



Legislative Assembly of Alberta

The 29th Legislature  
Fourth Session

Standing Committee  
on  
Public Accounts

Infrastructure

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**Legislative Assembly of Alberta  
The 29th Legislature  
Fourth Session**

**Standing Committee on Public Accounts**

Cyr, Scott J., Bonnyville-Cold Lake (UCP), Chair  
Dach, Lorne, Edmonton-McClung (NDP), Deputy Chair

Barnes, Drew, Cypress-Medicine Hat (UCP)  
Carson, Jonathon, Edmonton-Meadowlark (NDP)  
Clark, Greg, Calgary-Elbow (AP)  
Gotfried, Richard, Calgary-Fish Creek (UCP)  
Hunter, Grant R., Cardston-Taber-Warner (UCP)  
Littlewood, Jessica, Fort Saskatchewan-Vegreville (NDP)  
Luff, Robyn, Calgary-East (NDP)  
Malkinson, Hon. Brian, Calgary-Currie (NDP)  
McKittrick, Annie, Sherwood Park (NDP)\*  
Miller, Barb, Red Deer-South (NDP)  
Nielsen, Christian E., Edmonton-Decore (NDP)  
Panda, Prasad, Calgary-Foothills (UCP)  
Payne, Brandy, Calgary-Acadia (NDP)\*\*  
Renaud, Marie F., St. Albert (NDP)  
Turner, Dr. A. Robert, Edmonton-Whitemud (NDP)

\* substitution for Marie Renaud

\*\* substitution for Brian Malkinson

**Also in Attendance**

van Dijken, Glenn, Barrhead-Morinville-Westlock (UCP)

**Office of the Auditor General Participants**

W. Doug Wylie	Auditor General
Brad Ireland	Assistant Auditor General

**Support Staff**

Shannon Dean	Law Clerk, Executive Director of House Services, and Acting Clerk, Procedure
Stephanie LeBlanc	Senior Parliamentary Counsel
Trafton Koenig	Parliamentary Counsel
Philip Massolin	Manager of Research and Committee Services
Sarah Amato	Research Officer
Nancy Robert	Research Officer
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Public Accounts**

### **Participants**

#### Ministry of Infrastructure

Tracy Allen, Assistant Deputy Minister, Capital Projects Delivery

Brandy Cox, Assistant Deputy Minister, Corporate Strategies and Services

Shannon Flint, Deputy Minister

Faye McCann, Senior Financial Officer

Andy Ridge, Assistant Deputy Minister, Properties



8:30 a.m.

Tuesday, October 30, 2018

[Mr. Cyr in the chair]

**The Chair:** I'd like to call this meeting to order for the Public Accounts Committee and welcome everyone in attendance.

My name is Scott Cyr, the MLA for Bonnyville-Cold Lake and the chair of the committee. I'd like to ask the members and the staff, guests at the table to introduce themselves for the record, starting with my right.

**Mr. Dach:** Good morning. Lorne Dach, MLA, Edmonton-McClung, deputy chair.

**Mr. Barnes:** Good morning. Drew Barnes, MLA, Cypress-Medicine Hat.

**Mr. Gotfried:** Good morning. Richard Gotfried, MLA, Calgary-Fish Creek.

**Mr. van Dijken:** Glenn van Dijken, MLA, Barrhead-Morinville-Westlock.

**Mr. Panda:** Morning. Prasad Panda, Calgary-Foothills.

**Mr. Hunter:** Grant Hunter, MLA, Cardston-Taber-Warner.

**Mr. Clark:** Good morning. Greg Clark, MLA, Calgary-Elbow.

**Ms Allen:** Good morning. Tracy Allen, assistant deputy minister of Infrastructure.

**Ms McCann:** Faye McCann, SFO for Infrastructure.

**Ms Flint:** Shannon Flint, Deputy Minister of Infrastructure.

**Ms Cox:** Good morning. Brandy Cox, ADM of corporate strategies and services with Infrastructure.

**Mr. Ridge:** Good morning. Andy Ridge, ADM of properties with Alberta Infrastructure.

**Mr. Wylie:** Good morning. Doug Wylie, Auditor General.

**Mr. Ireland:** Good morning. Brad Ireland from the Auditor General's office.

**Dr. Turner:** Bob Turner, Edmonton-Whitemud.

**Mrs. Littlewood:** Good morning. Jessica Littlewood, MLA, representing the beautiful rural constituency of Fort Saskatchewan-Vegreville.

**Ms Payne:** Good morning. Brandy Payne, MLA for Calgary-Acadia.

**Mr. Carson:** Good morning. Jon Carson, MLA, Edmonton-Meadowlark.

**Ms McKittrick:** Bonjour. Annie McKittrick, Sherwood Park.

**Mr. Nielsen:** Good morning, everyone. Chris Nielsen, MLA for Edmonton-Decore.

**Ms Miller:** Good morning. Barb Miller, MLA, Red Deer-South.

**Dr. Massolin:** Good morning. Philip Massolin, manager of research and committee services.

**Mrs. Sawchuk:** Good morning. Karen Sawchuk, committee clerk.

**The Chair:** For note, we have two substitutions: Ms Payne for the hon. Mr. Malkinson, Ms McKittrick for Ms Renaud.

I have a few housekeeping items to address as well. Please note that the microphones are operated by *Hansard*. Please set your cellphones and other devices to silent for the duration of the meeting. Committee proceedings will be streamed live and on the Internet and broadcasted on Alberta Assembly TV. The audio- and video stream, the transcripts of the meeting can be accessed via the Legislative Assembly website.

Let's move on to approval of the agenda. I will be noting a number of responses received to questions outstanding from our spring meeting scheduled under other business. Are there any other changes or additions to the agenda? Seeing none, would a member like to move that the agenda for the October 30, 2018, meeting of the Standing Committee on Public Accounts be approved as distributed?

**Mr. Nielsen:** So moved.

**The Chair:** Okay, Mr. Nielsen. Any discussion on the motion? All in favour? Any opposed? Thank you. That motion is carried.

Approval of the minutes for June 5, 2018, and June 6, 2018. Do members have any amendments to the June 5, 2018, minutes? If not, would a member move that the minutes for the June 5, 2018, meeting of the Standing Committee on Public Accounts be approved as distributed?

**Mr. Clark:** I so move.

**The Chair:** Mr. Clark. Any discussion on the motion? All in favour? Any opposed? Thank you. That motion is carried.

Are there any amendments to the June 6, 2018, minutes? If not, would a member move that the minutes for the June 6, 2018, meeting of the Standing Committee on Public Accounts be approved as distributed?

**Ms Miller:** I so move.

**The Chair:** Any discussion on that motion? All in favour? Any opposed? Thank you. That motion is carried.

I'd like to welcome our guests, who are here on behalf of the Ministry of Infrastructure to discuss the capital planning and the ministry's 2017-2018 annual report. Members should have the research report prepared by research services, the Auditor General briefing documents as well as the status of the Auditor General's recommendations document completed and submitted by the ministry.

I invite Ms Flint to provide opening remarks not exceeding 10 minutes. Please proceed.

**Ms Flint:** Thank you, Mr. Chairman, and good morning. You've already been introduced to the members at the table, but I'd like to just introduce a couple of additional ministry staff that are attending with me: Jessica Johnson, director of communications; Jennifer Hibbert, executive director of capital planning; Kenton Betts, who is the director for health facilities; Vince Farmer, the director of learning facilities; and Trevor Peter, the executive director for government facilities. There are also several other staff members that are with me, and part of why they're here is to observe and see what goes on actually in Public Accounts.

Alberta Infrastructure continues to focus its efforts on making lives better for Albertans by delivering, renewing, and maintaining the public infrastructure across our province. Working closely with

partner ministries and stakeholders such as school jurisdictions and Alberta Health Services, we ensure families and communities have access to modern and efficient facilities. Infrastructure is responsible for maintaining and preserving government-owned and -leased properties in a cost-effective, safe, and sustainable manner. We also hold the responsibility for leading the development of the government's capital plan.

I'd like to highlight some of Infrastructure's key activities and achievements for 2017-18. Working with our partner ministries, we continue to make progress on our outstanding recommendations from the office of the Auditor General. Addressing the recommendations related to capital planning, Infrastructure has updated the capital planning manual, which will support the 2019-20 capital plan cycle. The updated manual provides enhanced guidance to ministries about capital submissions so they can better identify and prioritize their new capital project requests and their capital maintenance and renewal needs. This helps ensure sufficient information is available to support strategic directions by capital planning review committees as well as Treasury Board and cabinet. Infrastructure will also conduct a review of facility maintenance funding programs to ensure programs are effectively achieving the intended results of capital maintenance funding.

Looking at the Auditor General recommendations for the school building program, Infrastructure and Education have made many improvements. We have transferred the responsibility and funding for the delivery of the school capital program and modular classrooms from Education to Infrastructure. This move ensures clear direction for accountability and responsibility between the ministries. It allows both ministries to focus on their core program responsibilities. Education is focused on student learning and programming while Infrastructure is focused on delivering and overseeing the construction projects to support that student learning. Together we continue to provide new and modernized schools for Alberta families and communities.

Across the province 108 school projects are under way or recently completed as of August 31, 2018. Twenty have opened since January 2018; 48 are in planning, design, or tender; 21 are in construction and expected to open by the end of 2018; and 19 are in construction and expected to open by the end of 2019 and beyond. These new and modernized schools are just some of the hundreds of projects recently completed or under way on Infrastructure's capital side.

For example, in 2017-18 we handed over four health facility projects to Alberta Health Services. These included the community health and wellness clinic in the High Prairie health complex, the redevelopment of the Chinook regional hospital in Lethbridge, and in Calgary the Foothills medical centre emergency department and the women's services and vascular surgery units in the Peter Lougheed Centre.

Throughout the province another 25 health facility projects continue to move forward. This includes seven that are in construction such as the \$1.4 billion Calgary cancer centre and \$110 million Willow Square residential facility-based care centre in Fort McMurray. Regarding the Willow Square I'm particularly pleased with how my department is collaborating with the Fort McMurray community and local stakeholders on the project. Together we are building a family-oriented environment for residents as well as visitors and staff. The homelike setting of the centre will be integrated with the surrounding community by including features such as playgrounds, an intergenerational park, and pathways that provide handicapped access to local transit and other amenities. Most importantly, together we are ensuring residents who move into the Willow Square continuing care centre have a home, a home

that meets their existing needs and one in which they can stay as their needs change over time.

We also have 18 health facility projects that are currently in the planning or design phase. This includes the \$364 million capital care Norwood long-term care facility project in Edmonton as well as the \$595 million Edmonton clinical laboratory hub. In addition, we are investing \$8.2 million in the Red Deer secure detoxification and treatment facility for the protection of children abusing drugs. This includes the construction of protective safe houses, beds, and support areas. In the Calgary Bridgeland community we are investing more than \$130 million to develop a new complex continuing care centre.

**8:40**

In 2017-18 Infrastructure worked with the government of Canada to negotiate the integrated bilateral agreement, which sets the terms and conditions for Alberta's allocation of funding from the investing in Canada infrastructure plan, or ICIP; \$3.39 billion dollars over the next 10 years has been allocated to Alberta for infrastructure projects. Eligible projects must fall under four funding streams. The four funding streams are: public transit, green infrastructure; community, culture, and recreational infrastructure; and rural and northern communities infrastructure. To date three Alberta projects have been approved for ICIP funding: \$1.5 billion for the Calgary green line LRT, \$6 million for the YWCA Calgary hub, and \$1.8 million for the Jerry Forbes Centre in Edmonton. Later this fall Alberta's ICIP funding amount is expected to be increased by \$249 million as a result of project savings from previously approved federal funding.

Throughout 2017-18 Infrastructure also continued to actively engage in work to increase the sustainability of new and existing buildings. We are always exploring and looking to adopt available technologies, strategies, and green initiatives to ensure that we build and manage public facilities in an environmentally responsible manner. For example, all new facilities are constructed to meet a minimum LEED silver certification. This ensures facilities are at least 5 per cent more efficient than the standard set under the national energy code.

We also seek BOMA BEST certification for existing government facilities, which acknowledges best practices in energy, water, and waste reduction. In fact, our Calgary Courts Centre received the prestigious Earth award at the recent BOMA national awards gala. The Earth award honours excellence in environmental operations and sustainability policies and practices. The Calgary Courts Centre received the award in recognition of its aboriginal courtroom, roofing material, low energy usage, use of recycled materials, and landfill diversion efforts.

In an effort to reduce government's overall footprint, Infrastructure undertook several projects to optimize the amount of owned and leased space required to deliver government programs. By reducing the amount of office space per employee, we were able to do more with less, resulting in a savings of almost \$2.5 million on an annual basis on leasing costs in 2017. In addition, through the modernization of J.G. O'Donoghue Building in Edmonton we were able to more than double the occupancy of the building. As a result, the government footprint was reduced by 12,500 square metres, and ongoing annual cost savings of \$8 million are expected to be realized. Furthering our effort to make better use of space and reduce costs, we are also undertaking a pilot for alternative work arrangements that support a mobile workforce.

Infrastructure continues to support green initiatives and technologies that contribute to Alberta's economic growth and greener future. This includes using Alberta-based renewable energy sources for 100 per cent of government's electricity needs. Also, as

part of the J.G. O'Donoghue Building modernization a new roof incorporating solar panels was installed. This building is one of the 10 government facilities as of March 31, 2018, that include solar power installations.

This concludes the 2017-18 highlights and activities for Infrastructure. On behalf of my team: thank you, and I look forward to the questions from the committee.

**The Chair:** It's quite remarkable. You have eight seconds left. Thank you, Ms Flint. I appreciate that.

I will call on the Auditor General for his comments. You have five minutes, sir.

**Mr. Wylie:** Thank you. Thank you, Chair, and good morning. It's a pleasure to be with all of you again. I do want to thank the deputy minister for her comments respecting the work of our office and the recommendations, and we certainly are committed to working with you and your team to have our recommendations to the department implemented.

I do want to provide the committee with some context as to why we carried out the capital planning audit and why we believe it's important for the department to act on our recommendations. Our audit report contains three key messages: first, there is a need to improve the approach and the capital planning standards used; second, there is a need to improve maintenance planning systems; and third, there is a need to evaluate the four existing building maintenance programs.

Because of the number of organizations involved, standards are critical for capital planning in government. Capital planning systems co-ordinate large, complex systems across every department and other government organizations such as Alberta Health Services, postsecondary institutions, and school jurisdictions. In order for the Department of Infrastructure to provide the best possible advice to decision-making committees, the department needs to obtain adequate information from those seeking funding. And in order to ensure that existing capital maintenance programs are meeting expectations, a review of the four maintenance programs should be conducted.

This audit was undertaken because capital planning is important. Planning for capital is essential to program delivery in most government sectors, and capital investment in health facilities, schools, roads, bridges, and other infrastructure is an important component of program and service delivery. Further, the decisions arising from established processes have long-term consequences; a timeline of 40 years is not unrealistic. Also, the cost of capital is extremely significant. The April 2016 capital plan, for example, identified an investment by the government of \$35 billion over five years. In summary, the consequences of ineffective capital planning processes can be significant in terms of impact on both service delivery and cost.

Again, my office looks forward to working with the deputy and her team to have all of the outstanding recommendations acted upon. Thank you, Chair.

**The Chair:** Thank you, Mr. Wylie.

The committee will follow its current time allotment format for questions. The first and second rotation will provide nine minutes each for the members of the Official Opposition and the government members, followed by four and a half minutes for the third-party member. The third rotation provides five minutes each for members of the Official Opposition and the government members. Time permitting, following these rotations we will hear from the independent, the Freedom Conservative Party, the Liberal, and the Progressive Conservative members in attendance wishing

to participate. If none are in attendance, this time will rotate equally amongst the Official Opposition, government members, and the third-party member, with the final few minutes being designated for outstanding questions to be read into the record and to consider other business items.

We ask the officials at the table as well as those seated in the gallery to provide their names before responding to the questions. This is for the benefit of the members who may be participating via teleconference, for those listening online, and for the *Hansard* recording.

I will now open the floor to questions from members. Mr. van Dijken.

**Mr. van Dijken:** Thank you, Chair, and thank you to each of you for attending this morning. I'm hoping to have just a very open discussion on the department and how it interacts with other departments within the government of Alberta to best serve Albertans and the needs of Albertans for the long term.

I take a look at the Auditor General's briefing that we received in October 2018, and I want to have just an overarching discussion based off some of the priorities that the Auditor General had highlighted and also take a look at the auditing report from October 2017. In that report the Auditor General has identified that planning for capital is essential to any long-term strategic planning process. Capital is long term by nature, yet we live within a system of democratic process, four-year cycles, and changeovers in leadership. We have a situation where recommendations came forward in 2007, as long ago as 2007, and 4 out of those 5 recommendations that the Auditor General did at that time: nothing occurred with that.

**8:50**

We have a situation where the Auditor General then recognized in his report last year the outstanding recommendations from 2010 but did not complete a follow-up audit on these outstanding recommendations because the original audit was nearly 10 years ago, the recommendations are not implemented, and the capital planning system has changed.

Also in the report we learn that there was a manual, that the manual outlines that a committee of deputy ministers reviews five-year capital requirements and identifies projects to proceed to development in the next year. The deputy ministers' committee then makes recommendations to the Treasury Board committee. The deputy ministers' committee also recommends projects to proceed to the detailed design phase in the three-year plan.

Continuing on through the Auditor General's report, page 19, April 2016 approach, we find that for the April 2016 capital plan the deputy ministers' committee described in the manual did not exist. The capital planning manual is also identified on page 18; that capital planning manual is outdated. It's not clear which standards are still relevant. The process and templates do not form a comprehensive set of capital planning standards and requirements.

When I look at this from the eyes of everyday Albertans, I think what they would question is: is the manual being updated? Is the process being updated? Are we moving towards a system of transparency and information that allows Albertans to be confident that the department and the ministries that feed the information into the department have a long-term vision and are able to bring to Albertans the capital planning standards that Albertans need to be confident that their needs will be met going forward? I guess my question is to the deputy minister, with the recommendation from the Auditor General to update its capital plan standards, to clarify the capital planning phases for a phased approach of implementation, and to allow Albertans to see the transparency in

that and to be able to be confident that there's a process in place that is long term in scope.

**Ms Flint:** Thank you. Perhaps I'll address the first question in terms of the capital planning manual. The capital planning manual has been updated to address the recommendation coming out of the office of the Auditor General. The new manual and templates were rolled out to departments in early August of 2018. The rollout included communications to deputy ministers, assistant deputy ministers, senior financial officers, and program areas, contacts to ensure awareness of changes and updates. Sample documents, including sample needs identification, business cases, and criteria analysis, have also been created and updated to provide further support to ministries. We held town hall meetings in early August where the updated manual was presented to stakeholders. Post Budget 2019 the manual and related materials will be reassessed with stakeholders and further adjustments made as deemed necessary in terms of moving forward.

Just to get into it in a bit more detail, the changes include clarifying the roles and responsibilities for participants in the process, including that program ministries are responsible for gathering support documents for capital plan submissions; providing additional guidance on deliverables that are required for each phase of the capital planning process, which you spoke to; introducing a new design phase to further refine project scope and cost estimates where necessary; and clarifying the technical experts that should be engaged throughout the project planning cycle.

Before submissions are actually submitted to decision-makers, they are reviewed by technical experts. For instance, within the Department of Infrastructure we have a technical services branch, we have a cost management branch, and we have land planners. Decision-makers are then provided with summary information regarding each project as well as the detailed capital submission templates, which include comments provided by the technical experts. Where a significant risk is identified, decision-makers would be briefed as part of the submission review process.

We did set up a Deputy Ministers' Capital Planning Committee that has been meeting over the last several months. They get together to actually look at the capital plan process as well as where we are with respect to the capital plan overall. Every year we do go through a capital planning process for the budgets, and the ministerial capital committee does meet and gets advice from the deputy ministers on the projects moving forward. The ministerial capital committee does make comments and recommendations. Those are then submitted to Treasury Board as well as cabinet.

I'm not sure. Hopefully I addressed most of your questions.

**Mr. van Dijken:** Yes, very much so. Thank you for that.

One thing I do question. A new manual that's been developed in 2018: where do we find that? Is that available to the public to be able to review and get a good understanding of what Infrastructure is focused on?

**Ms Flint:** I can certainly provide the committee a copy of that manual.

**Mr. van Dijken:** Okay. Good. Thank you.

In the Auditor General's report of October 2017 we see where there's been, in the April 2016 capital plan, a desire to find shovel-ready projects. I guess the question is: how are you currently defining shovel-ready projects?

**Ms Flint:** What the department has in place is actually – and we are working with each department to understand what their capital

projects would look like. For instance, we do work quite closely with the Department of Education, who makes a determination of the schools that are ready in terms of moving forward into either design and then build. Typically they're not shovel-ready projects, but we are taking a more careful approach in terms of the projects that we are looking at.

**The Chair:** Thank you, Mr. van Dijken.  
Ms Miller.

**Ms Miller:** Thank you, Chair. We know rural municipalities have a unique set of challenges when it comes to building infrastructure for their communities. Often resources are harder to source, and revenue sources are different from large cities. Is Alberta Infrastructure ensuring that these rural communities are still supported?

**Ms Flint:** One of the things that we are doing is that we do work closely, as I said, for instance, with the Department of Education, who makes a determination of where schools should be built. That would include both urban and rural schools.

One of the programs that we have is the rural and northern community program under the ICIP program that I mentioned previously. That is targeted specifically for rural and northern communities to make sure that infrastructure needs are met. We're just going through an expression of interest and have received several from rural and northern communities.

The Department of Health also looks across the province in terms of what the health needs are, not just in the urban centres but also what's required in the rural centres. They provide that analysis and recommendations for projects to Infrastructure.

**Ms Miller:** Thank you.

After one of the worst recessions in generations things are looking up in Alberta. Instead of shedding jobs, Alberta is creating them. The deficit is coming down much faster than forecasted. How is Alberta Infrastructure contributing to rebuilding our province's economy?

**Ms Flint:** As the Auditor General mentioned, in 2016 we did have a \$35 billion capital plan: \$29.5 billion was for projects; the remaining was for the SUCH sector, which is schools, utilities, hospitals, and . . .

**Ms McCann:** Schools, universities, colleges, and . . .

**Ms Flint:** Colleges and hospitals. Sorry. I always forget that.

We have been investing in infrastructure projects to make sure that people continue to be employed through the recession. That was based on the advice of the David Dodge report, who had indicated that during recessions would be a time for governments to be able to borrow money at a much lower rate and keep the economy going. The recommendations coming out of that David Dodge report were followed. I believe that report is publicly available, and I'm happy to share that if you'd like a copy.

9:00

**Ms Miller:** Thank you.

Alberta Infrastructure works closely with the federal government to ensure that federal dollars benefit Albertans directly. How much funding has Alberta been allocated through the investing in Canada infrastructure program?

**Ms Flint:** Thank you. As I mentioned, we did sign a 10-year bilateral agreement for \$3.39 billion. Public transit funding will help communities to improve and expand their existing public transit systems. Community, culture, and recreation funding will support new, expanded, or renewed community centres and hubs,

amateur sports, culture and recreation installations and facilities. Priority will be given to projects that do support indigenous groups and Alberta's vulnerable populations. Dedicated to rural and northern communities, as I spoke to earlier – this is actually dedicated to municipalities with populations of 100,000 or fewer – funding will support projects that improve things like food security, local road or air infrastructure, broadband connectivity, and efficient and reliable energy sources. Green infrastructure consists of three separate funding streams: the greenhouse gas mitigation adaptation, resilience and disaster mitigation, and environmental quality.

We also have additional programs. One is the public transit infrastructure fund and the clean water and waste-water fund. As of March 31, 2018, we had 104 projects funded under the public transit infrastructure fund worth \$347.2 million. We had the clean water and waste-water fund approve 67 projects worth \$196.7 million. We had the investing in Canada infrastructure fund, that invested in one project worth \$1.53 billion in green infrastructure and \$3.4 billion to support, as I said, the previous projects. The new building Canada fund, PTIC, or the national and regional projects program, funded 17 transportation projects of \$696.7 million. Environment and Parks were funded for nine projects worth \$76.5 million, Culture and Tourism for five projects worth \$55.8 million, and Municipal Affairs for one project worth \$2 million.

I think that that provides a pretty good overview in terms of the funding that we've gotten previously from the federal government in terms of projects that have been approved as well as future funding that's available.

**Ms Miller:** Thank you. I know a lot of municipalities have applied and are waiting to hear whether or not they're going to get the ICIP funding. Could you give us a brief walk-through on how the process for approval ultimately works?

**Ms Flint:** Sure. Right now there's an expression of interest that is available on Infrastructure's website, and to date I think we've received about 350 applications, not just from municipalities. Some, of course, are from municipalities. Those expressions of interest are going to be evaluated against a set of criteria that I outlined previously. We go through those to make sure that they're available for funding. They then go to the ministerial capital committee for review, and then they go through to Treasury Board. Then once they've determined that expressions of interest for certain projects are deemed to go to the second stage, they do have to fill out a more fulsome proposal from the federal government in terms of an application, and the federal government then also makes a determination on the approval of the project.

**Ms Miller:** Thank you.

I'm going to pass my remaining time over to MLA Payne.

**The Chair:** Two minutes and 20 seconds.

**Ms Payne:** I will get through as much as I can.

Thank you for the presentation today. I have a couple of questions specifically about Calgary as I represent a riding there. Calgary was hit especially hard by the worst recession in generations and, given the historical nature of jobs in Calgary, particularly hard hit amongst communities across the province, and many Calgarians have lost their jobs. It was a difficult time for families and for communities. As things are beginning to look up, many folks are finding new work, and things are starting to rebound. But it hasn't reached every household yet in the city though, you know, we continue to work towards that. I was wondering if you'd comment

a bit about how Alberta Infrastructure is contributing to the recovering economy in Calgary.

**Ms Flint:** Sure. The one project that I did talk about is the \$1.4 billion Calgary cancer project. I was out there last week, and it's kind of a remarkable building. It's just starting to come out of the ground. That will probably, at its height, actually employ several hundred people. It's a very active site right now.

The other project that we have is the cogeneration project that's attached to that. It will supply heat and power to the University of Calgary as well as the Foothills hospital, so it'll actually reduce costs for them over the long term. We are also building several schools in Calgary. I could get you the list in terms of what those look like. I just don't have them handy.

The last project that I'll talk about is the Calgary complex continuing care facility in Bridgeland. This will provide an additional 198 private rooms for long-term care beds in Calgary, and it will meet the needs to accommodate long-term patients. And, of course, associated with that will be jobs that are associated with the actual buildup of that project as well.

**Ms Payne:** Thank you. Well, I think it's really interesting, too, to hear about many of these projects, both the ones you highlighted and some of the ones you mentioned earlier, the incorporation of renewable energy and ways to reduce the amount of operational costs that we'll have for those facilities.

**The Chair:** Thank you.

We'll move on to Mr. Clark.

**Mr. Clark:** Thank you very much, Mr. Chair. I'll start with a thank you to you, Ms Flint, and to your officials. You've done some work in my constituency recently, and I just want to say a very public thank you to Mr. Ridge and for the work that's happened. Some of the projects we do are massive, billion-dollar projects, and some of them are small but have an impact in the community. I want you just to know that it's very much appreciated, and thank you for your responsiveness. Thank you to the Auditor General, and also a thank you to research services for the work you do to help us prepare for this as we get back into the Public Accounts Committee.

I'd like to start, then, with the follow-up audit, 2018, to the 2017 audit, talking specifically about the capital planning process. What I'm struck by is that the themes in this audit are consistent with themes that go back a decade or more around project prioritization and planning, information exchange within and between ministries, planning around deferred maintenance and life cycle management. These are themes that I understand have been discussed at this committee at least four times already. What I'm curious about is: in your opinion, what is preventing progress on these recommendations?

**Ms Flint:** First of all, thank you. We do try and provide good customer service to everyone who has issues in their constituencies. I probably owe Andy a coffee now, but that's okay.

**Mr. Clark:** I probably do, too.

**Ms Flint:** I'll speak to the first recommendation. One of the recommendations was with respect to Education's and Infrastructure's school building program. You spoke to previous audits. This is an audit from 2016. One of the things that I alluded to was that we continue to work in conjunction with Education to address outstanding recommendations from the school building program audit. The work that we've completed to date: we've formalized roles and responsibilities between Education and

Infrastructure with what we call a RACI document. We're transferring the delivery portion of the school building program from Education to Infrastructure. We've developed new centralized reporting and budget tracking systems for all school projects, development of an ongoing school capital manual, and formalization of new internal processes and procedures to assist in managing and tracking capital projects.

As well, we've moved the budget over into Infrastructure to allow for some of that to happen. So I think that by aligning the roles and responsibilities between the different departments, we're actually going to have greater success in terms of moving forward.

**Mr. Clark:** Okay. I apologize. I only have four and a half minutes, so I'm going to just dive quickly into that, I guess talking, then, about: the back and forth seems to have happened. My understanding is that the Health infrastructure budget has lived with Infrastructure for some time, but Education perhaps has bounced back and forth. As we go back over the years, how much impact has that had in terms of moving back and forth, just, I guess, the friction of those changes? Is there anything that you can learn from that that you could standardize or make common within and between ministries to reduce some of that friction and improve the timeliness of decision-making and consistency and some of the things that the Auditor General has identified?

**Ms Flint:** Sure. I think one of the things that does reduce friction is the RACI document, that I spoke to, because it really does outline roles and responsibilities and accountabilities for each department and particularly between ourselves and Education. I think that having a RACI document in place really does reduce the overall friction between departments because it spells out exactly the accountabilities that each department does have.

9:10

**Mr. Clark:** Okay. I'll ask briefly – I probably won't have time to get a full answer, so perhaps we can come back to this – do you have common IT systems or project management systems between Infrastructure, Education, Health? Do those systems (a) exist, and (b) are they helpful? Or if they're not aligned, is that a barrier?

**Ms Flint:** Yeah. One of the things that we are doing currently within the Department of Infrastructure is making sure that we have standardized project delivery systems in place, and that's between our health group, our learning facilities group, and our government facilities group. We also expect that the ERP – I can never remember what that stands for – the new system that's being rolled out by government, will also assist in terms of standardizing some of the processes that the department has.

**Mr. Clark:** Thank you.

**The Chair:** Thank you, Mr. Clark.  
Mr. van Dijken.

**Mr. van Dijken:** Yes. Thank you again. I just want to return to the discussion we were having previously with regard to the definition of shovel-ready projects. Can you just expand a little bit on what would be considered shovel-ready projects?

**Ms Flint:** One of the things that we think of when we think of shovel-ready projects is that the appropriate amount of planning has gone into place, that there's a business case that has been developed for the project. So we know, we have an idea in terms of what the build-out would look like, what it would contain in terms of furniture, the number of hospital beds, for instance, if it's a hospital

project, and we would have an idea in terms of the cost of the project. Once we kind of have that in place, that's when we would say that these are probably more shovel ready. Then you go into sort of design of what that facility would look like, and then you go into building that facility.

**Mr. van Dijken:** Okay. Thank you for that clarification.

I also have a question with regard to the new manual. We had the deputy ministers' committee in the old process. Is that carried forward, or is that completely scrapped now?

**Ms Flint:** No. Absolutely, that does carry forward because I think it provides some of the government view that we need to take with respect to projects moving forward. Probably this does reduce, actually, the friction that Member Clark spoke to in terms of just having a greater understanding across ministries in terms of what we are looking at for a capital plan moving forward as well as educating folks in terms of what some of the new elements are that we want to see in a capital planning manual and making sure that deputies are aware of the roles and responsibilities that they would be taking on moving forward.

**Mr. van Dijken:** Okay. Going to a more current event, on page 14 of the annual report it indicates that the Grande Prairie regional hospital is still in progress. And over the summer the construction manager, Graham Construction, was let go. Do we have an update on the replacement of the construction manager?

**Ms Flint:** Sure. One of the things that we did was a request for proposals. It was an invitational only. We have now received those proposals, and we are currently evaluating them. We hope to actually, once we've made a decision in terms of going through each one of those, have an announcement of a new construction manager, hopefully by the end of November.

**Mr. van Dijken:** Okay. Thank you for that. Now, we have reports coming out with regard to floors of the hospital being completed, only to be ripped apart as change orders came down. Can you confirm those reports or speak to those reports at all?

**Ms Flint:** Yeah. That's fairly usual for any project moving forward. We do have change orders when we do big projects like that because you find that some things didn't work or that you need to just adjust some things. But what we found was that, for instance, a change order might come through in terms of replacing a plug, and we may have to replace 20 plugs, so that might be 20 change orders. But the change orders coming through on the Grande Prairie hospital are normal for that large a project, and it's not unusual.

**Mr. van Dijken:** So you're comfortable that the processes were all being followed properly and that everything was done in a way that would allow us to move forward in a manner such that we effectively deliver facilities to Albertans and that this was considered fairly usual?

**Ms Flint:** Well, yeah. For the change orders it's very unusual for us to let go of a construction manager, but that's something that we made the decision on, and we're moving forward. But, yes, I'm fairly comfortable. Right now the project is about 70 to 80 per cent complete. We've actually toured several of the proponents that are bidding on the job, and we're confident that we'll be able to finish that job. Once we've hired a construction manager, we'll also be able to provide more information in terms of the time frame in which that project will be delivered.

**Mr. van Dijken:** Okay. I guess the only question I have with regard to all that – it concerns me that significant change orders come down in the middle of a project build and it's considered normal. I guess as an Albertan I would ask the question: if this is normal, what have we learned to try and improve from normal?

**Ms Flint:** We do have change orders on every large project. That just happens. What we try and do now – and I mentioned it earlier in terms of making sure that we've gone through the proper planning, that we've got a business case, and now we're going through design so that we can mostly avoid large change orders or major change orders. What had happened to this project was that we didn't have the good processes in place that I described in terms of good planning, a business case in terms of good design, so we were playing catch-up a lot in terms of moving this forward. I'm confident now that we have both in place through the development of the capital manual as well as through the things that we have in place with the Grande Prairie.

As you'll recall, we did reset in 2016 in terms of putting out tender documents for the project as well as making sure that we had most of the design complete. I'm confident that we've put in place things that will achieve that, but as I said, we do get change orders.

The other thing that we do find, particularly in health care, is that health care specifications change over time. Sometimes what happens is that we might want to add more staff protection so that there are greater efficiencies in terms of making sure people don't actually share germs. Sometimes we do have to go back to actually set things so that they're at a higher level of standard of care for patients.

**Mr. van Dijken:** That's good information to hear.

When we look at the Auditor General's report from last October: . . . the April 2016 capital planning submission, Infrastructure also asked departments for a ranked list of projects or programs. Infrastructure asked departments to provide supporting planning documents, such as a needs assessment, business case, options analysis, functional program review or schematic design report.

These different stages of planning and where they're at in the implementation and the design would suggest to me that there's a wide breadth of timeline in understanding of whether a project is ready to move forward. I guess this is why I ask the questions with regard to projects that were seeing large change orders and that type of thing.

But we also had in the Auditor General's report that for shovel-ready projects in

August 2016, some of the projects sampled had not gone to tender because more planning was needed. For example, Cabinet approved a \$19-million project that the Department of Environment and Parks identified as shovel-ready,

but, from where it was in the planning stages, was not shovel ready. Are we moving into a direction where "shovel ready" is an understood term? The term "shovel ready" is not used in the original manual. Is that a defined term in the new manual?

**Ms Flint:** One of the things that we are looking at and you'll probably see in 2017-18 is planning dollars that have been allocated for projects. A lot of times what happens is that we allocate planning dollars for projects. I can't speak to the Environment and Parks one because I'm not sure if it's in our budget or in Environment and Parks'. Shovel ready really isn't defined, but we now have defined phases. I talked about putting planning dollars into the capital planning budget so that we are doing the appropriate planning. Then a decision or a business case is made in terms of what that project looks like.

9:20

**The Chair:** Thank you, Mr. van Dijken.  
Ms Payne.

**Ms Payne:** Thank you. Returning back to the topic of Calgary projects, the Calgary green line LRT is a massive undertaking in our city and certainly one that in my constituency, even though it doesn't pass through my constituency, people are really excited about, excited about a more efficient, quicker way to move around the city and some of the changes that that's going to have in terms of traffic as well as ridership of the LRT and Calgary Transit. I know that our government has followed through on supporting funding for this very significant project along with the federal and municipal governments. I was wondering if you could update the committee on the status of the green line project, expected timelines, things like that.

**Ms Flint:** The project actually falls under the Department of Transportation, but I would be happy to have the deputy minister contact you to provide an update in terms of where they're at with respect to the green line. We realize it's very, very important to the city of Calgary.

**Ms Payne:** Thank you.

My other question was about the cancer centre, but you answered all of that. I guess I just wanted to comment that I think it's really exciting to have that project on track to open, and I know that it's having a really big impact in our communities. Thank you.

I'm going to turn the remainder of my time over to MLA McKittrick.

**Ms McKittrick:** Thank you, MLA Payne, and thank you for your presentation. I want to switch a little bit to the work that the ministry is doing around the climate leadership plan and to highlight some of the real innovative things that are happening around greening the buildings and making them more energy efficient and saving dollars for government and, of course, the citizens of Alberta. The climate leadership plan has focused on diversifying our economy and creating jobs and, of course, on reducing the greenhouse gas emissions that are the cause of climate change. I was wondering: how is Infrastructure supporting the government's climate leadership plan in your capital build?

**Ms Flint:** Sure. As I mentioned, we're always exploring and looking for different technology strategies and green initiatives to ensure that we build and manage public facilities. As I mentioned, all new facilities are constructed to meet a minimum LEED silver certification. This ensures facilities are at least 5 per cent more efficient than the standard set under the national building code. We also seek BOMA BEST certification for existing government facilities, which acknowledges best practices in energy conservation, water conservation, and waste reduction. Other initiatives I mentioned: we are using . . .

**Mr. Hunter:** Point of order, Mr. Chair.

**The Chair:** Fair enough. What's your point of order, sir?

**Mr. Hunter:** Mr. Chair, for the last couple of MLAs the questions haven't been about the Auditor General's report. It's been about what Infrastructure is doing. I thought this was supposed to be about what the Auditor General's report was.

**The Chair:** Thank you, Mr. Hunter.

There also is the annual report as well. Is there a reference that you have?

**Ms McKittrick:** The reference is that the changes that have occurred in the Ministry of Infrastructure are really important, and the climate change leadership program and what we just heard about, the greening of the infrastructure program, are really important in terms of the way that Infrastructure is carefully spending the tax dollars and creating new standards for infrastructure builds. I believe it's very relevant to the Auditor General's report and concerns around the criteria and how projects are built and defined.

**The Chair:** Okay. I will allow the question. I will say that it is in order, but I do say that we don't want to go too far into the climate leadership plan. I do think that this in order.

Thank you.

**Ms McKittrick:** Okay. Thank you.

**Ms Flint:** I believe member McKittrick is referring to page 31 of the annual report, if folks would like to turn there. As I said, we are moving forward with LEED, and LEED includes rating systems for the design, construction, operation, and maintenance of buildings. The rating system includes prerequisites and allocates points across categories such as sustainable sites, waste efficiency, energy in atmosphere, materials and resources, and indoor environmental air quality. There are large variations in building costs depending on the building type, use, and functionality. We do see benefits from LEED in terms of lower cost of operation and less energy and water usage compared to buildings not built to similar green standards.

The other thing that we've done is that renewable installations were included in modernization projects. Those projects include photovoltaic on the Alberta Legislature, the Farm Stewardship Centre, Head-Smashed-In Buffalo Jump, the High River Community Resource Centre, J.G. O'Donoghue Building, the Lethbridge Correctional Centre, the Lethbridge Provincial Building, the Medicine Hat Remand, the Muriel Stanley Venne Provincial Centre, and the Pincher Creek Provincial Building. These solar panels are funded by the climate change leadership plan in terms of moving forward.

**Ms McKittrick:** Thank you very much.

My second question refers to – a lot of the recommendations that I read in the Auditor's report are around maintenance. I've been particularly interested in the challenges around affordable houses and long-term care facilities and that some had not seen this concerted effort to maintain the properties to good maintenance, and there was a lot of deferred maintenance. I think the Auditor General pointed that out, that if we don't do maintenance on facilities, if we don't have proper maintenance, then it's going to be more costly to taxpayers in the future. In light of the recommendations from the Auditor General I would like to know: what are some of the ways that the government facilities are not incorporating good maintenance programs within their facilities?

**Ms Flint:** Sure. There are several capital maintenance and renewal programs. Health delivers capital maintenance renewal programs. Education provides capital maintenance and renewal programs. We do capital maintenance and renewal programs for buildings that we own. Maintenance funding has been applied to improving existing infrastructure and to address maintenance needs. Program areas that administer maintenance funding each prioritize maintenance needs of the government facilities and organizations they support to

ensure critical needs are met. For instance, Seniors and Housing does work with the housing associations to understand their capital maintenance and renewal needs and then move forward in terms of developing that initiative.

We are looking at evaluating capital maintenance programs for buildings. That was a recommendation that did come out of the Auditor General's report. We are working with the Auditor General on this. We've got an implementation plan that's ready to go that targets key risk areas, identifies actions, and has a timeline for implementation. Infrastructure will be engaging an external consultant to assist in completing this work, and we've already had initial discussions with different departments and stakeholders to gather input on the scope of work to ensure that we're making the best use and actually have a system for auditing the capital maintenance and renewal dollars that we are putting into place.

**Ms McKittrick:** Thank you. I really appreciate the focus on long-term maintenance and, of course, making the existing buildings go longer. I'm assuming that . . .

**The Chair:** Thank you, Ms McKittrick.

Mr. Clark.

**Mr. Clark:** Thank you, Mr. Chair. I'd like to start with the October 2018 Auditor General's report – sorry; the 2017 report referred to the capital plan 2017-18 from the budget we see every spring. In the capital plan 2017-2020 we have a list of unfunded projects. That is the list that replaced the promised Infrastructure sunshine list, which this government ran on and originally promised back in 2015 and then quickly abandoned. I guess what I'm curious about is: on the list that is alphabetical, that unfunded capital projects list, is there a plan for each one of those projects to receive funding and move forward?

9:30

**Ms Flint:** What I can speak to is that projects on the unfunded capital project list have been evaluated against the capital project criteria. As a result of that, some of the projects actually did receive funding, so they moved from the unfunded to the funded list. A total of 20 projects of the 119 projects from the 2017 unfunded capital projects list published in Budget 2017 did receive funding. The 20 projects that received funding were the Battle River regional division No. 31 school, a Black Gold regional division school, the Calgary ring road southeast, the Stoney Trail median and lane widening, the Calgary Roman Catholic separate school, the Calgary Young Offender Centre . . .

**Mr. Clark:** Sorry. With respect, would you mind just perhaps tabling the full list?

**Ms Flint:** Absolutely. Sorry.

**Mr. Clark:** Thank you. I'm quite short on time. I appreciate that.

**Ms Flint:** Yeah. No problem.

**Mr. Clark:** Just quickly, did some projects get added to the unfunded list? Somebody had dropped without being funded. Is that right?

**Ms Flint:** Yes. That is true.

Brandy, do you have anything to add to that?

**Ms Cox:** I would just say that the process with respect to the submissions that come in and that land up on the unfunded list go through a ministry prioritization process before they make their way

onto that list. We look to our partner ministries to prioritize against the capital plan criteria on all of those projects.

**Mr. Clark:** Is there a second-tier list of the ones that get dropped? Are they gone forever, or are they perhaps going to come back someday? Is there a list of things that didn't even make the unfunded list? Is it like a second-tier English soccer kind of thing?

**Ms Cox:** There isn't a second-tier list. Ministries, as I said, prioritize their projects and put forward things that do get considered by the ministerial capital committee. Those that don't get funded would land up on that list. As ministry priorities change, you could see that projects do in fact come off the unfunded list and don't get funding because they may no longer be a priority.

**Mr. Clark:** Is it any better than it was before? I mean, I look at this list, and it's a list, but there doesn't seem to be a lot of transparency as to how things get on that list or where things that aren't on that list might be. That's something I've heard from a lot of my constituents and Albertans, that they don't feel like this process is actually much better than what we had before.

**Ms Cox:** I would say that the criteria on which all projects are evaluated is publicly available, and ministries do use that to assess the priority of relative projects. There are finite dollars available, and not everything can be funded, so lots of considerations are taken into account as you put the capital plan together. I think that I would suggest that folks do need to look at that capital plan criteria to see how ministries are prioritizing projects.

**Mr. Clark:** I've seen the words. Is there a quantifiable number? Is there a weighting matrix? That's how I did it back in the private sector. We would create "must have," "nice to have," et cetera, weight it, come up with a number at the end. Is there such a number, and if so, can you table it?

**Ms Flint:** For instance, the Department of Education does an analysis in terms of where the biggest need is for schools in the province of Alberta, so they probably take into consideration a lot of...

**Mr. Clark:** Sorry. I have five seconds. Is it qualitative or quantitative? Is there a number?

**Ms Flint:** I'll have to check with them, and I can get back to you on that.

**Mr. Clark:** If there is, if you could table that, I'd appreciate that, and not just Education but Health and everything else as well. Thank you.

**The Chair:** Thank you.  
Mr. Gotfried.

**Mr. Gotfried:** Thank you, Mr. Chair, and thank you to our presenters today. I've got some concerns. Obviously, we've got six recommendations from the Auditor General, three of which are over a year old and another three which are over two and a half years old, and it concerns me when we've got, you know, a \$35 billion budget over five years, which is actually larger than more than half the world's annual GDPs. In those recommendations, again, the focus is on capital planning and approval. Within the criteria used for capital planning and approval – correct me if I'm wrong – there used to be a utilization rate that was part of the criteria used for evaluation of projects. I don't see that on the current list that we've been provided here in terms of utilization. How can we

allocate dollars when we either don't have expectations of a utilization rate of a facility or if we're not even tracking that on facilities that are already built?

**Ms Flint:** I'm not sure what list you're looking at, but in the capital planning manual we have not lost the criteria of utilization and capacity. I'm happy to provide the capital planning manual to you so you can see that it still is one of the criteria that we're looking at.

**Mr. Gotfried:** So it is still a key criteria?

**Ms Flint:** Yes, absolutely.

**Mr. Gotfried:** And are you measuring the existing buildings on that as well in terms of criteria for new planning and new capital expenditure but also utilization of existing buildings?

**Ms Flint:** Yeah. We're always looking at that in terms of, particularly, the buildings that Alberta Infrastructure runs in terms of utilization. We also work with other folks outside of government to see if there's opportunity to provide leases to, for instance, not-for-profits that could also use underutilized buildings, particularly when we go into rural areas to keep some of the provincial buildings open to make sure that we're looking at utilization rates in terms of moving forward.

**Mr. Gotfried:** All right. Do you currently have any vacant buildings or partially vacant buildings that are not being used for service delivery at this time?

**Ms Flint:** I'll defer that question to Andy Ridge.

**Mr. Ridge:** Andy Ridge, ADM of properties. We do maintain a list of properties, approximately 1,800 owned and leased facilities, and some of those are either underutilized that we're looking to restack and optimize in other facilities or ones that are vacant that we have available for sale, which has to follow an appropriate process. So on any given day you might see 10 to 15 buildings or land available for sale through public tender. Last year, '17-18, we had about 10 buildings that we could make available to you.

**Mr. Gotfried:** I noticed in the annual report that I think it was realty services that were about \$218 million if I'm not mistaken. Could you tell us what that \$218 million was expended on and for a sale of what value of assets?

**Ms Flint:** Can you point to the page number? Sorry.

**Mr. Gotfried:** Sorry. That was on page – I'm sorry. It's clearly listed in your annual report.

**Mr. Ridge:** Yeah. Approximately \$200 million is actually expended on lease payments, so to have staff, for example, in Commerce Place in Edmonton or buildings. That is purely for lease payments. That wouldn't include, you know, revenue from the sale of lands or the purchase of lands per se. It's actually just to pay the leases of government buildings or buildings where we house government staff.

**Mr. Gotfried:** Okay. If you can maybe provide a little bit of further detail on those realty services and maybe some detail on what that actually means.

**Mr. Ridge:** Absolutely.

**Ms Flint:** Did you want me to address the recommendations? You raised the recommendations coming from the Auditor General in terms of the outstanding recommendations.

**Mr. Gotfried:** I just wanted to comment that it concerns me that we have these one year long and then some of them two and a half years long, so I think that that's a broader issue that we need to address as we move forward.

On page 21 of the annual report it shows that the health facilities' physical condition has remained high. Category 1 is over 83 per cent, I think 86 per cent. Could you tell me how the Royal Alexandra hospital and the Misericordia hospital rank within the category ranking?

**Ms Flint:** I would have to actually get that information from Health and provide it to you.

**Mr. Gotfried:** Okay. I guess my other question would be: which facilities are rated as 3 in the province? I think Albertans need to know which ones are considered below substandard here. Do you have those listed, or can you provide us a list of those that are category 3?

**Ms Flint:** Yes.

**Mr. Gotfried:** Okay. That would be helpful. Thank you.

**Ms Flint:** We do have to get those from other departments.

**Mr. Gotfried:** All right. That would be fair.

In terms of some of the infrastructure on page 6 of the annual report the minister states that "Infrastructure leads the development of government's annual Capital Plan, working with all [available] ministries." In the fiscal plan 2018-21 on page 67 you'll find the list noted there. I'd like to understand what the criteria are to be met in order to be on the unfunded list. What are the criteria that put them there?

Thank you.

**The Chair:** Thank you.

If you could respond to that in writing.

All right. Mr. Carson.

**Mr. Carson:** Thank you very much, Chair, and thank you to the ministry for being here. Thank you to the Auditor General for the work that they've done on this. I have a few questions. Some have somewhat been answered, so I apologize for any redundancy. My first question is in regard to the October 2017 report from the Auditor General identifying the outstanding recommendations from 2016 for the departments of Education and Infrastructure to improve systems to manage and control projects. The first question is: what is Infrastructure doing to address this recommendation? And then just a supplemental on how that's discussed between the Ministry of Education as well as the school boards themselves.

9:40

**Ms Flint:** Sure. Perhaps I'll get Tracy to respond to that question.

**Ms Allen:** Thank you. Tracy Allen, assistant deputy minister for capital infrastructure delivery. Since those recommendations were made, we've accepted them and we've been working jointly with the Ministry of Education to implement all the recommendations. That includes establishing a revised memorandum of understanding followed by a RACI which clearly outlines the roles and responsibilities. We've enhanced and improved our reporting systems on all capital school projects as well as transferred the implementation budget over to Infrastructure, and the focus of

capital planning has been re-established within the Ministry of Education.

**Mr. Carson:** Do you have any communication with the school boards, or is that mainly through the Ministry of Education?

**Ms Flint:** No. We work very closely in conjunction with the Ministry of Education and the school boards jointly.

**Mr. Carson:** Thank you. My question. In the October 2017 report the Auditor General identified the outstanding recommendation once again from 2016 for the departments of Education and Infrastructure to improve reporting systems and controls for publicly reporting on the status of school capital projects. I think this was touched on a little bit, but I'm just hoping to find out what your ministry is doing to address this recommendation.

**Ms Flint:** Infrastructure, in consultation with Education, has submitted a detailed implementation plan to address the Auditor General's recommendations. To date numerous steps, as we've outlined, have been taken to improve public reporting, including centralized project-delivery tracking and reporting into one ministry.

Additionally, Infrastructure has developed and implemented a new centralized database for tracking and reporting project information. The new reporting system has been in place since April 2018. Systems upgrades are part of an ongoing process to identify and address new functional requirements as they arise as we move forward.

**Mr. Carson:** When were you hoping to have that updated system in place?

**Ms Flint:** The new reporting system has been in place since April 2018. We also actually do have a report on the Department of Education's website, that people can go onto to check the status of different schools in terms of where they're at. We're happy to provide that link to you.

**Mr. Carson:** Thank you. In the October 2017 report the AG identified new recommendations for Infrastructure to improve maintenance planning systems. I'm hoping to find out what you're doing to implement that recommendation.

**Ms Flint:** Some of the things that we are doing to improve maintenance planning systems is that updates to the capital planning manual address the recommendation. These updates have been rolled out to departments in August and will support the 2019-2020 capital planning cycle. Guidance on the collection of enhanced information for capital maintenance and renewal requests, including a new capital maintenance and renewal supporting document template, have been developed to address this recommendation.

The new manual and templates, as I said, were rolled out. They included communications that we made with deputy ministers to the deputy minister capital plan group, assistant deputy ministers, as well as senior financial officers and program area contacts to ensure awareness of the changes and updates.

We also did town hall meetings – they were held in early August – with our clients, where the updated manual was presented to stakeholders. Post Budget 2019 the manual and related materials will be reassessed with stakeholders and further adjustments made as deemed necessary.

**Mr. Carson:** Thank you very much.

I have a couple more here. In October 2017 once again the AG's report identified a new recommendation for Infrastructure to evaluate capital maintenance programs for buildings. I'm just hoping to find out what you're doing to address this recommendation as well as what benefits Infrastructure expects to see from the implementation of these recommendations.

**Ms Flint:** Sure.

**The Chair:** Thank you very much for that, Mr. Carson.

We'll go to questions read into the record. We'll start with opposition and move to government. We have three minutes for that.

Are there any questions from the opposition?

**Mr. Gotfried:** I'm to read it?

**The Chair:** Yes. Just one question and then we'll move on.

**Mr. Gotfried:** Thank you, Mr. Chair. There's a backcountry hut network that was expended in the Castle region which appears to have moved past the unfunded list and directly to capital expenditure this past summer. Can you tell us or report to us in the future in writing how this infrastructure project was executed in terms of moving materials and workers into the affected areas, which are quite sensitive environmentally?

Thank you.

**The Chair:** Dr. Turner.

**Dr. Turner:** Thank you. The site of the Royal Alberta Museum is an important heritage building in Edmonton, and the community cares about its future. What is the status of the Glenora site in Edmonton, which is the former site, and how is Alberta Infrastructure consulting with Albertans about plans for future use of that building?

**The Chair:** Mr. Clark.

**Mr. Clark:** Thank you. I would like for you to table any scorecards or quantitative analyses that determine the capital plan priority list and the unfunded list, please.

**The Chair:** Okay. Thank you.

Mr. Gotfried, do you have another question?

**Mr. Gotfried:** I do not.

**The Chair:** Oh, sorry. Mr. Hunter.

**Mr. Hunter:** Page 14 of the annual report also talks about the Calgary cancer centre being in progress. As we now know, Alberta Infrastructure chose the most expensive bid from the two bids. Why isn't there a long-term operations and maintenance contract for these facilities bundled with the design/build contract?

**The Chair:** Thank you, Mr. Hunter.

**Mr. Carson:** Your ministry's 2017-2018 annual report shows construction completed on four health facility projects. I'm hoping to find out how many health facility projects your ministry currently

has under way as well as hoping that you can provide any highlights on some health facility projects that are under way across the province.

**The Chair:** Thank you, Mr. Carson.

Mr. Clark.

**Mr. Clark:** Thank you. In addition to any blank scorecards or templates, I'd like you to table any results or completed scorecards that inform the 2017 to 2020 capital plan, please.

**The Chair:** Thank you, Mr. Clark.

**Mr. Panda:** Page 15 of the annual report is about school facilities. Students might be in, but the school is not done. Can you explain why the Two Hills Mennonite school is still not completed eight years since the start?

**Dr. Turner:** Building new schools is one of the most important investments we can make for the future of our children and the future of Alberta. How many school projects are under way currently in Alberta?

**The Chair:** Mr. Clark, you have 10 seconds.

**Mr. Clark:** How many IT systems do you have?

**The Chair:** Okay. Thank you for that. I think we're done. That's a little open, that one.

I'd like to thank the department officials for attending today and responding to members' questions. We're asking for the responses for outstanding questions from today's meeting to be provided in writing and forwarded to the committee clerk within 30 days. Thank you again.

**Ms Flint:** Thank you so much.

**The Chair:** Moving on to other business, I'd like to note for the record receipts of written responses to questions outstanding from the meetings during our spring meeting schedule as follows: Indigenous Relations, the meeting on May 2, 2018; Energy, the meeting on May 8, 2018; Economic Development and Trade, the meeting on May 15, 2018; the Health and Alberta Health Services meeting on May 29, 2018; Agriculture and Forestry and the Farmers' Advocate meeting on June 5, 2018. These responses will be posted to the external website in keeping with the usual practice.

Moving on to the date of the next meeting, the committee meets next on Tuesday, November 6, with the Ministry of Energy, the Alberta Electric Systems Operator, the Alberta Utilities Commission, the Alberta Market Surveillance Administrator, and the Alberta Balancing Pool. The committee meeting is scheduled from 8:30 a.m. to 10 a.m., and the committee's premeeting briefing will begin at 8 a.m.

Would a member like to move a motion to adjourn? Lots of volunteers. Ms Payne. All in favour? Any opposed? That's carried.

Thank you very much. Enjoy the rest of your day.

[The committee adjourned at 9:49 a.m.]









