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# Route 90 Improvements Project

## Alternative project delivery value for money study

## Executive Summary

City of Winnipeg

August 25, 2025

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**Route 90 Improvements Delivery Model Assessment**
**Executive Summary**

The City of Winnipeg is planning significant upgrades to Route 90 between Ness Avenue to Taylor Avenue. This major project aims to improve traffic flow, accommodate future development, and enhance safety for all users, and has an estimated capital cost of $757.3 million[1]. To ensure the project is delivered in a manner providing best value for taxpayers, the City hired Deloitte LLP (“we”, “us”, “our”) to study different ways of managing and building such a large undertaking. This study, called a "delivery model assessment," helps determine the best approach for the project.

Our assessment considered many delivery models, each of which is a different ways of organizing and contracting for the required design and construction work. We compared these models to the City's usual approach, called "Design-Bid-Build" (DBB), where design and construction are handled in separate sequential contracts. We also talked to many construction companies, both local and national, to understand their interest and capabilities in delivering a project of this size.

Here's what we found:

The project is made up of several key components: widening the roadways, rehabilitating and widening existing bridges, building a new bridge over the Assiniboine River, and upgrading the land drainage sewer system. Delivery methods that bundle all these components into a single contract were considered, but ruled out. This is because the key parts each have unique challenges, attract different types of construction companies, and carry different risks, making a single "bundled" approach less effective than taking an approach that is more tailored to the unique aspects of each component.

We looked at a model that includes long-term operation and maintenance (O&M) and financing by a contractor, specifically “Design-Build-Finance-Operate-Maintain” (DBFOM), also known as a “public-private partnership” (P3) model. However, transferring routine O&M (like snow clearing and grass cutting) to a contractor was not recommended because the City already performs these services efficiently across its entire network. It would be less efficient and potentially more costly to outsource these tasks for just this portion of Route 90. Contractor-provided financing is more costly than the City’s own borrowing, but can have a warranty-like benefit if full long-term risk for a project can be transferred to the contractor. However, it was found that the City would be unable to transfer certain significant risks, in particular related to unexpected issues with the existing bridges. Therefore, it was determined that the City should remain responsible for O&M and not use contractor financing.

Given these findings, we then looked at each key component individually to determine the best delivery model for each.

- For the **land drainage sewer**, the traditional Design-Bid-Build (DBB) model is recommended, with the work split into two areas based on the type of contractor needed. Specialized contractors are needed for the section of large-diameter sewer work using tunnelling. The land drainage sewer work can be completed early in the overall schedule and has minimal overlap with the rest bridge and road work.

- For the **roadway improvements**, Design-Bid-Build (DBB) is also the preferred model. The nature of this work, which involves keeping Route 90 open to traffic during three consecutive years of summer construction, means there isn't much opportunity for new design ideas that other delivery models might offer. Breaking the roadwork into smaller, annual contracts using DBB will encourage more

[1] Source: Basis of Estimate Capital Cost Detail, August 2025 update

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competition from local contractors, potentially leading to lower costs for the City. The City can also consider using a "Sequential Opportunity Contracting" approach, where a contractor performing well on one annual road contract might be given the opportunity to extend to next year's contract, offering continuity.

- For the **repairs to and expansion of the two existing bridges**, traditional Design-Bid-Build (DBB) is also recommended. This is because the extent of repairs needed for these older bridges can't be fully known until work begins. Alternative design-build-based delivery methods struggle to share the risk of these latent defects between owner and contractors. Using DBB allows for more flexibility and competitive pricing for this work.

- For the **new southbound bridge**, we considered both Design-Bid-Build (DBB) and "Design-Build" (DB), where one contractor is responsible for both design and construction. Design-Build (DB) showed a theoretical cost savings of about $11 million, due to its competitive and integrated design and construction process. However, qualitative assessment of the two models also considered aspects such as long-term asset performance, flexibility to manage traffic during construction, and avoiding procurement failures which favoured the DBB approach. Therefore, we recommend proceeding with DBB for the new bridge, but leaving the option open to use DB if future project approvals prioritize capital cost savings and market interest is strong.

In summary, the study recommends a largely traditional Design-Bid-Build (DBB) approach for the Route 90 Improvements Project, broken down into several contracts for specific components. This strategy aims to leverage competition, manage known risks effectively, and align with the capabilities of the construction market. This recommendation will help the City make an informed decision on how to best deliver the Route 90 Improvements Project, ensuring good value for taxpayers and a successful outcome for the project.

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