

Alberta's infrastructure mandate: Paving the way for construction growth in 2025

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On Sept. 22, 2025, Alberta Premier Danielle Smith released a <u>mandate letter</u> to Infrastructure Minister Martin Long, outlining a broad set of priorities that will shape Alberta's capital planning and infrastructure delivery over the coming years. For context, mandate letters are important political tools that serve to provide public accountability and to flag the government's priorities with respect to specific programs, policies and projects that are to be carried out. As such, this directive, which is part of a broader series of refreshed mandate letters issued in mid-September 2025 to various ministries, aims to provide clear guidance ahead of the Alberta Legislative Assembly's fall session starting October 23.

For Alberta's construction industry, this letter highlights promising opportunities in public projects, procurement reforms, and asset management, while also emphasizing prioritizing the reduction of red tape to foster economic growth. At the core of the letter are eight key commitments, each with implications for the construction industry that could impact bidding processes, project opportunities, legal considerations, and development strategies.

- 1. **Collaboration on mental health and addiction facilities**: This opens up projects for building specialized recovery centers, ideal for companies experienced in healthcare construction. Expect tenders for urban and rural sites, with potential for phased developments across Alberta.
- 2. Development of a capital funding formula : To improve long-term predictability for the construction industry, the Premier has called for the completion of a capital funding formula that sets clearer annual budgeting targets. This change could provide contractors and consultants with greater certainty when planning for workforce and supply chain capacity, while also reinforcing Alberta's commitment to maintaining resilient infrastructure.
- 3. Acceleration of priority investments for transportation and economic corridors
 This could speed up transportation-related construction, creating fast-tracked opportunities for joint ventures and large-scale contracting in key sectors.
- 4. Implementation of the Real Property Governance Act (RPGA): The RPGA modernizes public property management through a centralized inventory system for better accountability and efficiency in handling government-owned land and buildings. As such, this may lead to redevelopment of underutilized public assets,



- offering opportunities to bid on repurposing or optimization projects with streamlined processes.
- 5. Completion of Calgary arena and Edmonton event centre infrastructure : High-visibility urban developments like these provide for major construction scopes in entertainment and mixed-use districts for all types of trades.
- 6. **Review of capital planning for health and social infrastructure**: This review could prioritize high-impact builds in growing areas, directing funds to health and social facilities based on regional and demographic demands.
- 7. **Improvement of procurement practices**: The province is pursuing a hybrid centralized procurement model, full adoption of the 1GX platform, and enhanced category management. For the construction industry, this could streamline bidding processes and improve data transparency but also requires adaptation to new compliance and reporting standards.
- 8. **Renewal of Alberta 's courthouses**: Opportunities here include modernizing or building new courthouses, with a focus on innovative designs and best practices perfect for companies specializing in public institutional projects.

Notwithstanding the above, there is a notable absence of any directive to reconsider conventional risk models for construction projects - a shift that other provinces like British Columbia are embracing through the use of various collaborative contracting models. Alberta has yet to directly acknowledge such a broad re-evaluation, though it has publicly acknowledged it intention to adopt a P3 framework for projects which expressly promotes "appropriate risk sharing" to harness private sector innovation and collaboration. This existing policy signals the concept is on the government's radar. However, Alberta's approach to P3s is having mixed success in the market. Most notably the government abandoned the P3 model for the Red Deer Regional Hospital's ambulatory building in May 2025, opting instead for conventional procurement. It is a move that could influence how the construction industry assesses upcoming tenders.

For Alberta's construction industry, the message is clear: the government is seeking predictable capital planning, improved procurement processes, and the delivery of specific priority projects throughout Alberta. While this provides opportunities across health, social, transportation, and urban infrastructure, companies will need to adjust to evolving procurement frameworks and increased expectations around efficiency and value.

<u>BLG's Construction</u> and <u>Infrastructure Groups</u> will continue to monitor the implementation of this infrastructure mandate once the Alberta Legislative Assembly reconvenes in October. If you would like to learn more about how your company can position yourself to engage early and capitalize on Alberta's upcoming infrastructure projects, please consult the authors below.

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