

May 24, 2011

New, improved schools to cope with soaring student numbers

Initiative will see 35 schools built or renovated to cope with growth

Edmonton... A total of 35 schools across Alberta will be built or modernized at an estimated cost of \$550 million to cope with a student population expected to soar by about 100,000 new pupils before the end of the decade, Premier Ed Stelmach announced May 24.

"This is part of a government investment to address growing student enrolments in some of the fastest growing communities in Alberta and responds to concerns we've been hearing for some time," said Stelmach. "Our students are the future leaders of our province and deserve positive learning environments."

Education Minister Dave Hancock estimates Alberta's student population in 2020 will be about 700,000 students compared to the current 600,000 students.

"Education is fundamental to the future of our communities and our province. With this investment, we are ensuring that our students have safe, caring, respectful and modern learning environments," said Education Minister Dave Hancock. "It is important that we continue to build positive atmospheres for learning which helps every child succeed and realize their potential."

The plan, unveiled by the Premier, Hancock and Ray Danyluk, Minister of Infrastructure, calls for:

- Construction of 22 new and replacement schools in Alberta's fastest-growing communities including Airdrie, Beaumont and Fort McMurray.
- Modernization of 13 existing schools to handle growth pressures and to upgrade infrastructure such as heating, plumbing and electrical systems, remove barriers to access and provide appropriate facilities for specialized subjects such as science, art and Career and Technology Studies.

"Alberta Infrastructure will deliver high quality schools that are bright, welcoming spaces, equipped with the latest technology and designed to adapt to changing educational needs," said Danyluk. "These will be buildings that work - for students, for teachers and for the entire community. We will move forward on these projects immediately and our goal is to open doors for students by 2014."

Projects will be delivered through a combination of public-private partnerships and regional bundles. This approach allows projects to be completed faster than would otherwise be possible, while taking full advantage of core school designs, economies of scale and private-sector innovations.

The Alberta government is working to build a better Alberta by fostering economic growth, strengthening our health and education systems, investing in infrastructure, supporting safe and strong communities and ensuring a clean and healthy environment.

-30-

Backgrounders: List of school infrastructure projects, combined procurement approach and student population projection chart

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List of school infrastructure projects

NEW CONSTRUCTION		
Community	School Board / Authority	Grades
Airdrie	Rocky View School Division	6-8
Airdrie	Greater Southern Public Francophone Education Region	K-12
Airdrie	Rocky View School Division	9-12
Bawlf	Battle River Regional Division	K-12
Beaumont	Black Gold Regional Division	K-9
Beaumont	St. Thomas Aquinas Roman Catholic Separate Regional Division	K-9
Brooks	Grasslands Regional Division	K-6
Chestermere	Rocky View School Division	K-9
Cochrane	Greater Southern Catholic Francophone Education Region	K-9
Fort McMurray	Fort McMurray Public School District	K-6
Fort McMurray	Fort McMurray Roman Catholic Separate School District	K-6
Gift Lake	Northland School Division	K-9
Grande Prairie	Grande Prairie Public School District	9-12
Jasper	Greater North Central Francophone Education Region	K-12
Jasper	Grande Yellowhead Public School Division	7-12
Lac La Biche	Northern Lights School Division	9-12
Medicine Hat	Medicine Hat School District	K-9
Penhold	Chinook's Edge School Division	7-12
Red Deer	Red Deer Public Schools	K-5
Red Deer	Red Deer Catholic Regional Division	K-5
Red Deer	Greater North Central Francophone Education Region	K-12
Two Hills	St. Paul Education Regional Division	K-12
MODERNIZATIONS		
Bow Island	Prairie Rose School Division	K-12
Claresholm	Livingstone Range School Division	7-12
Calgary	Calgary School District	10-12
Calgary	Calgary Roman Catholic Separate School District	10-12
Cardston	Westwind School Division	K-6
Edmonton	Edmonton School District	10-12
Edmonton	Edmonton School District	K-6
Fort McMurray	Fort McMurray School District	9-12
Innisfail	Red Deer Catholic RD/Chinook's Edge SD	K-12
Mundare	Elk Island Public Regional Division	K-8
Ponoka	Wolf Creek School Division	K-12
St. Paul	St. Paul Education Regional Division (Racette)	6-9
Trochu	Golden Hills School Division (Trochu Valley School)	K-12

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Combined procurement best approach to deliver needed schools

- The Alberta government's analysis concluded that the best results for delivering these new school projects would be achieved through a combined procurement approach.
- This ensures these new school projects will be completed more quickly and provide value for money to Alberta taxpayers when compared with the more traditional procurement method.
- 22 new and replacement schools and 13 modernization projects will be delivered through a combination of methods, including:
 - private-public partnerships (P3s);
 - regionally-bundled design-build projects;
 - individual design-bid-build projects; and
 - regionally-bundled design-bid-build for modernization projects.
- Through this combined approach a savings of more than 10 per cent over traditional procurement methods is expected to be achieved.
- In part, these savings will be realized as a result of:
 - utilizing government's expertise to manage large construction projects and provide oversight of project scope;
 - bundling projects, which provides:
 - economies of scale; and
 - schedule, administrative and consultant fee savings
 - guaranteed fixed construction price
 - faster delivery
 - risks transferred to contractor after tender, such as:
 - inflation in construction costs
 - weather-related delays
 - changes due to design errors.
- Starting now, while construction and borrowing costs are still low, ensures the completion of some of the 35 school projects by as early as the 2014 school year.

Public-private partnership (P3)

- Through Alberta's P3 schools model, the private partner is responsible for the design, build, finance and maintenance of the new P3 schools. A key aspect of the model is that the private partner maintains the schools for the first 30 years providing a built-in warranty. Under traditional delivery, warranties are usually only one to two years. Schools will be owned and operated by school boards, and operate like existing schools.
- Design-bid-build (DBB) as government's most traditional method of procurement is used for most government buildings. DBB is commonly used by school boards for building schools.
- In a DBB, the owner (government or school board) retains consultants to program and then complete the design of the school. The owner uses the design and contract documents to tender the project to industry and the lowest bidder is awarded the contract. The contractor (lowest bidder) constructs the building in compliance with the design.

Design-build

- In a design-build (DB), the owner (government or school board) retains consultants to program and produce only enough documents to describe the requirements for the building. These requirements and contract documents are then tendered through a selection process.
- As the lowest bidder, the successful contractor completes the school design in consultation with the owner (government or school board), municipalities and the consultants, and fast tracks the construction while doing so
 - begins construction work such as site preparation
 - results in faster delivery than design-bid-build

Major differences between a P3 and a design-bid-build or design-build

- In a P3, the contractor arranges a portion of the project financing and provides a 30-year maintenance warranty on the schools.
- Through a design-bid-build or design-build, the owner (government or school board) finances the design and construction and makes progress payments until the completion of the project. School boards, through government funding, are responsible for the long-term maintenance of the schools.

Cost savings achieved through regional bundling of design-bid-build or design-build

- Similar to a P3 approach and whether schools are delivered through a design-bid-build or design-build method, bundling the school projects geographically by region has advantages and achieves savings such as economies of scale, for example, one contractor is responsible for building all schools within a region, as well as faster delivery.

Financing

- As part of their investment strategy, the Alberta Teachers Retirement Fund will invest up to \$30 million in financing for preliminary planning costs for these projects.

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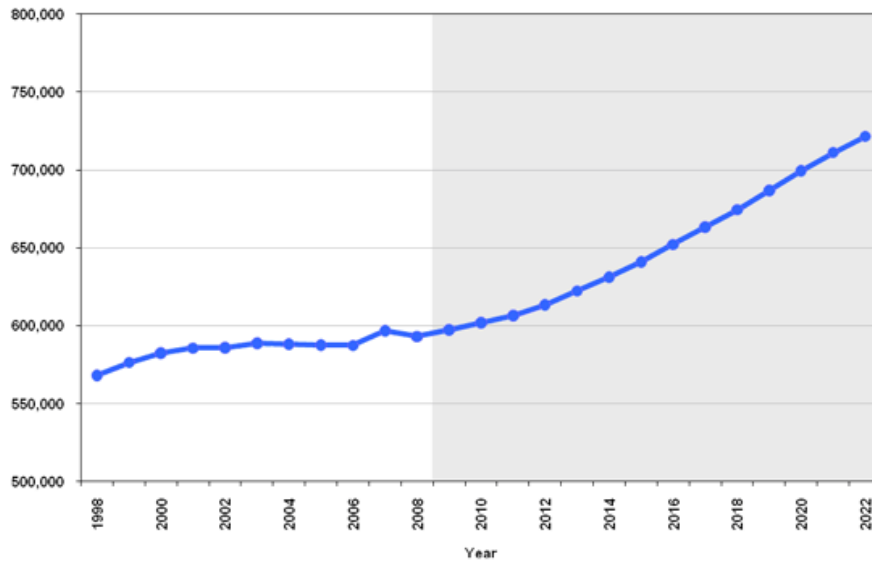
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Alberta Student-Aged Population Projection

Alberta's age 4 to 18 population is projected to increase by nearly 98,000 in the next 10 years, from just over 600,000 in 2010 to almost 700,000 in 2020.

Source: Student Population Projection and Teacher Forecasting Model, Workforce Planning, Alberta Education. This projection was calculated on June 25, 2010 using the "Historical Average" method, based on ten-year historical average data.



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