals.

The ministry awards a majority of contracts to Alberta-based companies. In 2023-24 345 out of 365, or 94.5 per cent, of firms that were awarded contracts were Alberta-based firms. The proportional spend that went to Alberta-based firms for '23-24 was 97.2 per cent, or \$827 million out of \$851.4 million. Between April and September 2024 169 out of 181, or 93.4 per cent, of firms awarded contracts were Alberta based. In this period the proportional spend that went to Alberta-based firms was 98.4 per cent, or \$1.235 billion out of \$1.255 billion.

Alberta Infrastructure uses the following procurement approaches. Tender is where proponents are invited to submit bids or pricing.

Compliance is confirmed by a procurement team, and awards are to the lowest bidder. Used for design/bid/build delivery methods.

Request for qualifications. That's used to shortlist qualified vendors to bid on procurements. Proposals are scored based on predetermined criteria. Typically the top three to five highest scoring proponents receive a subsequent request for proposal and submit their proposals. That's used for design/bid/build, construction manager, and design-build project delivery methods.

Request for proposal includes mandatory and desirable provisions which are scored by an evaluation committee. The committee evaluates qualifications and experience. The technical evaluation is usually weighted at 80 per cent of the score and pricing the remaining 20 per cent. That's used for design/bid/build, construction manager, and design-build project delivery methods.

Prequalification request. That's utilized to register vendors on a source list. Proposals are reviewed to ensure they meet mandatory requirements or minimum scoring thresholds. Used for design/bid/build, construction manager, and design-build project delivery methods.

Request for quotes is used for below trade agreement threshold procurements when seeking quotes from a minimum of three vendors. Infrastructure confirms compliance and awards to the lowest bidder. That's used for design/bid/build project delivery methods.

Also, qualification-based selection. That's a request for proposal. Qualification submissions are scored, and negotiations occur on the scope of services, terms and conditions, and price with the preferred vendor. If negotiations are unsuccessful, the procurement team enters into negotiations with the next highest scoring vendor. That's used for design/bid/build, construction manager, and design-build project delivery methods.

A continuous improvement project began in March of 2018 and sought to improve procurement timelines by focusing on process improvements. There are five distinct steps in a procurement: development, the time from when document development starts in procurement to posting of RFP tender; posting, the period for RFP tender public posting on the Alberta purchasing connection website; evaluation time, from closing of RFP tender to completion of evaluation consensus to determine the winning proponent; award, the time for government of Alberta approval of award to issuance of engagement communication; and execution time, from issuance of engagement communication to completion of contract execution.

If it's okay, I'll just throw it over to Ghassan to talk about your questions around Red Deer in particular.

Mr. El-Chazli: Thank you, Minister. The Red Deer hospital was approved in Budget 2022 at \$1.8 billion, as everybody is aware. Preceding that, of course, it had undergone an accelerated planning process which entailed the preparation of a needs assessment over several years and a business case that was accelerated within eight months. Then after the approval it went through a functional program for a year.

Generally speaking, regarding major projects cost estimates and timelines are assessed as the planning process progresses. The level of detail, or the detail resolution, as to the exact expenditure risk required and the visibility to what the cash flow would look like increases with time as the projects progress through the different planning phases and then going into the design, et cetera. Obviously, the cash flows that were approved in Budget 2022 were based on very specific parameters. As we progress through the projects and contractors are retained through public procurement, both contractors and consultants would have their own view of how to go about completing the job, and that would end up with an adjustment to the cash flow to suit the actual method of delivery as well as their own

view of how to go about scheduling their work. That results in a few cases in the cash being reallocated from a cash-flow perspective. It does not reflect a reduction in the budget; the total budget is still the same.

Regarding the Red Deer hospital it's one of the largest projects that the Alberta government has ever undertaken. Alberta's government is committed to ensuring residents of the Red Deer region can access the care they need when and where they need it. There are two major components of this redevelopment, so the overall \$1.8 billion project was split into two main components. Project 1 is the construction of a new patient tower and centralized power plant along with the expansion and renovation of the existing hospital's main building, and phase 2 is the construction of an ambulatory building. Early site works are complete on the project, including demolishing the previous annex building and surface parking lot, and construction of the new patient tower is now under way. The completed project will add up to 200 new beds for a total of 570 at the hospital.

Over the next three years the 2025 capital plan is providing \$579 million towards the total investment of \$1.8 billion for the redevelopment of this hospital and its interim cath lab. The project will upgrade and enable several services throughout the hospital, including an additional patient tower, a new centralized power plant, six new operating rooms, a new medical devices reprocessing department, two cardiac catheterization labs, renovations to various areas within the main building, a newly renovated and expanded emergency department, and a new ambulatory building, located adjacent to the surface parking.

The functional program that I referenced began in April 2022 and was finished in March 2023. Design began in June 2023 and was completed in October 2024. In August '24 Clark Builders was awarded the construction manager contract to build the new patient tower and expand.

The Chair: Thank you.

We'll recognize MLA Pancholi.

Ms Pancholi: Thank you, Mr. Chair. Thank you, Minister, and thank you to all the officials for being here today.

I wanted to follow up on some questions raised by my colleague MLA Deol related to school facilities building and, in particular, of course, line 2.3 of the budget. Mr. Smid gave a very great overview – I appreciate that – of how infrastructure projects are managed for school facilities when it is a public board who is doing that. I guess my question would be around – I'm sorry.

I didn't ask this question: Minister, would you like to share time?

Mr. Long: We'll continue with block time, Member Pancholi. Thank you.

Ms Pancholi: Thank you. That's what I assumed, so I was proceeding, but I just realized that I didn't actually ask the question.

The Chair: So did we at the front. I wasn't looking for anyone to bug you. So far so good.

Ms Pancholi: With respect to private school infrastructure this is, of course, going to be one of the first times that we see in a provincial budget that the capital funds will be spent by the government on private school infrastructure to build. So how will those infrastructure projects be managed? Mr. Smid mentioned that there are the two streams, Alberta Infrastructure-managed schools and grants to school boards for private schools. Which stream will private schools be built under? If it is going to be grants to entities, if it won't be school boards but perhaps a private school entity which is operating it, who is going to be building those schools?

What insight, transparency will Alberta Infrastructure have over how those contracts are going to be allocated and determining the RFP process, you know, if it will be tendered? Or, similarly, if it's going to be Infrastructure-managed builds, I think the question to ask is: how will that be transparently procured?

I wanted to ask a little bit about – perhaps at another time the minister can table just details on the four projects that Mr. Smid mentioned were currently on hold when it came to the 80 current active school projects. Details around why those four are on hold would be appreciated.

10:00

I also want to follow up. I had the privilege yesterday to sit in on the estimates with the Minister of Treasury Board and Finance, and, of course, he referenced the significant investment in the capital plan for the entire government budget this year. However, along with mentioning, and it is a significant investment in capital plan, the minister did also talk repeatedly about his doubts and concerns about the government's ability to achieve the goals of that capital plan and to actually build all the projects that have been listed in the capital plan because of great deals of uncertainty. Particularly, he raised the uncertainty around tariffs, which many of us are aware of, how that cost will affect many building projects and their ability to come in on budget. As well, of course, I think the phrase he used is that we might hit the ceiling on labour capacity – right? – to actually construct these buildings, this sort of very ambitious plan that the government has.

Therefore, I guess that my question, Minister, through the chair, would be: how will Albertans know which infrastructure projects, should they run over budget, which I think is, you know, a fair risk to consider, will be put on hold or perhaps delayed or perhaps cancelled? How does the ministry make those decisions as to how to assess that risk? So those are a couple of questions around that.

I want to switch to another line of questioning related to line item 5.2 in the budget, which is land services, which, as I understand from the budget, deals with negotiating and administering the purchase and sale of real estate for government initiatives and managing land-use agreements, easements, and right-of-way. Under that line item I guess I have some questions. When the Ministry of Infrastructure is choosing to purchase a piece of property, whether it be land or building, how is that communicated out to the public? If there is a piece of land that the government is interested in, do they just see what's on the market and go out and put in a bid as any other purchaser might? Do they indicate publicly anywhere that they are interested in purchasing this land? If they do not publicly disclose that within the Ministry of Infrastructure, how do they ensure that there are protections around communications going out to potential sellers of land to make sure that it's not publicly available that government is going to be buying a piece of land or is interested in it? How is that protected?

As we can imagine – and I'll be clear. There are certain allegations made about a certain piece of land, and I'll speak specifically to it, through the chair, Minister: a piece of property located at 14425 – 124th Avenue in Edmonton. Allegedly there is a piece of land next to a provincial building, and government Infrastructure purchased that land, but just three months prior to purchasing that land, that land was actually purchased by Sam Mraiche, who's been implicated in many allegations around infrastructure and procurement issues. He purchased that land, managed to turn it over for a \$300,000 profit in just a matter of months.

My question to the minister is: how careful would Alberta Infrastructure be around making sure that information, that they're interested in purchasing the land, is not leaked out to private individuals who might choose to purchase land, knowing that government is going to be interested, and try to make a good profit

off that? What assurances can the minister provide to Albertans that that is not taking place within this ministry?

I'm going to move over to outcome 2 of the business plan. It's sort of a related question. Outcome 2, of course, of the business plan talks about the ministry's goal to ensure that public infrastructure is effectively and responsibly managed using modernized and sustainable approaches. Again, a question that is a very live issue, I think, for Albertans right now, around making sure that our infrastructure is effectively and responsibly managed. There are a number of allegations related to health-related infrastructure, as the minister will be aware, which is also somewhat under the responsibility of his ministry.

I guess my questions are around, you know, knowing that those allegations are out there, can the minister provide confidence to Albertans that public infrastructure is being effectively and responsibly managed? There are very live issues. Are there additional steps that the minister is planning to take in this fiscal year to provide not just the standard procurement process which we're pretty familiar with but greater transparency around how those decisions are made, who might be responsible for making those decisions, whether it be ministry staff? Does the minister plan on in the upcoming fiscal year exercising greater sort of oversight or intervention into decisions about how public infrastructure is managed? I'm asking, Minister, if there are going to be any changes coming out of the allegations that we have seen that will change his practice in his ministry going forward.

I've got two minutes. I'm going to switch topics a little bit. I don't anticipate that the minister will be able to answer all the questions I've already asked in his block. I tend to get a lot of words in in a period of time. It's a skill, I'll tell you, and a weakness.

On page 12 of the Alberta fiscal plan, and also, I believe, in line 2.2 of the budget, which relates to health facilities, the fiscal plan notes that there have been legislative amendments that have been made that will permit property owned by health entities to be transferred to Alberta Infrastructure on April 1, 2025, and then "hospitals will then be leased back to the entities to operate and maintain." At a press event on February 28 of this year the Premier said that the transfer of AHS's 700 health facilities and 380 land titles to Alberta Infrastructure, quote: will allow us to choose the operator, and it will allow us to repurpose them to our needs. At the same time, Minister, through the chair, I understand that the press secretary stated in response to media questions, quote: there is no sale or purchasing involved in the transfer of these buildings; all properties will be transferred over on April 1 as part of the Real Property Governance Act, consolidating all government-owned property under one management.

The questions related to that context, Minister, are this. This centralized approach to hospital ownership is unprecedented in Canada. Ontario, B.C., and all other provinces have chosen instead to respond to locally identified needs and to give residents more say in decision-making. So through the chair to the minister: can the minister outline the government's rationale for centralizing the ownership of hospitals and health facilities under Alberta Infrastructure? Will the ministry's ownership of these facilities also include the current and proposed recovery centres and communities under the Ministry of Mental Health and Addiction with Recovery Alberta?

I have another question related to that, but I'm going to run out of time, so I will stop there. Stay tuned; there'll be more.

The Chair: Excellent. Thanks, Member. Appreciate you asking the tough questions with language that would not cause disorder. Thank you for that.

Minister, back to you.

Mr. Long: Thank you, Chair, and thank you, Member. Really appreciate your passion and the number of questions you were

able to get in a short period of time. I will start with your very first one, around the private schools infrastructure, simply to say that we have no involvement within Infrastructure in the private schools. That's all in Education's purview.

I'll just touch on the last one that you had, Member, and then I'll jump back to allow my deputy minister to give some more information. I am very well aware of the Minister of Health's plan for localized decision-making, even in the midst of your questions around transfer, on health care moving forward. I'll just leave it at that for now, but if I have time to come back to the rest of your question, I will.

Deputy Minister.

Ms Maniego: Sure. I can speak to the property acquisition within Alberta Infrastructure. We are committed to open, fair, and transparent practices when it comes to acquisitions, disposals, and managing of our properties. It's our responsibility to be stewards of government buildings, facilities, and lands, acting in the best interests of Albertans. That's what we operate under.

Speaking to that property, we became aware of it the way we would become aware of any property. We have agents that are looking at MLS, that talk to other real estate agents, and we became aware that property was being put up for sale. We had actually had a relationship with the original owner because we were leasing the parking lot of that same property to supplement parking at the Stanley Venne building next door, so when we heard that it was going up for sale, we started working on that.

10:10

We'd had direction that this was a desirable property for government to have. That's how we purchase properties; we have direction from other government departments for the need. We always have a business need for the property purchase. So we reached out, we talked to them, but we have processes in place that require approvals up the chain within the department, and it sold before we could actually get our offer in. We reached out after the sale was done to talk about the lease, because we wanted to continue leasing the parking lot, at which point their lawyer informed us that the deal that they were looking at for that building had fallen through, so they would actually be interested in a sale. In fact, they'd already had another bidder as well. We came in slightly higher than that other bidder at that point.

It was all within assessed value. We always look to make sure that we are getting best value for Albertans. We look at assessments and in some cases will do property valuations, that sort of thing, to make sure that we're in a good range, and if it meets the needs, then we would go ahead and purchase, which is what happened in this case.

Mr. Long: Regarding the question about the four projects that are on hold and why they're on hold. Thank you.

Mr. Smid: Yes. Thank you. I'm very familiar with those four.

Generally we only put projects on hold when there's a scoping issue or it needs to be relooked at from a scope perspective, and that would come from the partner ministry, Education, through a request from the school divisions. The four on hold are Athabasca delta replacement school in Fort Chipewyan, which is on hold while there's ongoing site selection studies done by the local school jurisdictions. John G. Diefenbaker high school in Calgary is on hold as the Calgary school division has decided to look at, rather than a modernization, a potential replacement school. Based on the age and condition of that school, modernization might not be feasible. They're doing a study on that. We have two that are on hold that are fortunately coming off hold or already off hold very shortly. Valleyview school was on hold

as the school division was looking at additional partner scope and funding from the town, but that's been resolved and design has now restarted. And Parkside school in Redcliff was recently put on hold as, again, the school jurisdiction together with the municipality requested that, rather than a modernization and addition, we'd do a full replacement school there, and Education will be confirming that direction shortly.

Mr. Long: I believe the next on your list after that one was around the Minister of Finance's comments in their estimates. Again, I won't speak for their words, but if it's okay, I'll have my deputy minister account for our processes.

Ms Maniego: That's part of the reason that we have those gated approvals that the minister talked about earlier: we know that there are labour challenges. We know with tariffs coming and just general escalation that there is potential there.

We're working closely with our industry partners. All of our projects are built by industry, and we work with them to refine scope, to refine the project, and as we go down, we come back for approvals to Treasury Board. We can't overspend without getting reapproved at Treasury Board. We have all of those processes in place to make sure that if there need to be adjustments to schedule or if there need to be adjustments to scope, we can do that and make sure that we are transparent in any of those areas where we may go over. Like, we don't just go over. There are approvals in place to make sure that it is transparent and that we are managing it as best we can.

Mr. Long: The next one I had on my list – again, thanks for allowing me to skip around a little bit – was around transparency, Member. You know, everyone here knows I'm three weeks into the role, but transparency is something that I fully expect from government broadly and especially from a department that I'm going to be the minister of. So while I am new to the file, I will ensure that everything is looked at from my seat to make sure that we are being as transparent with how decisions are made with Alberta's tax dollars.

Anyway, I see: three, two, one. [Mr. Long's speaking time expired] Sorry. Thank you.

The Chair: Thanks.

With that, now we're going to caucus members. MLA Wright has caught my attention. I'm sure you've been keeping up with how the meeting is running, so I'll let you carry on from here.

Mr. Wright: Cool. I was going to ask to see if I could sneak in shared time, but I'm good with whatever the minister's discretion is.

Mr. Long: We can try it. Whichever you prefer, Member.

Mr. Wright: You know what? Just to keep it consistent, I'll go block. It's fine.

Mr. Long: Do block? Okay. Thank you.

Mr. Wright: No worries.

Through you, Mr. Chair, to the minister. I just want to thank you for taking the time with your entire crew here today to answer some tough questions pertaining to Infrastructure. I've always kind of thought of Infrastructure as the government of Alberta's project manager – right? – or a general contractor. You're the one who's running all the projects that everybody else dreams up. You know, it's all about building Alberta on time and on budget with different project management techniques, whether it's agile, waterfall, lean six sigma techniques. Like anyone who's managed projects will

know, you're only as good as the last project you delivered on time and on budget while – you know what? – you also have other concerns like meeting the quality and design or the standards needed for community.

Cost overruns are something that I'm concerned with, especially in light of what's going on south of the border with tariffs on steel and aluminum being a significant risk to budgets, especially in light of that these are the main materials in building today's structures.

The Ministry of Infrastructure collaborates with ministerial partners, boards, agencies, and other stakeholders to plan, design, build, and deliver government facilities like courthouses, correctional facilities, youth centres, and other provincial institutions. Key objective 1.3 on page 101 of the business plan states that the minister will “deliver capital projects on-time, on-budget, and to scope to ensure high-quality public services.” Given that Infrastructure manages a wide range of projects across the province, can the minister please provide details on metrics that are in place to track projects, timelines, and budgets through construction, (b) what Infrastructure's success rate for completing projects on time and on budget is, and (c) what do you expect the effects of possible tariffs will have on Infrastructure's ability to continue to complete projects on time and on budget?

I'll send it back to the minister on that.

The Chair: Okay. Back to the minister.

Mr. Long: Thank you, MLA, for your questions. Our ministry reports on two performance measures related to objective 1.3. Performance measure 1(a) in our business plan reports on the average number of calendar days required to complete Infrastructure-managed over threshold procurements. It supports the ministry in creating efficiencies and allows for the timely delivery of innovative infrastructure solutions and higher quality outcomes by enhancing the ability to deliver projects on time, on budget, and to scope by developing more accurate project schedules and gaining efficiencies in the procurement phase, allocating appropriate resources, assessing performance of procurement processes, and identifying and implementing continuous improvement opportunities, providing vendors with timely information to determine whether to pursue procurement given time and resource restraints faced by the vendor community, and providing a heightened level of transparency about ministry procurement processes. This performance metric essentially evaluates how effectively the ministry is managing procurements by setting a target to complete them within 24 calendar days.

The second measure is performance measure 1(b), which reports on the percentage of Infrastructure-managed and -delivered capital projects that are on budget and on schedule. On budget is defined as measuring how a project is progressing with respect to its approved budget. On schedule is defined as measuring how a project is progressing with respect to its approved schedule. Projects are considered to be on budget if they are forecast to be completed within their current approved budget or total project cost. Projects are considered to be on schedule if they are forecast to be completed with their current approved schedule. The on-budget and on-schedule performance measure applies to construction projects with a budget greater than \$5 million, including government, health, and school facilities as well as major capital maintenance and accommodation projects.

10:20

For your second question there, “what is Infrastructure's success rate for completing projects on time and on budget?” Alberta's performance metric targets and results compare favourably with those of other jurisdictions in Canada. In 2023-2024 it took an

average of 19.8 calendar days to complete Infrastructure-managed over threshold procurements. That's well below the target of 24 days that we have forecast for the next couple of years. Procurement times have consistently decreased since 2018-2019 – the average back then was 29.1 days – primarily from applying lessons learned and process improvements.

Regarding capital projects being completed on budget, in 2023-24 96 per cent were on budget. That's surpassing the target of 95 per cent, which is our forecast target going forward as well. This ministry always strives to improve project budget performance. The reality is that the better we are on maintaining and beating the budget parameters, we have more money for other projects, and that's something that we can all celebrate in. Improving the project budget performance: this can vary between years as it's highly dependent on the timing of revised costing availability and project reviews and various approvals as necessary. While the desired outcome is for 100 per cent of projects to be on budget every year, that's not realistic given the nature and challenges of construction. I think that you've alluded to some of the challenges that our construction industry, every ministry, I would say, is going to have to deal with, especially with the uncertainty around tariffs and what's happening at our borders. That's something that my ministry is in constant discussions with the construction industry about, and we'll continue to work with them on their concerns.

Finally, as far as the capital projects being completed on schedule, in '23-24 93 per cent of Infrastructure capital projects were completed on time. That's just under our target of 95 per cent, which remains our forecast target going forward. I will say that if I had 93 per cent success rate in everything else I do in life, I'd be pretty pleased with that. So I'm very pleased that we're at that level, especially with some of the uncertainty that we have faced over the last number of years. Again, I think that it's something that we can all celebrate.

Project schedule performance actually varies over the years, and it's highly dependent on the management of unforeseeable circumstances such as scope changes, material and workforce availability, and public health restrictions. The reasons behind the lower than targeted on-schedule metric in 2023-24 included scheduling delays, construction material delays or supply chain issues, contractor performance, and additional time required for stakeholder responses. My department will continue to strive to meet and exceed the 95 per cent performance target for delivering projects on budget and on schedule by maintaining best practices and incorporating further efficiencies. In the last few weeks I've seen the dedication and the grit, I would say, of department officials, and it's something that I know that they will continue to be striving for, that 95 per cent level and beyond, and I'll just try to stay out of their way on that as much as possible.

For your other question, Member, about what do I expect the effect of possible tariffs will be on infrastructure's ability to continue to complete projects on time and on budget, I will say that the situation with tariffs is highly fluid, and the degree and cost impact on Infrastructure's projects can't be forecast with certainty at this point. I think that we've heard a number of people, over the last number of weeks in particular, suggest that, you know, if you're not sure of the situation with tariffs, just wait five minutes; it might change. Unfortunately, that's something that we're going to have to be fluid and rapid in responses with as a ministry and as government overall. Inevitably, we need to continue to move forward on the infrastructure that Albertans need and schools for Albertan youth.

You know, the construction of our schools or health facilities or major maintenance projects use specific materials, including steel and aluminum and lumber, which could all potentially be impacted by the tariffs. My department will continue to monitor the recent bids received from vendors on upcoming construction to obtain a better

understanding of the impact on a typical project. I've had a number of conversations in the early days with proponents, and I'll continue to personally make myself readily available for conversations with them as well so I can be up to speed on that. But beyond making myself and my department readily available to have those open conversations – again, there's so much uncertainty around the tariffs and the impact that that will potentially have on our country and our province and the projects. We will be very fluid in our response to that.

Continuing on the tariff conversation, you know, generally Infrastructure's contracts are awarded to Albertan and Canadian vendors. Over 90 per cent of all contracts and value are with Canadian businesses. Infrastructure has been and will continue to closely monitor the effects of those potential tariffs, as I say, in conjunction with our industry stakeholders.

I think that I captured everything that you had, Member.

Mr. Wright: I have some more.

The Chair: Are you done with the time, Minister?

Mr. Long: Sure. Yeah.

The Chair: Okay. Back to the member.

Mr. Wright: I just have one more group of questions. Then I'll pass it to the Member for Bonnyville-Cold Lake-St. Paul.

Minister, given that we've really seen that Alberta over the decades is the prosperous area of the country – it's the beacon on a hill; when we moved from Ontario in the late '90s, we always called it the land of milk and honey – we're starting to see yet another population boom resulting from this desire to live in Alberta and grow a family or a business here. Infrastructure projects such as schools, hospitals need to be built as quickly as possible in order to keep up with our population growth. It's also very important to keep these projects as cost-effective as possible; that maximizes our investment over the long term.

I notice that on page 99 of the business plan it states that the Ministry of Infrastructure is dedicated to "seeking innovative ways to accelerate timelines and decrease costs for delivering infrastructure" projects. Can the minister explain some of the ways that Infrastructure can accelerate these timelines, and can the minister also explain how these projects are determined and what methods it's using to decrease costs on these projects?

I'll turn it over to the Member for Bonnyville-Cold Lake-St. Paul.

Mr. Cyr: Thank you.

First I'd like to say that it's good to see you in the role, sir. I know this is your first estimates, and so far you're doing a great job. I did have an opportunity to come up and see you in Hinton in October, and I'll tell you that in your role as a parliamentary secretary you shined, and you also shined through the Jasper fires that went through your constituency. I believe that the Premier has chosen the right man for this job, and I look forward to seeing what you can do with this ministry.

Minister, one of my questions surrounded the P3s, but I'm going to tell you that you had pretty much answered all of those questions. Moving forward, I'd like to move on to mental health and addictions. This is something near and dear to my heart when it comes to recovery centres. Like many of the MLAs – we're all struggling with homeless and drug addictions.

10:30

As our government continues to strengthen recovery-oriented systems of addictions and mental health across the province, there is a need to build the infrastructure necessary to accommodate new

facilities for this type of programming. The Minister of Infrastructure is playing a key role in developing the facilities so that Albertans have better access to mental health supports they need in their communities. According to page 108 of the fiscal plan, \$85 million in funding will be allocated towards recovery communities. Can the minister please explain what the role of his ministry is in developing the recovery communities in Alberta, how many recovery community projects has Infrastructure completed so far, and how many are planned in the future? Once the recovery community is completed, it is turned over to the Ministry of Mental Health and Addiction. When substantial completion of the project like this is met, what role does Infrastructure play in the maintenance and care of these buildings?

I cede the rest of my time over to you, Minister, and again, thank you.

The Chair: Please proceed, Minister.

Mr. Long: Thank you, and going back to MLA Wright's questions first, how we can accelerate timelines. Our ministry has been working on several fronts to help accelerate capital project timelines to deliver critical facilities that Albertans use. The main approaches we use are the in-year project funding approval, standardization of design specifications, reviewing internal planning processes, and procurement process enhancements. You know, as I alluded to earlier in some questions, the new in-year budget approval process for school construction to help accelerate project progression through development stages will reduce project timelines by as much as six months anyway. Again, we'll continue to look at ways to get schools built.

I believe that the next part of that question was around explaining some of the methods we used to decrease project costs. You know, with our efforts to expedite work, there are also a number of strategies we've undertaken to decrease project costs where possible in order to stay under or on budget and deliver value for Albertans. Some of the examples: preordering materials and equipment as much as possible when cost escalation or supply chain issues are anticipated; reviewing all designs and required materials to ensure they are in line with best practice and required standards and seeking comparable equivalents that will meet the needs of the project; seeking innovations to building processes and materials, including the use of off-site developed materials that are repeated throughout construction, such as precast walls to shorten the schedule; increasing the standardization of specifications where possible that reduce late-stage scope additions and changes; ensuring that all project stakeholders are aware of the overall schedule and are committed to providing any required information in a timely manner; and frequent cross-jurisdictional scans and comparisons to ensure that Alberta project costs are competitive and efficient.

With that, I'll move on to MLA Cyr's questions, and thank you for your kind words, MLA Cyr. It's greatly appreciated. I might have to use some of the next block of time for answers on this, but something that I've personally had a passion for is seeing the recovery of folks who do struggle with addiction and mental health. To help address the crisis, we are committed to building the infrastructure necessary to accommodate new facilities around the province. I'm grateful my ministry is playing a key role in delivering the facilities which will help people better access mental health support services in their communities.

In collaboration with partner ministries, we oversee the planning, design, construction, and property management of recovery community facilities that will be owned by government. Infrastructure does not build all of these facilities. Some are actually being developed through grants to Indigenous communities, which are managed by Mental Health and Addiction.

Several recovery community projects are under way, resulting in hundreds of jobs related to design and construction, and our 2025 capital plan provides \$148 million over the next three years for the recovery communities program; \$85 million of that is actually allocated in '25-26. Of the total three-year funding for the program, Infrastructure has been allocated \$75.4 million for the facilities that will be owned by government, while the remainder is with Mental Health and Addiction.

For how many community projects we have completed so far and how many are planned for the future, we're responsible for delivering six of the 11 recovery community projects, which we will own and maintain. Of those, three are completed: Red Deer, a 75-bed facility, was completed in 2022; Lethbridge is a 50-bed facility.

The Chair: Thanks, Minister. We'll have to save that for the next part.

In the next section we kind of refer to it locally as the lightning round and also the use-it-or-lose-it round. It's 10-minute blocks. You can't speak longer than five minutes at a time, time cannot be ceded to another member, and if time is not combined with the member and the minister, then you can only speak once.

With that . . .

An Hon. Member: Do we break first?

The Chair: We'll do it after. We have to co-ordinate with the other room. Otherwise, it's like a family vacation and everyone is hitting the facilities at the same time. We're just going to avoid that because it's only five minutes.

With that, which member is going first? MLA Pancholi.

Ms Pancholi: Thank you, Chair, and thank you, Minister. You're doing a great job.

I would just like to follow up really quickly on . . .

The Chair: Let us know if it's block or shared.

Ms Pancholi: Oh, sorry.

Block or shared?

Mr. Long: Did you want to do block again?

Ms Pancholi: I'm happy to do block.

Minister, I just want to follow up through the chair on one of the responses around that piece of land located at – I don't know the address again – 144 something. I think the ministry officials know: 14425 – 124 Avenue. Thank you to the deputy minister for providing an overview of the process. I'm wondering just in the response if you can clarify. You mentioned that there was an initial offer that was being put together by the ministry to purchase that land. It fell through because of the timing and all of that. If you could clarify when that initial offer to purchase was put together, just a bit of a timeline in terms of when in 2024, if possible.

I'm going to pick back up on the questions that I was asking around the hospital ownership and the transfer of AHS's 700 health facilities to Alberta Infrastructure. The question I'd asked is about: will Alberta Infrastructure's ownership of these properties include the current and proposed recovery centres? I think the minister was just starting to answer that in response to the other member's question. Can the minister also outline how decisions on leasing hospitals and health facilities will be taken? Will there be a competitive process to determine whether AHS or another operator is given the lease? How will Albertans who live in a facility's catchment area be involved in those decisions?

Further questions around leasing agreements. You know, how will they be negotiated? Will Alberta Infrastructure receive an annual rent from the owner of a facility, and will that be captured in the ministry's revenues going forward? Do we see that maybe even projected into this year's budget? Will Alberta Infrastructure be responsible for ensuring health and safety standards are met with all of these facilities if they're, in fact, the owner of the facility, and how will the ministry ensure that patient safety continues to be the highest priority in these leased facilities?

Albertans have seen, through the chair, like, similar attempts to lease operations of health facilities to private or nonprofit operators once before. Thirty years ago, in the 1990s, when the government took over the ownership of Holy Cross hospital in Calgary and paid the Grey Nuns of Montreal to operate it until the hospital was closed in 1997 due to provincial budget cuts, nearly 30 years later the government appears to be revisiting this model. That's the context for the questions I was asking.

Through the chair to the minister: is it the government's intention to lease AHS hospitals to private operators or nonprofits like Covenant Health? Is the plan more than just consolidating the ownership of health facilities? If our public health providers no longer directly own the facilities they operate, the government could step in and, as we've seen with what's happening right now under private surgical facilities, further privatize Alberta's health care system.

The Chair: Member, the minister may not be able to answer some of those other policies. If it's pertaining to the infrastructure side, then that kind of makes sense. Just try to make it to the budget.

Ms Pancholi: Of course. Yup. To the extent that the minister is able to answer those questions. I can also confirm that there have been throughout estimates over the last two weeks – I know my colleagues and I have been in estimates and many others ministries where the response has been that it is Alberta Infrastructure who should be answering some of these questions. Certainly, within Health and with Education and in Mental Health and Addiction many of these questions are being asked because they were referred to this committee from other ministries.

I also want to ask a little bit about privatization. The new Minister of Infrastructure signed a letter on his own MLA letterhead to support a privately owned health centre being proposed in Fort McMurray. In that letter of support the minister noted that this proposed medical facility represents, "a forward-thinking and necessary investment" as residents would be able to access primary care and specialized medical services. Similar letters were signed by the minister of energy and the Member for Fort McMurray-Wood Buffalo in April 2023. Will the minister confirm that the government's plan is to achieve some cost efficiencies but not to lease facilities of publicly owned health facilities to private or nonprofit health care providers such as Covenant Health?

10:40

I have 45 seconds. I have a number of questions related to urgent care centres, which, of course, are listed on page 108 of the budget capital plan; \$5 million is allocated for planning urgent care centres this year, and \$10 million is allocated for the next fiscal year. There are currently six urgent cares operating in the province, and the minister will be aware, probably, of some of those facilities. Can the minister tell us whether all eight of the urgent care centres that are planned will be publicly funded, built, and owned by Alberta Infrastructure? For these urgent care centres, will the ownership of the current six urgent care centres be transferred to Alberta Infrastructure on April 1?

I'll stop there. I can see I'm going to run out of time.

The Chair: Thanks, Member.

Minister, back to you. Again, what you can answer: it's all fair game.

Mr. Long: Thank you. Thank you, Member. I appreciate that. I've actually really enjoyed over the last number of, actually, I'll say, months talking about the Real Property Governance. As everyone here knows, the act actually came into effect last spring, and as of April 1 this year, we'll actually see that transfer of health facilities. The reason I say I've actually enjoyed conversations around that: I would say that there's a lot of misinformation that's being put out to the public, a lot of attempts to create some illusions about what's going on. In the conversations I've had the public generally speaking thought the government owned the facilities already. So it's made for some interesting conversations, like: "Oh. Oh, wow. You guys are just doing what we thought already was the reality."

I know that the member alluded to a letter I signed around a facility in Fort McMurray. I'll actually just address that. Everyone, I think, in our position should be aware of the limitations that are provided under the Canada Health Act, and that facility, should it potentially be built, would obviously be working within the confines of the Canada Health Act. With that said, the thing that we've been very clear on was that Infrastructure will own the health facilities as of April 1, 2025, and then lease them back to the health service providers to operate and maintain them under an established lease agreement.

Obviously, the recent amendments to the Provincial Health Agencies Act will help refocus Alberta's health system and allow for the transition of Alberta Health Services from a regional health authority to its future state as an acute-care service provider. This change will help government deliver new health facilities to Albertans more cost effectively by reducing property transactions and administrative burden. My ministry will continue to work with Health to establish that full inventory of properties and to examine the lease provisions and determine lease terms to identify a path for approvals, leasing, and purchasing of new property to align with the needs of the health system and determine all financial aspects of the property transfers.

You know, it's my ministry's responsibility to ensure that all government buildings, facilities, and lands are effectively and transparently managed for the benefit of Albertans. By modernizing our governance of these public assets, we will be able to provide greater accountability to taxpayers.

Did you want to supplement some of the lease terms?

The Chair: I'll just get you to read your name into the record, then you're good to go, sir.

Mr. Oukrainski: Hi. My name is Leonid Oukrainski, and I'm acting assistant deputy minister for properties, Infrastructure.

The Chair: Please proceed.

Mr. Oukrainski: When it comes to the requirements of the lease with health facilities, the current plan and the plan, actually, that we are going ahead with is to have the head lease with AHS or whichever entity will succeed AHS in the ownership. The head lease will include, basically, a care-free arrangement. So while Infrastructure or the government of Alberta remains an owner, the majority of responsibilities, with a few very limited exceptions in law, will be transferred or will be requested to be undertaken by the head lease holder. In the head lease the entity who will have the lease will have a right to sublease, and there is only one exception to that. They will not be able to sublease the whole building, but they have the right to sublease portions based on their approval schedule or approval requirements and also operational requirements. If the building became or was offered to be leased as a

whole, it will be considered a surplus, and in this case RPG ownership will remain with Infrastructure, and it will be surplus.

The Chair: I hesitate to interrupt. We'll have to come back if that's required.

If it pleases the committee, would this be a good time to take a five-minute biobreak? Excellent. We should have a clear path to the facility. Time goes quickly; we'll see you back here in five.

[The committee adjourned from 10:46 a.m. to 10:52 a.m.]

The Chair: We are back to opposition members for their block. [interjections] Oh, I'm sorry. To the government caucus.

MLA Stephan.

Mr. Stephan: Thank you very much, Chair. I will speak very slowly for just a second. Oh, now I'm going to resume normal. I'd like to ask a question to our friend the minister, what his preference is: shared time or block time? I'm going to be mainly asking questions about the Red Deer regional hospital expansion, which is of great interest to many people in central Alberta.

Mr. Long: I think we've been doing okay with block time so far.

Mr. Stephan: I'm just fine with block.

Mr. Long: Awesome. Thank you.

Mr. Stephan: Yeah. Not a problem.

I appreciate the questions actually from the Member for Edmonton-Meadows. He had asked some good questions about the Red Deer regional hospital expansion. I know that members of your ministry had been providing a bit of a narrative, a bit of a historical chronological kind of timeline on that hospital development, and I think we ran out of time just around October 2024, when Clark Builders had been appointed as the project manager.

I'm having a town hall on April 2. This is probably the biggest local issue not only for many constituents, families, individuals in Red Deer, but the Red Deer regional hospital has a service area of around 300,000 to 400,000 people. This is long overdue, so very happy to see that there is fair treatment for the central Alberta region, actually, in respect of this expansion. I'd love to get a specific timeline or continue that chronological timeline. Specifically, as I have this April 2 town hall, I'd be very interested, of course, in getting the current status but also what families and individuals can expect to see in respect of the expansion in calendar year 2025. You know, where are we on that critical path, and what actual deliverables – what will be the things that we can see in respect of that?

Now, kind of related to that is that, you know, of course, it's great to have the infrastructure, but the infrastructure is really not that useful if there aren't health care services. This does relate to Infrastructure. I know that in the capital plan as well – I should reference, actually, and I apologize for not doing so – page 108 in the fiscal plan sets out the table for 2025 to '28. Red Deer regional hospital is listed there but so is infrastructure related specifically to the catheterization, cath, lab capital development. That's a very important service for central Albertans.

We were a bit of an anomaly. Of course, this is kind of a core health care service if you have a heart attack, you know, and that's this acute-care issue. In Calgary and Edmonton those services were available. I know that this is not available, you know, at all hospitals, but when you have a critical care hospital, acute-care hospital, like the Red Deer regional hospital with a service population of 300,000 to 400,000 – we had similar size hospital service population similarities in Calgary and Edmonton, and we didn't have that for many years, so it's good to see that kind of a core health service. I

understand that not all specialized health services can be everywhere – I respect that – but this is kind of a core health care service. So I'd like to kind of understand where from a capital perspective that development will occur and when we can see from a capital perspective that that service can be offered to people in central Alberta in parallel with the expansion, the global expansion, of the health care hospital.

With that, I'm looking forward to hearing from members, either yourself, Minister, or members of your great team.

The Chair: With that, Minister, back to you.

Mr. Long: Thank you, MLA Stephan. I do know that Red Deer is very fortunate to have two fine MLAs, yourself included, so thank you for your commitment to advocating for your region and your city.

You know, the Red Deer regional hospital centre that I know you've been a great advocate for: that redevelopment is one of the largest hospital projects that the Alberta government has ever undertaken. Our government is committed to ensuring residents of the Red Deer region can access the care they need when and where they need it. As you've said, the catchment area for Red Deer includes a massive population, so this project is obviously very important for Red Deer and the surrounding communities.

There are two major components of this redevelopment. Project 1 is the construction of a new patient tower and centralized power plant along with expansion and renovation of the existing hospital's main building. Project 2 will be the construction of an ambulatory building.

Early site works are complete, including demolishing the previous annex building and surface parking lot, and construction of the new patient tower is now under way.

The completed project will add up to 200 new beds, for a total of 570. Over the next three years the 2025 capital plan is providing \$557 million towards the total investment of \$1.8 billion for the redevelopment of this hospital.

The project will upgrade or enable several services throughout the hospital site, including the additional patient tower, the new centralized power plant, six new operating rooms, a new medical device reprocessing department, two cardiac catheterization labs, renovations to various areas within the main building, a newly renovated and expanded emergency department, and of course the new ambulatory building located adjacent to the surface parkade.

For your timelines: the actual functioning programming began in April 2022 and was finished in March 2023. Then the design began in June 2023 and was completed in October 2024.

11:00

As my team had mentioned, in July 2024 Clark Builders was awarded the construction manager contract to build the new patient tower and renovate the existing hospital building. The new patient tower will be a 54,000 square metre building and is anticipated to be built in 2030. The ambulatory building is anticipated to be built in 2029, and there are efforts under way to tighten the timelines while recognizing that work is being conducted in an active acute-care facility. With work happening on the existing site, the current hospital needs to stay fully operational, requiring the mitigation of noise, dust, vibration, and other construction-related impacts.

The ambulatory building will be a multistorey facility of approximately 19,500 square metres with over 265 parking stalls below ground over three levels. It will provide medical and clinical support services, including addiction, mental health, and ambulatory procedures and diagnostic imaging to the Red Deer community.

Around the temporary lab, within the overall hospital redevelopment plan, cardiac care services are important to central Albertans and Red Deer. The Red Deer interim cardiac catheterization lab – I got it out a little bit better that time – that development will ensure that associated services can be brought on stream in advance of the new patient tower development. The interim cath lab will become available to patients in late 2027 while the new patient tower, planned as part of the overall redevelopment, includes two new cardiac catheterization lab spaces. Those will become available sometime in 2029. The \$9 million allocated in 2025-26 will allow for preliminary construction activities to commence for that project, and in total there is \$22 million allocated in the capital plan for the interim lab over the next three years.

Again, I really do appreciate how passionately you advocate for not only Red Deer but the surrounding communities, MLA Stephan, and I'm proud that we're able to start the process to deliver what you guys will need.

The Chair: Thank you for that, Minister.

I see that MLA Wright has caught my attention. It's all over to you.

Ms Wright: Thank you very much, Chair, and thanks again to all the folks on the ministerial team. We very much appreciate your presence. Of course, to Minister Martin Long, I know that three weeks into a job it can be a little bit, yeah, intimidating, to say the least. I very much appreciate your dedication to the job. Thank you so much.

My comments and questions will be directly reflective of the ministry business plan pages 99 and 100, Chair, where it talks about how the Ministry of Infrastructure delivers public infrastructure that contributes to the provincial economy and Albertans' quality of life as well as the capital, maintenance, and renewal projects, upgrade and repair existing facilities, and the ministry being dedicated to applying best practices. In addition, I'm also looking again at page 99 of the of the business plan, where it talks about representing the building and maintenance communities to share insights into best practices, page 96 of the fiscal plan, and again ministry business plan page 101. I'm looking primarily not just at the what in terms of what the ministry is involved in but also the how. My comments will specifically reference how we get there, how we actually make sure that these buildings are constructed in a good way using best practices that are out there.

Through you, Chair, to the minister, this really does reference the conversations that I've had with stakeholders, knowing the work that employment standards does, which I understand is not your purview. In terms of investigations, when folks are not compliant with some of those employment standards, legislative items, we do know, unfortunately, that there are some very serious issues throughout the province both in public as well as private construction, particularly involving the exploitation of temporary foreign workers and folks that may find themselves in that undocumented state.

Unfortunately, we do know that there is some issue with active construction job sites right now. We also understand, Chair, that it's a particularly common problem in transportation, but of course it can also show up in buildings and construction sites. We do know that some temporary foreign construction workers are presently living and working in unsafe conditions. It could just be that one bad actor within the construction centre. They could be working for a particular company that may be involved in some of those illegal and unethical practices. Particularly – and this is where, Chair, Infrastructure really does come in for me – it's that issue of providing oversight, that issue of where the government of Alberta might be a contributor in terms of dollars, one of the leads. Perhaps it might be in the capital plan itself. Given the number of projects now that Infrastructure will be

looking at as a whole, one of the things I'm really talking to is that effective and responsible management, which you've referenced a number of times.

One of the things that I would like some assurances on, Chair, through you to the minister, is that in all of the procurement practices that the government of Alberta is presently and will be involved in making sure that fair practices for all workers involved in these projects and building accountability into the procurement process is something that simply will happen, particularly where contractors are involved. Specifically, what is the ministry doing to protect workers from the design and build all the way to the construction? What steps are taken in procurement to hold those contractors and specifically as well subcontractors responsible for ensuring that those folks doing the work are safe, treated fairly, and making a good wage? What specific guidelines are in place to ensure that those companies and even those thinking about bidding on government projects understand their legal and ethical obligations?

Have there been any policy process or oversight changes implemented recently to ensure the safety of some contracted workers? I'm asking about them specifically because that appears to be where things are sort of let go of a little bit. I note also that Infrastructure is committed to evaluating and continuously improving the vendor performance management program and that this commitment involves stakeholder feedback and surveys. With specific reference to what it is I've been talking about, I'm wondering: which stakeholders? Which companies, municipalities, unions, industry associations? What's the timeline schedule for feedback? Is it continuous, is there a schedule, and where might all of the what-we-heard documents live?

And since the criteria for vendors involves both quality as well as safety, would there be criteria regarding the appropriate documentation of workers on those sites, things like current safety tickets, journeyperson certification for both those apprentices in their first, second, or third years, or for those people who have got that certification already, that ticket already? Further, would these performance indicators and assessments differ whether or not projects, Chair, might be P3s?

Oh, eight seconds left. There you go. Okay.

The Chair: Well done, Member.

One thing before we go to the minister, also. We had another member join us at the table. If we could get you to introduce yourself for the record, sir.

Mr. Dach: Thank you. Morning. Lorne Dach, MLA for Edmonton-McClung.

The Chair: Perfect. We're good to go.

Mr. Long: I'm scared that with the eight seconds left someone might expect me to ride a bull. MLA Wright, thank you, firstly, for your kind words. You know, we've served a little bit together on a few things, and you're doing a great job in representing your constituency, and I'm glad that you chose to take on this role. I will say that, first and foremost.

And then I will actually ask my acting deputy minister to speak to some of your concerns.

Ms Maniego: Thank you, Minister. We work with our – we hire the general contractor, and they hire down the chain. Yeah, undocumented or temporary foreign workers are something that are used in industry to supplement because we know we have a labour shortage. We require that all of our contractors meet all of the safety standards through the certificate of recognition program, the COR program. Through our contracts we set out our expectations for what their contracts are like

down the chain. We do expect that they meet all labour and employment standards, that those are all followed.

We're not aware of any issues. Obviously, if we became aware of any issues, we would act on that. The same goes for our P3 contracts as well. It's the same safety standards that we expect for all of our workers in Alberta, whether they are temporary foreign workers or they are Albertans through and through. We also have in the past worked with the Canadian border security agency in identifying undocumented workers, that sort of thing. We make sure that we're complying with all of all of the laws and all of the safety standards to make sure that those things are all top notch for Alberta projects.

With respect to the vendor performance management program it is a continuously improving program. We work with industry primarily on that. We have, basically, a subcommittee made up of representatives from across industry, and actually the whole program was set up that way with industry right from the beginning. We want to make sure that we're monitoring trends and that we're ensuring clarity on those key performance indicators within that program and within performance for those projects. We regularly seek feedback from industry. We have surveys with program participants. All of the companies that participate in it are invited to provide feedback on a regular basis as well as through the actual reviews within the program.

11:10

That has allowed us to champion some best practices. We've also looked at other jurisdictions and what they do to have that comparison. We've been able to, like, as the program is developed, keep making those improvements so that it is getting best value, we're getting best performance, and then it allows industry as well to have those great scores that they can brag about for work on our projects.

Hopefully, that answers that question. Did I miss anything, Minister?

Mr. Long: Sorry, MLA. You had asked about if we had any new policy recently around this. No, we don't at this point. I mean, obviously, if folks are hearing of concerns, please make us aware, and we'll do our best to address it on our end, okay?

I do know we have a little bit of time left, and if it's okay, can I jump back to some more of the land purchase conversation? I think that we've sort of covered most of the things that you had brought up, MLA Wright. We can?

Ms Maniego: Yeah. If we could get Leonid just to talk about the timeline for the purchase.

Mr. Oukrainski: Thank you, Minister. Just to give a little bit of a timeline on the awareness of the Department of Infrastructure and our actions on the purchase of the land, we found out about the sale from the real estate agent at the beginning of May. That same real estate agent also made us aware that there was a multiple-offer situation at the beginning of May, and also there was a conditional offer being put on the table, and the landlord or owner of the facility expected . . . [Mr. Oukrainski's speaking time expired] Again. Sorry.

The Chair: You're the one that's like the bull rider right to the wire, to the bell. There's no problem there.

Mr. Oukrainski: Don't know when to stop.

The Chair: Thank you, sir.

It's over to the government caucus, and MLA de Jonge has caught my attention.

Ms de Jonge: Thank you, Chair. Hello, Minister Long. Would you like to do block time?

Mr. Long: If we could continue. Thank you.

Ms de Jonge: Sounds good. Well, great to see you here today and to see you in that chair. Well deserved.

I want to talk a bit about schools. I, of course, represent Chestermere. It's my home. We're in the doughnut community of Calgary, and we are just exploding with growth. Since 2011 I believe it is we've grown nearly 50 per cent. We've gone from this city that was sort of a new city to how I've heard some of my colleagues on the municipal level describe it, an adult, and we skipped the teenager step, so we're feeling a lot of pressure on our infrastructure and particularly on our educational infrastructure.

I had the opportunity to door-knock through all of our new communities last summer and just touch base with people. It was very clear that people are moving to Alberta because this is the best place to live, to work, and to raise a family. I think sometimes we use this as sort of a catchphrase, but it is a fact of life. We have many benefits here in Alberta, you know, looking at relative cost of living and a lot of job opportunities as well. People are moving here, and we are seeing record enrolment in our schools. This is certainly the case for my school divisions. This increased enrolment has brought that urgent need for new and modernized schools. I see on page 12 of your fiscal plan that the ministry is investing \$2.6 billion toward new and ongoing school projects. I know my constituents are extremely thankful about this investment. I know it will have real benefits for the kids in Chestermere but also in the other communities I represent. My question, Minister, is: how many school projects are under way in the province right now? How does this compare to the same time last year? How many school projects currently under construction will be completed by the end of this calendar year? Will any of these projects be ready for the 2025-26 school year? I think that's one of the questions I got asked the most while I was out meeting my neighbours. They want to know when, you know, we announce funding for a school, how long they have to wait till their kids can sit in those classrooms.

I'm also curious: how many of these schools are being completed using the P3 model? Just two weeks ago I got to attend the official grand opening of the Langdon high school called Horseshoe Crossing high school, and I just love that name. That school was built using a P3 model. It was bundled with several other school projects across the province, and I know that brought substantive savings for taxpayers. That's a beautiful facility. I had the chance to walk through it before it opened for classes last September, but we had the official opening and you know, one of your department officials attended as well. We were happy to see that. This is a school that will benefit the community of Langdon for generations to come, and it has great CTS spaces as well. That was really neat to see, and everyone in that community is thrilled about it. So well done. Thank you for making that happen for Langdon.

Continuing on with schools, you know, it's not always just new schools, but there are modular classrooms that play an important role in providing new student spaces as well. I see on page 106 of the fiscal plan that there was an investment of \$150 million over three years that's been dedicated to the modular classroom program. This is fantastic news. Again, I know Chestermere will really benefit from that in the interim while new schools are built. Just wrapping up here in my last couple of seconds, if there's anything you wanted to say about the modular classroom program, Minister, that would be much appreciated.

Thank you very much.

The Chair: Hand it over to you, Minister.

Mr. Long: Thank you for your questions. Again, sorry for liking everyone here today, but thank you for your efforts, MLA de Jonge.

Your communities are very fortunate to have you representing them. Obviously, we all know how you are such a relentless advocate for Chestermere-Strathmore. Yeah, I just really appreciate your efforts.

You know, as far as your first question around the school projects under way and how that compares to last year, as of December 31 of 2024 there were 80 active projects under way in the province. This number included 59 in planning and design, 15 in construction, four that are on hold as we talked about earlier, and two that are in post construction. This is compared to 67 projects that were active at this same time the previous year. Of the 63 school jurisdictions that Infrastructure works with, 38 of them have active projects.

For "How many school projects currently under construction will be completed by the end of this calendar year?" or the other part of that, I believe was, "Will any of the projects be ready for 2025-26?" of the 15 school projects across the province that were in the construction phase, eight of them are expected to be completed by the end of 2025 calendar year. Of those eight, five will be opening to students for the beginning of the school year in September 2025. Those schools opening in September will be West Coulee Station elementary in Lethbridge, the new high school in Camrose, St. Josephine Bakhita Catholic elementary junior high in Edmonton, the new K to 6, 7 to 12 complex in south Calgary, and a grade 4 to 8 replacement school in Penhold. While we are on the topic of school completions, I'd like to point out that 84 school projects were completed over the last five years, from 2019-2020 to 2023-24, with an average of 17 schools built per year.

11:20

Your questions around P3: none of the projects currently under construction are being delivered through the P3 model. However, the most recent school bundle delivered by P3 was completed just last year, then referred to as P3 school bundle 2, which consisted of five high schools located across the province which added 6,375 new student spaces: Father Michael McCaffery Catholic high school in Edmonton, Elder Dr. Francis Whiskeyjack school in Edmonton – and on a personal note, I've had the pleasure of meeting Dr. Whiskeyjack, an incredible, incredible man – Iron Ridge secondary campus in Blackfalds, Ohpaho secondary school in Leduc, and Horseshoe Crossing high school in Langdon. These schools all opened on time and on budget for 2024-25.

Also, there is \$324.8 million approved for P3 school bundle 5, or P3SB5, over the next three years. That bundle of schools, which is not yet in the construction phase, includes a new K to 5 school in Blackfalds, a new K to 9 school in Chestermere, a new K to 9 school in Nolan Hill in Calgary, a new 7 to 12 school in Glenriding Heights in Edmonton, the replacement of the K to 6 l'école Good Shepherd with a new K to 9 school in Okotoks, and a new K to 8 school in southwest Airdrie. When completed, all those schools will provide 5,350 new student spaces.

Full funding has also been approved for all schools identified in school bundles 6, 7, and 8, and a P3 business case was completed for the bundles noting value for money exists in each case. In December of 2024 they were approved to be delivered using the P3 approach. Those bundles are strategically selected based on enrolment pressure, asset class funding level, site readiness, and geographic proximity to major centres. Those schools will provide over 17,000 new student spaces. Bundle 6 will be 5,300 spaces; bundle 7, 6,250 spaces; and bundle 8 will be 5,830 spaces.

Just to wrap up on that, P3 delivery for schools includes a 30-year maintenance term, and since 2008 the P3 delivery model for schools has saved taxpayers about \$360 million when compared to the cost of delivering the schools using a traditional method.

I might have to get back to you on the modular question.

The Chair: I appreciate that. Thank you, Minister. MLA Wright has caught my attention.

Ms Wright: Thank you very much, Chair. Before I begin my remarks, though, if we could please get tabled a written response that the ministry official was in the process of making, that would be absolutely lovely. Thank you.

The Chair: The chair is assuming block unless somebody tells me otherwise.

Ms Wright: Oh, sorry. Block time. Would that be fine? Okay. Sorry.

The Chair: Thank you. Nope. All good.

Ms Wright: Thank you very much, Chair, for the reminder.

The Chair: All good.

Ms Wright: Okay. I'll be referring specifically to pages 95 and 96 in the fiscal plan, speaking specifically to educational infrastructure, Chair, page 101 of the ministry business plan, outcome 1, key objectives 1.1 and 1.2 as well as once in a while to the performance metrics. I'm noting that the Minister of Education on February 15 confirmed that the construction of 11 new schools in Edmonton and Calgary will happen through the P3 process. Page 101 of the ministry business plan also talks about working with ministry partners to deliver new construction and major modernization projects for health, school, and government-owned facilities.

Trying to establish a wee bit of context here and referring, Chair, to that aspect of value for money when deciding whether or not a project should proceed through a P3 or a more traditional process. We understand, of course, that new schools are desperately needed. As a former teacher I certainly understand that, knowing that the school I was teaching at is completely and utterly over subscribed at the moment. But I did, as I say, want to establish a wee bit of the context in terms of P3s and the history of Alberta if I may.

In 2019 the UCP government of the day announced that new school builds would be primarily P3s, but by 2022, Chair, that had changed. The minister at the time said that P3s would no longer be the preferred method, and noted specifically that money, though very important, is not the only consideration; there are other considerations that we want to adopt into this process and give value to. One of the considerations of the time was the availability of contractors, particularly in rural areas. Another consideration was the need to work with communities and municipalities, the idea that a school very much becomes a school or community hub. I will also note that at the time certainly the school boards were talking about the fact that P3s were not their preferred method of school construction.

I will also say that I have personally had a wee bit of experience in P3s being built and having things happen after the building, things like muddy fields, inability to put student work on walls, all sorts of issues with bulletin boards and where you can put your own work as well as student work, temperature concerns in buildings and not being able to get that maintenance person into the building. So, really, a lack of responsiveness. Speaking specifically, when we look at P3s in terms of that value for money, we know that there were some schools in Saskatchewan who did indeed see some restrictions, Chair, on what teachers could do. There the cost was estimated at four times more per school for maintenance over that longer term. In Nova Scotia many P3 schools ended up being bought back by the government. It was either Nova Scotia or Ontario – sorry; I cannot remember; I don't have it in my notes –

that had concerns that the process itself wasn't as transparent as it should have been.

Getting to the questions because I can see the time going away. What factors, then, influenced that change in thinking, going from: no, we're not going to have P3s, and now we are going to have P3s? And would there be instances where the government might opt for that traditional approach rather than a P3 model? Would there be located somewhere preliminary analyses, business case documents, a record of successful and unsuccessful bids, evaluations of bids? Were there specific metrics that were used to choose the successful vendors regarding that oversight and the performance metric beyond cost in delivering a project on time? I'm hoping there's some kind of evaluation of success of a P3 project where the school is concerned that it isn't just about money; that front-loaded aspect. Have there been any longitudinal studies where you've actually, perhaps, as either a government department or a specific little part of the department talked to schools in that long term, particularly in terms of the maintenance, that oversight bit?

Could the minister explain the consultation process through the life cycle of these projects, from when it becomes a project all the way to that, again, 30-year maintenance? Also, do the contracts established have a health component to ensure a healthy workplace for those who work in schools but also a healthy place for our children? For example, are there line items that define and conform to the most recent ASHRAE standards, their requirements for things like school ventilation, HVAC, and other systems?

The Chair: Thank you to that member.

We just had another member join us at the table. If you could read your name into the record, sir, it would be greatly appreciated.

Mr. Hunter: Mr. Chair, Grant Hunter, MLA for Taber-Warner.

The Chair: Appreciate it, sir.

With that, Minister, the next five minutes is back to you.

Mr. Long: If it's okay, I'll let Brad speak to it.

Mr. Smid: Yeah. Thank you, through the chair. Obviously, with our school P3s we have a very strong track record on P3s in Alberta. Alberta was a pioneer of the P3 model. We have a very successful and award-winning track record of delivering infrastructure using P3s. In fact, P3s are used around the world. You mentioned a couple of other jurisdictions. We're aware of several jurisdictions around the world that are using P3s to deliver schools as they do increase efficiency, encourage innovation, and improve quality for the right projects.

P3s are only one tool in our tool box. When a specific project's business case presents value for money with a P3, we may proceed. When it doesn't, we use other delivery models. In the past – and you referred to, you know, the time period from 2019 to 2022. I think at that time we were trying to maybe do too much with P3s and put everything into P3 bundles as much as possible, and what we learned is that the market didn't necessarily respond. It's difficult with bundling to get the real economics of scales and efficiencies when the schools are spread all throughout the project in rural and smaller municipalities, so we have since 2022 really refocused P3s on the major centres, primarily in the Edmonton-Calgary corridor, and using traditional models outside of that corridor. We are seeing a greater response from market and, as a result, greater value for money.

11:30

Speaking to the maintenance and renewal, once the school is operational, the P3 vendor then becomes the maintenance provider

for that school. School jurisdictions previously have raised concerns about the speed and effectiveness of maintenance on the P3 schools. We are aware of some of those issues from the legacy P3 program, which was completed earlier in the 2000s. We have made significant amendments to our project agreements to address school jurisdiction feedback related to maintenance issues, and now happy to report that over 99 per cent – I think it's actually 99.7 per cent – of the time P3 school providers complete their maintenance on time. When they don't, there are financial penalties. That is one of the real benefits of the P3 project, that that private company has dollars on the line at risk if they don't perform on time.

We do consult with stakeholders frequently throughout the process, obviously, up front in the planning to define the requirements, to look specifically at: are there partner spaces? Are there specialized career and technology study spaces that school jurisdictions want to include? That then gets put into the design. We work with them throughout the design to make sure that those standards are then translated into the contracts and the actual design drawings. Then through construction we kind of go away and build it, and they come out and get to see the site as it's being built. Then for sure, as we ramp up into commissioning and turnover, there's extensive involvement with the school jurisdictions as they get in, start to procure their furniture and equipment. We co-ordinate very closely with them on that. And then after they're in the school, we do postoccupancy evaluations not just from an infrastructure standpoint of, you know, "Did the design meet the standards?" but we actually talk to the jurisdictions; we talk to the staff in the schools. Is the space actually working and functional for you? All of that feedback gets incorporated into lessons learned that we can incorporate into future school projects. So heavy involvement from stakeholders throughout the process.

In terms of meeting health and safety standards for students and occupancies, we have technical design requirements that mandate the standard requirements for all schools. No matter who builds them, no matter who designs them, they have to meet our minimum standards, which would include anything related to safety of the students and the staff that are using those facilities.

Mr. Long: Sir, with the 10 seconds left, I will say that on that land transfer you asked for the timelines in writing. We have nothing to hide on that. We will certainly provide those.

The Chair: Member Cyr, you caught my attention.

Mr. Cyr: Thank you. Minister, would it be okay if we go back and forth? I'd like to hand my time over at the beginning here so you can finish your thoughts on the mental health facilities.

Mr. Long: Sure.

Mr. Cyr: Would you continue with the fulsome answer that you had for my last question on the recovery centre models that you were going through?

Mr. Long: Okay. Thank you, MLA. I believe I was about to start with explaining that our government is continuing to strengthen our recovery-oriented systems of addiction and mental health care. I actually remember talking about addressing the crisis. You know, we are committed to building the infrastructure necessary. The three that are completed – I believe I mentioned a couple, and I'm not sure if I got the last one out. The Lakeview Recovery community in Gunn was the third one on my list, which is a 100-bed facility that we completed in 2024. The remaining three projects that were on the list of the six that we're delivering would be the Valleyview lodge, which is now the Calgary recovery community, is a 75-bed facility currently under

construction and anticipated to be completed soon; Grande Prairie, a 50-bed facility is in the procurement stage and is expected to be done in 2027; and the Alberta Hospital site in Edmonton, a 75-bed facility, is also in procurement and expected to be complete in 2027.

The other five recovery community projects are grant funded through Mental Health and Addiction, who provides the funding for facilities being built in Indigenous communities, which will be owned and operated by the First Nations. All of those are under way currently at different stages, including locations at Blood Tribe, at Enoch Cree Nation, at Tsuut'ina, at Siksika, and at Métis Crossing. Infrastructure has also recently completed three projects in support of this program to renovate therapeutic living units located at correctional facilities in Calgary, Lethbridge, and Fort Saskatchewan to enhance addiction supports.

I believe you asked about what Infrastructure's role was in the maintenance and care of the physical building. Except for those recovery communities owned and operated by First Nations, after substantial completion Infrastructure will own the facilities and is responsible for ensuring the buildings operate as intended by addressing any outstanding deficiencies in maintaining building systems. Infrastructure will contract a total property manager to oversee the maintenance and care of the physical buildings, and that manager is then responsible for all aspects of the property and ensuring the building systems operate efficiently and the facility remains suitable for residents and program activities.

Mr. Cyr: Thank you for that, Minister. I can tell you from my region that Métis Crossing, while it's not in my constituency – that's in MLA van Dijken's constituency – I am very excited to have access to that facility for our area.

Minister, I'd like to touch on Swan Hills Treatment Centre. This facility was purpose-built for the process of destruction of the high concentration of polychlorinated biphenyls, PCBs, and this facility is the only of its kind in the country. The federal government regulations require the end of use and destruction of HCPCBs by December 31, 2025. This means that Swan Hills Treatment Centre is no longer required and is slated to be closed or decommissioned. On page 136 of the government estimates, line 3.2, \$1 million has been allocated for funding for asset retirement obligations and environmental liability related to the Swan Hills Treatment Centre. Could you please provide us with the status of the planned closure and decommissions of the facility? What is the estimated cost of the closure, and has it been fully accounted for? Is there a plan in place for the future of this site, sir?

Mr. Long: Thank you for the question and for your awareness of the facility and the issues. I will simply say HCPCBs; that's enough of a tongue turner in and of itself. Yeah. After the centre stops accepting new waste, remaining inventory will continue to be processed for a short time to align with federal recommendations. After the facility is closed, there will be a requirement to decommission and address environmental liabilities and perform long-term environmental monitoring and testing of the site. Infrastructure submitted two requests for funding to the federal government to help fund the decommissioning of the facility. Shockingly, both of these funding requests from the federal government were denied. Therefore, remediation work will be fully funded by our government.

In Budget 2024 a request to delay closure of the site for at least one year was approved in order to accommodate a further review of operations, including a review of other potential revenue generation opportunities. If no viable alternatives are found, the centre will completely close in 2027 and decommissioning will commence, which will take a number of years to complete. Infrastructure has

sought private-sector feedback on operations and possible future use of the centre, and we are currently exploring responses for feasibility and viability.

11:40

As far as the estimated cost of this closure and if it has been fully accounted for, \$1 million has been budgeted in '25-26 for dismantling and decommissioning some of the areas of the Swan Hills Treatment Centre that are not in use anymore. This work will draw down on an asset retirement obligation liability that has been established for the centre. As part of the ownership responsibilities for the site and as outlined in the operating licence, Infrastructure is responsible for the full decommissioning and remediation of the asset upon closure. The cost of this decommissioning and remediation was calculated by a consultant and is estimated to be \$255 million upon closure in 2027. This includes the obligation for the ongoing monitoring and operating and maintenance of the site once it is decommissioned, and the obligation is fully funded and accounted for once the site closes. This liability is reviewed annually and is adjusted depending on factors such as inflation and estimated cash flows. As a result, the liability can vary from year to year.

Most of the decommissioning will be done once the plant is closed in 2027. Ongoing monitoring will occur once decommissioning is complete to mitigate any risk after the waste disposal process components are dismantled. The deep well and capped landfill waste site will remain but will be secured and monitored.

As far as a plan in place for the future of this site in September 2024 Infrastructure issued a request for expression of interest to determine if any private-sector interest in the future operation of the facility exists. This was posted on Alberta purchasing connection as well as advertised in print and in online publications. Three responses were received when it closed in January 2025. Infrastructure is currently reviewing these submissions to determine the feasibility and viability of the proposals to see if any would warrant further exploration.

In the past Infrastructure has explored other possible future options for the centre, including construction of a biomedical waste treatment centre; using the centre as a class 1, 2, and 3 landfill; establishing the site as a recycling or composting facility; developing a solar farm; creating a facility for power generation using waste heat; or turning the site into a hydrogen production facility or for biodiesel generation.

In recent months Infrastructure staff have also consulted with both the town of Swan Hills and Big Lakes county regarding the future of the centre. The cost-prohibitive nature of the site and its possible uses have not resulted in any viable options being identified at this point, unfortunately. If no other options are deemed viable in the ongoing evaluation, decommissioning of the site will commence as planned.

Mr. Cyr: Thank you for that, Minister. You may not know that I was born and raised in Slave Lake, which is right next to Swan Hills, so I have a lot of family in the area. Clearly, this is important to the Lesser Slave Lake region as a whole. Again, whenever something as big as what's happening right now – and it looks like the federal government has dropped the ball here with their responsibility in this, so thank you for your leadership in this role.

The Chair: Member Deol has caught my eye.

Mr. Deol: Yes, sir.

The Chair: Over to you, sir.

Mr. Deol: Thank you, Mr. Chair and once again through you to the minister.

Would you like to go with the shared time?

Mr. Long: Let's do block again if that's okay. Thank you.

Mr. Deol: Yeah.

I know we have a lot of comments and commentary about P3 models. The government of Alberta is right now a big proponent of P3 models. I heard Mr. Smid saying that you have a strong track record on P3s. I'm sure you would have information, I believe, if you're saying that. We also hear, like, a lot of concern, as my colleague the MLA for Edmonton-Beverly-Clareview was referring to a number of things. We were hearing and listening to the experience she had first-hand with regard to P3 models.

I would once again like to stress the need for the value-for-money report. The reason why I'm saying this: I think, also, that Ms Wright was going to refer to something that I wanted to mention before, the Ontario AG report in 2014. In his investigation report it outlined that the P3 model cost them \$9 billion more than it would have otherwise, and the reason they've given for that was that private-sector financing was costing much more than it would have cost in the public sector. The cost they ran to was 14 times higher than the cost they would have in the public sector. I think the value-for-money report would really shed light on a number of things and probably address the amenities and the stakeholders. The minister can answer this question now, but if he doesn't see the urgency, you can always, you know, answer this question later on, if the ministry would like to consider generating the value-for-money report or not.

I also want to come back to the government estimates, page 139. The capital investment lost, actually, a good chunk of money, \$50 million, 23 per cent, in the last budget, and now it lost \$11 million again in this current budget year. On page 138 of the government estimates the government-owned facilities preservation received a 40 per cent cut. It's an almost \$10 million cut. And on page 139 of the government estimates the funding allocation to the government facilities infrastructure is cut by 42 per cent from the past year. So the budget is reduced by \$67 million.

When I see line item 3.3, it says that government-owned facilities preservation is for "repairs, upgrades, maintenance, and replacement of building systems and building service equipment for government owned buildings." This question is coming directly from my experience and also from many stakeholders. I have visited their places. You know, they are experiencing a huge maintenance deficit, and that is impacting their daily operations. I would really appreciate to know, like, what this is related to, why the funding keeps going down, what metrics we are taking into consideration when we're doing this.

Per page 142 of the government estimates there are over \$2 billion in credits for capital construction and property management. I'm curious what this is, where this is coming from, and which government plan and project was impacted or compromised. And what changes happened that contributed to \$2 billion of credit in the estimates?

I just wanted to refer to – I think I'm going to lose the time. I had so many more questions. I will probably send them in writing.

One of the questions was about unsuccessful vendors. I will probably ask it next time, because unsuccessful vendors and P3 models are awarded what we call an honorarium. That was around where we can see in the budget and where we can see that information, the list of those unsuccessful vendors, who they were and how much money was awarded in the past year and how many years.

The Chair: Right to the wire.

Minister, back to you.

Mr. Long: Thank you, Chair, and thank you, through you, to Member Deol for, in my estimation, being the best critic that we have. I appreciate your efforts, Member.

I'll just start with a simple comment. As Brad had mentioned earlier, P3s are simply one tool that Infrastructure has in its tool box. From 2004 on P3s that we've had on 11 major projects, the value for money these projects have saved is \$3.4 billion in net present value, which obviously we're able to use for other projects and other services.

On the honoraria, I'll have Brad speak to that, please.

11:50

Mr. Smid: Yeah. Thank you, through the chair. As Minister Long mentioned, we've invested \$8.1 billion across the province on 11 major capital projects, including schools, highways, and a water and waste-water treatment facility, which has generated \$3.4 billion in value for money on a net present basis. All of the value-for-money reports are posted on our website. We do publicly post all value-for-money reports as soon as the procurement is complete and the contract is awarded.

Regarding the unsuccessful proponents and the honorariums, submitting a P3 proposal is a very significant undertaking. It involves a large amount of work, including engineering and design, project planning, setting up partnership agreements, and arranging financing. Essentially, teams are forming and setting up special-purpose vehicles to pursue the project and then, if successful, to deliver the project. So it is a significant undertaking, and as recognition of that, honorariums are paid. It does not in any way reimburse a bidder for all of their bid costs. It will pay a fraction of what their actual pursuit cost is. But it does allow us to attract bidders to participate in the process and give them some incentive to bid even though there is no guarantee of winning. The honorarium amount is included in the project budgets, and it is included in the value-for-money calculation as well, so that is accounted for when we're determining value for money.

Just some figures for you. Between 2015-16 and 2018-19 \$3 million in P3 honorarium payments were paid. Again, when you look at the honorarium amounts compared to the value for money that has been generated by P3, it's very small compared to the value for money.

Maybe just one final thing. Not to be too much of a cheerleader, but we continue to win industry recognition and global recognition for our P3s. In November of 2024 the government of Alberta won the silver award for P3 design and construction from the Canadian Council for Public-Private Partnerships, and in October 2024 Alberta's first-ever P3 project to complete its operations period, which is the Evan Thomas water and waste-water treatment plant in Kananaskis, won the best operational project P3 partnerships bulletin award, which is an international, a global recognition for Alberta P3s.

Thank you.

Mr. Long: Can I just clarify one of your questions, Member? You said that on page 142 there was \$2 billion in credits, property management; I believe it was \$200 million.

Mr. Deol: Oh, it was \$200 million?

Mr. Long: I believe.

Mr. Deol: Okay. Sure.

Mr. Long: Okay. Thank you. That number is actually \$190 million for amortization of capital assets, \$11.4 million for the asset retirement provision for Swan Hills Treatment Centre, and \$1.5 million for consumption of inventory for the Swan Hills Treatment Centre. Okay.

I unfortunately ran out of time. Thank you again.

The Chair: Thank you, and very congenial work over there in the corner. We had a combo/block time.

MLA Stephan has caught my attention. Would you like block or shared?

Mr. Stephan: I'm fine with shared, just given that we only have five minutes, if that's acceptable.

Mr. Long: We'll give it a shot for the last five minutes.

Mr. Stephan: Yeah, we'll just kind of – a bit fluid because I want to make sure you have time.

Minister, I'm just going to kind of ask about two things. I'm just going to refer to our business plan on page 101, line item 1.3, which is one of the key objectives of the business plan, that projects are done on budget. I appreciate, of course, that you are new to this ministry, and sometimes you inherit projects that, unfortunately, cost more than they were budgeted for.

I want to kind of cite the new Red Deer Justice Centre as an example – and, of course, central Alberta has grown a lot, you know, as have other parts of Alberta. There was a need for an expansion of the existing infrastructure there, just given the number of people who have moved into central Alberta and needing those justice centres. When the courthouse was first announced in 2017 – you know, that was before any of us were here – the budgeted cost was around \$97 million, and now the cost kind of fast-forward to 2025, it's just been completed, and it's over \$200 million.

I think you make a really good observation. I heard that to the extent that we are not on budget, it crowds out other worthy capital projects, wherever it is in Alberta, whether it's in Edmonton or Calgary or other parts of our wonderful province. So I'd like to understand, maybe just as kind of a final question, what culture we can have in Infrastructure to instill more fiscal discipline in the construction of capital projects, because we don't want to see these things happen on a go-forward basis.

I also have a question about what we are planning to do with that surplus land with the old courthouse. You know, that is a very unique piece of property. Probably, there may not have been time to kind of look through that, but that property is unique. It was kind of made for use of court services, and now it's a little bit more difficult.

Just kind of to end, you know, we've talked about a lot of things today. I just want to give you an opportunity to talk about maybe what you're most excited about for this upcoming year as well. I'll cede the rest of the time there. It's not much, but if you want to talk about a couple of those things, that would be great.

Mr. Long: Thank you, MLA Stephan. I don't believe at this juncture we have a plan for the surplus land. Thank you; I'll continue to keep an eye on that.

I actually really appreciate your question about culture. I've already had conversations with our team leadership about the culture that personally I would want to have a hand in promoting.

I don't want to get ahead of how I'm going to speak to the department too much, but every member of my team is valuable to how my team operates. The lens that I put on that in conversation is: we all can have a bad day when we show up to a workplace that is

dishevelled, so from that standpoint let us not dismiss the people who keep our workplaces tidy and orderly. Every single member, from top to bottom, bottom to top, is a valuable member of our team at Infrastructure, and the culture that I aim to create is for them to know that and for that to be acknowledged throughout our organization.

I will say that I am inheriting a ministry that is highly motivated already. I can't deny that in these early days. They are highly competent as well. Those are things that I am going to leverage as we move forward and ensure that our entire department is valued and appreciated . . .

The Chair: I hesitate to interrupt or to break up a group hug. That was very nice, everyone. In that vein, too, I'd also like to thank all the members for today, for how everyone was held, how the questions were asked and answered. Gold stars all around. Well done, everybody.

With that, though, I must advise the committee that the time allotted for consideration of the ministry's estimates has concluded. This concludes the consideration of the 2025 main estimates.

With that, it's a wrap. Meeting adjourned. Take care, everybody.

[The committee adjourned at 12 p.m.]

