

# Annual Report for 2022-23

## Ministry of SaskBuilds and Procurement

# Letters of Transmittal



Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report for the Ministry of SaskBuilds and Procurement for the fiscal year ending March 31, 2023.

Lori Carr  
Minister of SaskBuilds and Procurement.

The Honourable Lori Carr  
Minister of SaskBuilds and  
Procurement



The Honourable Lori Carr  
Minister of SaskBuilds and Procurement

Dear Minister:

I have the honour of submitting the Annual Report of the Ministry of SaskBuilds and Procurement for the fiscal year ending March 31, 2023.

Kyle Toffan  
Deputy Minister of SaskBuilds  
and Procurement

Kyle Toffan  
Deputy Minister of SaskBuilds and Procurement.

# Ministry of SaskBuilds and Procurement Overview

SaskBuilds and Procurement (SBP) was created in November 2020 to take a new approach to the management of all infrastructure projects and assets, standardize government procurement and information technology (IT) infrastructure, merging the responsibilities of the former Ministry of Central Services and SaskBuilds Corporation.

In June 2021, SBP consolidated infrastructure professionals from across Executive Government as the next step in managing infrastructure projects and assets. By leveraging the expertise of Government of Saskatchewan infrastructure professionals in a single organization, we provide better service and outcomes as we deliver the critical infrastructure that communities and citizens rely on.

SBP prepares the Major Capital Action Plan for the Government of Saskatchewan. This plan speaks to the economic context of the province. It outlines how SBP will lead the delivery and oversight of major infrastructure projects in the health, education and government services sectors.

SBP also directly contributes to the government's goal to ensure growth and build a better quality of life for Saskatchewan and its families. This is done through several key *Saskatchewan's Growth Plan for the Next Decade of Growth 2020-2030* commitments, such as: building strong communities through infrastructure investment, supporting the transformation of Saskatchewan's economy with innovation and technology and by growing the local technology sector, and by leveraging government procurement and supply chains to support the development and growth of Saskatchewan's local businesses.

## **Mandate**

The Ministry of SaskBuilds and Procurement provides central coordination and delivery of property management, information technology, procurement, project management, transportation, and other support services to government ministries and agencies. In collaboration with SaskBuilds Corporation, the ministry integrates, coordinates and prioritizes infrastructure planning and delivery for the Province of Saskatchewan and advances projects through contract oversight, innovative approaches and alternative financing models as appropriate. The ministry also provides funding to the Provincial Archives of Saskatchewan.

## **Mission**

To be Saskatchewan visionaries who enable government to deliver programs, services and solutions that citizens and communities rely on.

Ministry of SaskBuilds and Procurement 2022-23 [Business Plan](#)

## Progress on Goal 1: Provide central coordination and delivery of support services to government ministries, agencies and citizens.

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### Strategy:

Deliver key government support services.

### Key Actions:

- Operate, maintain and administer Government of Saskatchewan buildings, facilities and land.
  - The number of buildings owned and leased by SBP increased from 700 to 768 in 2022-2023. The vacancy rate decreased from 3.89 per cent to 3.51 per cent.
  - Collaborated with the Ministry of Environment to support Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy by providing data and measures for energy usage and greenhouse gas emissions in government-owned buildings.
  - Supported critical investments for major and minor maintenance of government-owned buildings with a focus on prioritizing high-impact initiatives.
  - Enhanced oversight of provincial property acquisition, including transfer of Saskatchewan Health Authority (SHA) realty services and completion of assessments on nearly 300 hospitals and health care facilities.
- Provide information technology services and manage IT policies and standards.
  - Enhanced citizens' access to online services to provide services through Saskatchewan Account.
  - Implemented a new tool for security education and awareness campaign and provided direction on cybersecurity from a one-government perspective.
  - Supported business continuity for critical IT business applications.
- Manage transportation, records storage, mail and telecommunications services.
  - Completed a review of Central Vehicle Agency (CVA) fleet vehicles for all major clients and created a three-year plan to provide safe and economical fleets.
  - Secured a contract extension with the current fleet card (fuel) provider through to January 31, 2025, to support the purchase and tracking of both fuel and vehicles.
  - Developed best practice methods of storage, classification, retention, and disposal of records through engagement with Provincial Archives.
  - Negotiated a wireless contract to provide significant service, reporting and cost benefits for the Government of Saskatchewan.

- Coordinate, manage and improve public procurement.
  - Developed a method for infrastructure procurements of more than \$20 million (M).
  - Led infrastructure project procurements for the Prince Albert Victoria Hospital, Weyburn Hospital, La Ronge Long Term Care Centre, Grenfell Long Term Care Centre, Regina General Hospital parkade, Saskatoon Remand Centre and partnered in procurement on education, advanced education, correctional and parks projects.
  - Awarded nearly 500 procurements valued at approximately \$563M; 82 per cent of those procurements, valued at approximately \$463M, were awarded to Saskatchewan-based companies.
  - Delivered 22 procurement education sessions and provided supplier training and development opportunities to more than 300 participants.
  - Completed research and jurisdictional interviews and analysis of provincial Standing Offers to improve requirements, communications, and decision-making.

**Strategy:**

Renew, lead and integrate priority services to improve outcomes for government and citizens.

**Key Actions:**

- Integrate, coordinate and prioritize capital planning, infrastructure planning and delivery.
  - Developed the SaskBuilds Capital Plan and presented it as part of the 2023-24 Budget, which supports *Saskatchewan's Growth Plan for the Next Decade of Growth 2020-2030*.
  - Integrated IT and building infrastructure requirements in the SaskBuilds capital plan.
  - Provided consistent project reporting through Capital Project Delivery Analysis and Reporting (CPDAR) to support best outcomes, decision making and lesson-learned tracking for all public infrastructure investments.
  - Implemented a planning methodology to prioritize all capital expenditures, which included major landlord maintenance, equipment, vehicles and aircraft.

**Performance Measure Results:**

**Facility Condition Index (FCI)**

The ministry regularly assesses the condition of buildings in its portfolio. The target is to maintain FCI under 5 per cent.

- FCI was 5.2 per cent for the year, improving from 5.37 per cent the prior year but not achieving the target.

**Percentage of ministry service standards on target**

This ministry has implemented service standards for key client-facing services. The target for 2022-23 is for 70 per cent of service standards to be met or exceeded.

- The ministry surpassed this target with 76 per cent of service standards either meeting or exceeding expectations.

## Goal 2: Engage with partners, clients, and vendors to create business solutions that deliver innovative and positive outcomes.

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### Strategy:

Communicate with partners to identify outcomes, build relationships and act on feedback.

### Key Actions:

- Understand our partners' goals, strategies and changing business needs.
  - Held quarterly meetings with senior leadership teams from ministries, Crown corporations, boards, and sectors to discuss infrastructure, building maintenance and property management of government buildings.
  - Established a Capital Community of Practice to streamline capital planning, business case processes, and communication.
  - Collaborated with IT clients on goals, strategies and changing business priorities.
  - Undertook targeted engagement and outreach strategies with clients, industry, trade and labour groups, Indigenous economic development organizations, businesses and 11 industry associations to discuss Indigenous procurement policy, capability, and capacity across multiple sectors.
- Share information with partners, including updates, status, common standards and clear expectations.
  - Collaborated with the Ministry of Corrections, Policing and Public Safety to improve deliverables for correctional facilities.
  - Implemented an asset management reporting methodology.
  - Communicated with partner ministries to ensure optimum recommendations and advice were provided to SaskBuilds Board.
  - Established the Procurement Community of Practice to ensure effective and timely engagement and communication.
  - Updated and shared IT standards and policies to align with best practices.
- Survey our partners regularly and act on their feedback.
  - Issued client satisfaction surveys for key client-facing services in the third quarter of 2022-23.
  - Analyzed the survey responses from client groups and identified actions to improve client satisfaction.

### Strategy:

Meet or exceed client needs by simplifying client access.

### Key Actions:

- Create efficiencies through defined roles and responsibilities.
  - Completed a review of the governance of the health infrastructure project

- structure to coordinate and oversee healthcare infrastructure delivery.
  - Initiated the development of a school core design with the Ministry of Education and school divisions to bring consistency to education infrastructure projects.
  - Clarified the role of SBP and Executive Government in accessing federal funding.
- Develop clear processes and procedures for client pathways.
  - Established clear processes and identified key performance indicators for decision-making for infrastructure projects to help ensure Saskatchewan Growth Plan targets are achieved.
  - Created a streamlined capital planning template based on feedback from partner ministries to improve coordination and quality of communication.
  - Implemented the ServiceNow Portal to simplify client access to IT services.
  - Documented procedures and best practice information protection guidelines for improved self-service opportunities, the value of investments and a solidified cybersecurity approach.
  - Collaborated with agencies, boards, and Crown corporations to protect government IT assets and citizen information.
  - Delivered procurement training to client ministries.

**Strategy:**

Grow local businesses through government procurement.

**Key Actions:**

- Support and develop Saskatchewan suppliers through Priority Saskatchewan
  - Enhanced approaches to attracting high-quality bids for Government of Saskatchewan projects, particularly in infrastructure.
  - Monitored and acted on opportunities to better inform and prepare Saskatchewan businesses and industries to compete in public opportunities.
  - Developed suppliers by proactively leveraging past successes and challenges, sharing recommendations and highlighting opportunities.
- Pursue best value procurement to support and develop Saskatchewan suppliers.
  - Established standing offers with local Saskatchewan brokerages to deliver the government's commitments to its landlords and tenants.
  - Enhanced best value procurement supports for industry and other stakeholders to help build confidence in the Best Value framework.
- Proactively engage with Saskatchewan vendors
  - Hosted a business-to-business networking session with PCL Construction to promote the use and participation of local and Indigenous businesses on the Prince Albert Victoria Hospital Project.
  - Conducted market sounding on major project procurements to get industry feedback about project delivery methods, risk, schedule and cost for projects including La Ronge Long Term Care Center, Regina General Hospital parkade, Regina Long Term Care Specialized Beds and Lake Diefenbaker Irrigation Project.
  - Issued a quarterly upcoming procurement list to industry on SaskTenders.
  - Supported ongoing interaction with the vendor community, including the Information Technology Solutions Association of Saskatchewan and Saskatchewan Heavy Construction Association, to support better procurement

- outcomes and local development.
- Engaged and educated local vendors on all aspects of the competition process.

**Performance Measure Results:**

**Overall client satisfaction with ministry services**

Overall client satisfaction is measured by compiling the results of our satisfaction surveys for our client-facing services into one aggregate number. The target for 2022-23 is an overall client satisfaction of 85 per cent.

- The ministry met this target with an overall satisfaction score of 85.6 per cent for client-facing services.

**Percentage of competitions awarded to Saskatchewan companies.**

The target for 2022-23 is to have 90 per cent of all procurement competitions undertaken by the ministry be awarded to Saskatchewan companies.

- The ministry did not meet this target, realizing 82.3 per cent of competitions awarded to Saskatchewan companies.
- The Government of Saskatchewan must follow all applicable trade agreements prohibiting preference for local suppliers for procurements above trade thresholds.
- Certain procurements were awarded out of province in 2022-23 for items not produced in Saskatchewan (i.e., aviation parts and services, portable radios, offender monitoring and specialized consulting services).

# Financial Summary

The Ministry of SaskBuilds and Procurement's (SBP's) 2022-23 expenditure budget (appropriation) was \$178.70 million, including \$103.46 million for capital asset acquisitions.

## 2022-23 Funding

	2021-22 Actual	2022-23 Budget	2022-23 Actual
	(\$000s)	(\$000s)	(\$000s)
Total Expenditure	68,433	178,695	144,267
Costs Allocated to Ministries	321,556	250,173	352,657
Costs Charged to External Clients	86,473	87,235	122,785
<b>Total Budgeted Funding</b>	<b>\$ 476,462</b>	<b>\$ 516,103</b>	<b>\$ 619,709</b>
Less: Costs Allocated to Ministries	(321,556)	(250,173)	(352,657)
Costs Charged to External Clients	(86,473)	(87,235)	(122,785)
Asset Retirement Obligations	-	(2,177)	(2,177)
Remediation of Contaminated Sites	-	(5,270)	(5,270)
Capital Asset Acquisitions	(26,568)	(103,460)	(72,229)
Add: Capital Asset Amortization	678	1,309	1,082
<b>Total Budgeted Expense</b>	<b>\$ 42,543</b>	<b>\$ 69,097</b>	<b>\$ 65,673</b>

In addition to appropriated funds, a significant portion of the budget for the programs within SBP operate on the principles of shared services and net budgeting, which are set out in *The Financial Administration Act, 1993*. The Act allows for ministries to provide shared services to other ministries and to charge those ministries for the costs of those services. In total, the ministry's budgeted funding was \$516.10 million, summarized as:

Actual funding totalled \$619.71 million, a variance of \$103.61 million compared to the budget. The variance is primarily a result of IT initiatives completed for other ministries and construction projects for external clients. Subvote and program area results are summarized in subsequent pages of the annual report.

In 2022-23, SBP's average full-time equivalent (FTE) utilization was 949.8 FTEs, including 44.0 student FTEs.

## Expenses

The following table outlines information for actual and budgeted results by subvote and program. The table also identifies the amounts allocated to ministries as internal recoveries and amounts charged to clients external to the General Revenue Fund. Significant variance explanations are provided in the notes.

<b>Subvote/Allocation</b>	<b>2021-22 Actual</b>	<b>2022-23 Budget</b>	<b>2022-23 Actual</b>	<b>Variance Over/ (Under)</b>	<b>Notes</b>
<b>Central Management and Services (SP01)</b>					
Minister's Salary (Statutory) .....	51	53	53	-	
Executive Management .....	703	783	730	(53)	
Central Services .....	9,412	9,590	9,180	(410)	1
Accommodation Services .....	691	691	347	(344)	2
Allocated to Services Subvotes .....	(10,806)	(11,064)	(10,257)	807	3
<b>Subvote Total</b>	<b>\$ 51</b>	<b>\$ 53</b>	<b>\$ 53</b>	<b>\$ -</b>	
<b>Property Management (SP02)</b>					
Operations and Maintenance of Property .....	182,603	180,735	187,898	7,163	4
Accommodation Costs Incurred on Behalf of the Leg Assembly .....	2,961	2,961	2,961	-	
Program Delivery and Client Services .....	26,196	21,288	22,527	1,239	5
Property Management Allocated to Ministries	(148,944)	(137,721)	(139,877)	(2,156)	6
Property Management Charged to External Clients .....	(59,726)	(61,875)	(66,416)	(4,541)	6
<b>Subvote Total</b>	<b>\$ 3,090</b>	<b>\$ 5,388</b>	<b>\$ 7,093</b>	<b>\$ 1,705</b>	
<b>Project Management (SP03)</b>					
Saskatchewan Polytechnic .....	-	4,000	-	(4,000)	7
Saskatoon Provincial Correctional Centre .....	3,389	-	24,049	24,049	8
Saskatoon Remand Centre .....	-	27,000	-	(27,000)	8
Other .....	32,714	1,000	69,360	68,360	9
Project Management Allocated to Ministries	(22,835)	(28,000)	(56,936)	(28,936)	10
Project Management Charged to external Clients .....	(13,268)	(4,000)	(36,473)	(32,473)	10
<b>Subvote Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Transportation and Other Services (SP05)</b>					
Vehicle Services .....	28,054	28,904	32,448	3,544	11
Air Services .....	9,891	9,500	9,991	491	12
Mail Services .....	10,113	11,648	10,837	(811)	13
Telecommunications Services .....	311	331	276	(55)	
Services Allocated to Ministries .....	(38,839)	(32,613)	(40,507)	(7,894)	14
Services Charged to External Clients .....	(9,073)	(17,219)	(11,932)	5,287	15
<b>Subvote Total</b>	<b>\$ 457</b>	<b>\$ 551</b>	<b>\$ 1,113</b>	<b>\$ 562</b>	
<b>Major Capital Asset Acquisitions (SP07)</b>					
Land, Buildings and Improvements .....	2,511	38,863	34,727	(4,136)	16
Machinery and equipment .....	8,221	10,890	13,207	2,317	17
Office and Information Technology .....	15,162	53,707	24,295	(29,412)	18
Remediation of Contaminated Sites .....	-	5,270	5,270		
<b>Subvote Total</b>	<b>\$ 25,894</b>	<b>\$ 108,730</b>	<b>\$ 77,499</b>	<b>\$ (31,231)</b>	
<b>Information Technology Office (SP11)</b>					
IT Coordination and Transformation Initiatives	13,823	34,427	20,355	(14,072)	19
Application Support .....	7,606	6,826	7,306	480	20
Interministerial Services .....	114,435	54,077	122,455	68,378	21
IT Allocated to Ministries .....	(110,938)	(50,896)	(115,337)	(64,441)	22
IT Allocated to External Clients .....	(4,406)	(4,141)	(7,964)	(3,823)	22
<b>Subvote Total</b>	<b>\$ 20,520</b>	<b>\$ 40,293</b>	<b>\$ 26,815</b>	<b>\$(13,478)</b>	

Subvote/Allocation	2021-22 Actual	2022-23 Budget	2022-23 Actual	Variance Over/ (Under)	Notes
<b>Provincial Archives of Saskatchewan (SP13)</b>					
Provincial Archives of Saskatchewan .....	4,363	4,363	4,363	-	
<b>Subvote Total</b>	<b>\$ 4,363</b>	<b>\$ 4,363</b>	<b>\$ 4,363</b>	<b>\$ -</b>	
<b>Infrastructure and Procurement (SP14)</b>					
Infrastructure Development .....	8,177	13,478	22,206	\$ 8,728	23
Priority Saskatchewan .....	590	746	611	(135)	24
Single Procurement Service .....	5,291	6,036	5,422	(614)	24
Infrastructure Allocated to Ministries...	-	(943)	(908)	35	
<b>Subvote Total</b>	<b>\$ 14,058</b>	<b>\$ 19,317</b>	<b>\$ 27,331</b>	<b>\$ 8,014</b>	
<b>Total Appropriation</b>	<b>\$ 68,433</b>	<b>\$ 178,695</b>	<b>\$ 144,267</b>	<b>\$ (34,428)</b>	
Less: Asset Retirement Obligation Adjusted to Opening Accumulated Deficit .....	-	(2,177)	(2,177)	-	
Less: Remediation of Contaminated Sites .....	-	(5,270)	(5,270)	-	
Less: Capital Asset Acquisition .....	(26,568)	(103,460)	(72,229)	31,231	
Add: Capital Asset Amortization .....	678	1,309	1,082	(227)	
<b>Total Expense</b>	<b>\$ 42,543</b>	<b>\$ 69,097</b>	<b>\$ 65,673</b>	<b>\$ (3,424)</b>	

### Explanation of Major Variances from 2022-23 Actuals to 2022-23 Budget:

1. Variance is a result of savings in IT services.
2. Variance is due to internal reallocation to program area.
3. Decreased amounts allocated to program areas.
4. Increase is due to increased building operating costs and client requests.
5. Increase is due to a higher volume of client requests.
6. Variance in recoveries is a result of increased client requests.
7. Project was not recovered.
8. Remand Centre costs were coded to Saskatoon Provincial Correctional Centre.
9. Variance is a result of increased client requests.
10. Increased client billings are related to increased demand for 2022-23.
11. Increase is due to higher operating and repair costs.
12. Variance is primarily due to rising jet fuel costs.
13. Operating expenses are lower than expected due to decreased client demand.
14. Variance is a result of increased ministry client demand.
15. Variance is a result of decreased external client demand.
16. Variance is due to delays in capital building projects.
17. Variance is due to increased spending in Central Vehicle Agency vehicles and engine overhauls for Air Ambulance.
18. Variance primarily due to a project delay.
19. Savings as a result of delayed IT initiatives.
20. Variance is a result of higher-than-expected salaries.
21. Variance is a result of increased client demand.
22. Increased recoveries are a result of increased client-requested projects.
23. Variance is due to project pressures.
24. Variance is a result of vacancy management.

## Revenues

The majority of the revenue collected by the Ministry of SaskBuilds and Procurement is related to the provision of commercial activities. The following table outlines information for actual and budgeted revenues.

	2021-22 Actual (\$000s)	2022-23 Budget (\$000s)	2022-23 Actual (\$000s)	2022-23 Budget to Actual Variance (\$000s)	Notes
<b>Transfers from Government Entities and Other Own-source Revenue</b>					
Sales, services and service fees	53	-	26	26	1
Transfers from Crown Entities	11,289	-	1,948	1,948	2
Other revenues	2,455	-	(1,050)	(1,050)	3
Commercial Operations	86,473	87,235	112,785	25,550	4
<b>TOTAL</b>	<b>\$ 100,270</b>	<b>\$ 87,235</b>	<b>\$ 113,709</b>	<b>\$ 26,474</b>	

### Explanation of Major Variances from Budget:

1. The sales, services and service fees revenue was obtained from the sale of previously expensed assets.
2. The revenue for transfers from Crown entities is due to asset transfers from a Treasury Board Crown.
3. The variance in other revenues is primarily due to casual revenue, gain on disposal of capital assets, asset transfers and changes in previous years' estimates.
4. Commercial Operations revenue is received from clients external to the General Revenue Fund.

Additional financial information can be found in the Government of Saskatchewan Public Accounts located at <https://publications.saskatchewan.ca/#/categories/893>.