Agenda – Standing Policy Committee on Finance and Economic Development – January 16, 2026

REPORTS

Item No. 4 **North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities,**
Project ID: 203110028B,
Quarterly Project Status Report No. 11
For the Period Ended October 31, 2025

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the financial status of the NEWPCC Upgrade: Biosolids Facilities, as contained in this report, be received as information.

ADMINISTRATIVE REPORT

Title: **North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities,**
Project ID: 203110028B,
Quarterly Project Status Report No. 11
For the Period Ended October 31, 2025

Critical Path: **Standing Policy Committee on Finance and Economic Development**

AUTHORIZATION

Author	Department Head	CFO	CAO
C. D. Wiebe, P. Eng., CAMP, Manager of Engineering Services	T. W. Shanks, M. Eng., P. Eng. Director, Water and Waste Department	T. Graham	J. Dunford

EXECUTIVE SUMMARY

Project On Schedule: Yes ☑ No ☐ **Project On Adopted Budget: Yes ☑ No ☐**

Percent of Schedule Complete: 15% **Percent of Adopted Budget Spent:** 4.39%

The Capital Budget for the NEWPCC Upgrade: Biosolids Facilities project is $1.035 billion with expenditures to date totaling $45.4 million. A total of $7.6 million was spent during this reporting period. The additional $453 million of the approved budget is currently funded by debt.

Key project updates this quarter include:

- The Development Partner, Red River Biosolids Partners (RRBP), continued working on the Preliminary Design. Value engineering is ongoing to improve schedule and manage estimated cost.
- Construction continued on the early works tender 447-2024 to prepare the Biosolids' site for the main Progressive Design Build (PDB) contract. This contract is anticipated to be complete in Q4 2025.

Financial updates:

- Discussions continued with Provincial partners related to funding additional project costs.

- In September 2025, a Request for Proposal for a third-party cost estimate for the Biosolids project was awarded to Hanscomb Limited**.** The peer review will help validate the costs provided by the Development Partner.

NEWPCC Audit:

- The Public Service is actively engaged in addressing and implementing the audit recommendations.
- KPMG continues to develop a fit-for-purpose governance structure for the NEWPCC Upgrade projects. The governance structure is anticipated to be considered by Council in Q4 2025.

The Advisory Committee has reviewed this report and recommends that the report be sent to the Standing Policy Committee on Finance and Economic Development.

RECOMMENDATIONS

That the financial status of the NEWPCC Upgrade: Biosolids Facilities, as contained in this report, be received as information.

REASON FOR THE REPORT

Major Capital Projects are required to report quarterly to the Standing Policy Committee on Finance and Economic Development. The threshold for reporting is reviewed at the beginning of each multi-year budget cycle and revised, if required, for Council consideration. For the 2024-2027 multi-year budget cycle Council approved that the threshold be maintained at $25 million. The Standing Policy Committee on Finance and Economic Development may also request reporting on any capital project.

IMPLICATIONS OF THE RECOMMENDATIONS

No implications.

HISTORY/DISCUSSION

See Appendix C – Key Project Events (History)

Development Phase (Update from last report)
RFP 779-2021B: The Development Partner continues work in the Preliminary Design Period and is working towards Stage Gate #2. Cost and schedule estimates based on design progress continue to be reviewed using value engineering and early works options.

- **RFP 182-2015:** Biosolids Development Phase: The Owner's Advisor, AECOM Canada Ltd., supported the Development Phase by reviewing submissions from the Development Partner and providing technical and project management advice to the City.

- **RFP 102-2017:** Blakes Cassels & Graydon LLP supported the Development Phase by providing legal advice to the City.

- **RFP 343-2025:** In September 2025, a Request for Proposal for a third-party cost estimate peer review for the Biosolids project was awarded to Hanscomb Limited**.** The peer review will help validate the costs provided by the Development Partner.

Construction (Update from last report)

- **RFP 182-2015: Biosolids Early Works:** The Owner's Advisor continues to assist the City with early work construction packages to minimize the risk to the main PDB contract.

    - An over-expenditure report for the Owner's Advisor in the amount of $2,043,769.24 was approved by the Director of Water and Waste on August 6, 2025, for work funded by the Headworks Facilities and the Biosolids Facilities projects. The approval included $1,233,656 funded by the Biosolids Facilities capital project for additional design and contract administration services for Tender 447-2024.

    - **Tender 447-2024:** NEWPCC Piping Installation, Soil Remediation, and Site Compound Development.
        - The water main extension, trailer gravel pad, and two of three subsurface crossings are complete.
        - The remaining construction is anticipated to be complete by Q4 2025.
        - The quantities and extent of contaminated soil was higher than anticipated. A remediation plan for the additional contaminated soil will be developed in Q4 2025. Remediation will be added to future construction contracts.

    - **Tender 116-2025:** Land Drainage System (LDS)
        - The tender was posted to MERX and closed on October 17, 2025. Award is expected in Q4 2025 with construction to commence in Q1 2026.
        - The Biosolids LDS subsurface railway crossing application from Canadian Pacific Kansas City (CPKC) was submitted on February 21, 2025, and is pending approval.
        - The Nutrient Removal Facilities LDS subsurface railway crossing application from CPKC was submitted on August 27, 2025, with approval anticipated in Q2 2026.
        - Contaminated soil was identified where the new LDS is to be installed and will be disposed of during Tender 116-2025.

        - Heritage resource exploration in advance of this construction was completed in August 2025. These investigations did not yield any findings.

    - **Tender 929-2025:** Northwest Interceptor (NWI) Liner
        - To mitigate risks related to the NWI failing during Biosolid's construction activities, the NWI will be lined with a cured in place pipe (CIPP) this winter.
        - The tender was posted on October 30, 2025, and award is anticipated in Q4 2025.

- **SS 301-2025: CPKC Rail Flagging Services:** CPKC continues to supply railway flagging services during the installation of four subsurface railway crossings (to be performed within Tenders 447-2024 and 116-2025).

Table 1 – Contracts

NEWPCC Upgrade: Biosolids Facilities							
Contracts Table (Over $250,000.00)							
Bid Opportunity #	**Company Name**	**Description**	**Original Contract Award Value (GST & MRST extra as applicable)**	**Total Approved Over-Expenditures (Over-Expenditure**	**Date of Award**	**Date of Total Completion**	**Estimated % Complete**
182-2015 (Biosolids - Preliminary Design)	AECOM Canada Ltd	Owner's Advisor	$ 1,316,735	$ -		-	94
182-2015 (Biosolids - Procurement)[1]	AECOM Canada Ltd	Owner's Advisor	$ 6,521,026	$ -	4-Aug-2022	-	58
102-2017 (Biosolids)[1]	Blakes Cassels & Graydon LLP	External Legal Counsel	$ 804,373	$ 219,570	14-Sep-2022	-	53
182-2015 (Biosolids - Early Works)[1]	AECOM Canada Ltd	Professional Engineering Services for Early Works	$ 2,539,127	$ -	23-Jun-2023	-	91
182-2015 (Biosolids - Flushing Water)[1]	AECOM Canada Ltd	Professional Engineering Services for Flushing Water	$ 1,645,000	$ -	30-Oct-2023	-	10
779-2021B (Development Phase)[1]	Red River Biosolids Partners	Development Phase Agreement	$ 95,000,000	$ -	18-Jul-2024	-	27
182-2015 (Biosolids - Development Phase)[1]	AECOM Canada Ltd	Owner's Advisor	$ 18,812,168	$ -	28-Jun-2024	-	13
447-2024 (Biosolids Early Works)[1]	J-Con Civil Ltd	NEWPCC Piping Installation, Soil Remediation, and Site Compound Development	$ 7,979,353	$ 1,092,359	28-Oct-2024	-	66
301-2025 (Biosolids Early Works)	Canadian Pacific Kansas City Rail (CPKC)	CPKC Flagging Services	$ 500,000	$ -	19-Mar-2025	-	8
		Total	**$ 135,117,781**	**$ 1,311,929**			

[1]The Original Contract Award Value includes MRST

Upcoming Procurements:

Description	Anticipated Award Date
116-2025 Land Drainage System Construction Tender	Q4 2025
929-2025 NorthWest Interceptor Liner Construction Tender	Q4 2025

Schedule (Update from last report)

The key schedule milestones for the Biosolids Facilities project have been included in Table 2.

Table 2 – Milestones

Milestones					
	Deliverable	Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Preliminary Design Report	2022 Q1	-	2022 Q1	100
2	2022 Cost Report [1]	2022 Q1	-	2022 Q1	100
3	2023 Cost Report [1]	2023 Q2	-	2023 Q2	100
4	RFP Step 1 Posted	2023 Q1	2023 Q2	2023 Q3	100
5	RFP Step 2 Posted	2023 Q4	-	2023 Q4	100
6	Development Phase Agreement (DPA) Award	2024 Q2	-	2024 Q3	100
7	DPA Stage Gate #1 - Start-Up Period	2025 Q1	-	2025 Q1	100
8	DPA Stage Gate #2 - Preliminary Period	2025 Q3	2025 Q4	-	89
9	DPA Stage Gate #3 - Intermediate Period	2026 Q2	-	-	-
10	Design Build Agreement Award	2026 Q3	-	-	-
11	Design Build Substantial Completion	2030 Q4	-	-	-
12	Design Build Final Completion	2032 Q4	-	-	-

[1] Cost Consultant Class 3 Estimate

Risk (Update from last report)

One new risk was identified in this reporting period:

- **Delay in approval of the subsurface railway crossing applications from CPKC**: This risk has the potential to delay work under Tender 116-2025 (LDS). If this work is delayed, it may increase costs and affect the construction schedules for the Biosolids and Nutrient Removal projects.
    - To mitigate these potential delays and associated costs, early engagement with CPKC is underway. Escalation will be undertaken if necessary.

One ongoing risk was updated in this reporting period:

- **Project Budget and Schedule Exceedance:**
    - Cost and schedule estimates based on design progress continue to be reviewed using value engineering and early works options before proceeding through Stage Gate #2.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	**Risk Mitigation Management Plan**
New:	
Delay in approval of the subsurface railway crossing applications from CPKC has the potential to delay work under Tender 116-2025 (LDS). If this work is delayed, it may increase costs and affect the construction schedules for the Biosolids and Nutrient Removal projects.	Conduct early engagement with CPKC. Escalate if necessary.
Ongoing:	
Project budget and schedule exceedance: Due to current market conditions and the uncertainty surrounding tariffs, there's a risk of exceeding the current approved funds.	The City and the Development Partner are exploring value engineering and early works options to optimize cost and schedule before proceeding through Stage Gate #2. This risk will continue to be monitored throughout the PDB process.
Construction costs provided by the Development Partner are inflated.	A third party consultant is engaged to review cost estimates as they are developed by the Development Partner.
Potential retaliatory tariffs on equipment from the United States will increase project costs.	Use the PDB delivery model to collaboratively change the contract to minimize cost impacts.
Running out of biosolids treatment capacity will limit Winnipeg's ability to grow and could result in provincial regulator violations leading to fines.	Construction of both the Biosolids and Nutrient Removal Facilities will increase Winnipeg's biosolids capacity. Prioritize funding to ensure these key projects move forward. Engage qualified engineering and construction teams to build these key facilities. Track remaining biosolids capacity and report to Council through bi-yearly council reports.
Duration of City approval processes causes schedule extension and additional costs to the project.	Request delegated authority within the City's approval structure, and request special meetings where appropriate to shorten City's approval timelines.
Contaminated soils on project site can cause construction delays and increased costs.	Complete soil assessments early. Consider removing contaminated soils under a separate contract prior to the large construction project beginning.
Heritage finds during construction can cause construction delays and increased costs.	Complete heritage surveys early. Develop procedures for chance heritage finds and incorporate them into the contract documents during construction.
Multiple major projects occurring at the same time at NEWPCC can lead to conflicts and schedule delays.	Routinely coordinate between all NEWPCC projects. Use the same Owner's Advocate and Veolia team across all major projects to minimize conflicts.
Public complaints about increased traffic and road conditions during construction.	Require contractors to create and follow traffic management plans.
Public complaints about dust during construction.	Require contractors to follow specifications for construction which include dust control procedures, which includes roads onsite and any public roads used by construction activities.
Public complaints about odour once the new facility is brought online.	Include odour control systems in the scope of work.

Mitigated:	
The draft ICIP funding agreement from the Province of Manitoba remains outstanding.	The ICIP funding agreement was executed on March 26, 2024.
Because ferric is added at the temporary phosphorous facility, most of the phosphorous in the sludge (about 85%) won't be available for recovery. This means the new phosphorous removal system can't start properly and might get damaged until the full Nutrient Removal Facilities are up and running.	The phosphorous recovery system scope of work was transferred to the Nutrient Removal Facilities project.
The flushing water system must be fininshed before the Biosolids Facilities can start. It was supposed to be built early, but because the digestion process changed, the flushing water system needs to be redesigned. This will cause construction to take longer than planned.	The flushing water scope of work was transferred to the main PDB contract to mitigate potential schedule delays.

Financial (Update from last report)

For further information, refer to Appendix B – Financial Forecast.

Funding (Update from last report)

The NEWPCC Upgrade: Biosolids Facilities project is fully funded. However, execution of an additional funding agreement remains outstanding. The Public Service continues to work with the Province towards a finalized agreement under the Provincial/Territorial Canada Housing Infrastructure Fund (CHIF) stream.

Table 4 – Project Funding Forecast

Funding Forecast			
Funding Source	**Adopted Budget (in millions)**	**Amended Budget[1,2] (in millons)**	**Committed (in millions)**
Class of Estimate	**Class 3**	**Class 3**	**Class 3**
NEWPCC Upgrade: Biosolids Facilities			
External Debt	184.46	460.75	460.75
Federal Government - ICIP	200.87	200.87	200.87
Provincial Government - ICIP	167.38	167.38	167.38
Provincial Government - SIB		30.00	30.00
Retained Earnings		106.00	106.00
Environmental Projects Reserve		70.00	70.00
Total	**552.71**	**1,035.00**	**1,035.00**

[1]On September 29, 2023, Council approved a budget increase of $482.29 million including $351.62 million in debt, $76 million in retained earnings, and $54.67 million from Environmental Projects Reserve.

[2]On February 18, 2025, EPC received SIB funding amendment indicating $30 million allocated to NEWPCC Biosolids and reduced NEWPCC Biosolids External Debt by equivalent value.

Property Acquisition (Update from last report)

No new updates.

Stakeholder Engagements/Communications (Update from last report)

The Public Service continues to work with a number of stakeholders on this project including:

- Peguis First Nation regarding the cultural interest in the NEWPCC lands for the Biosolids Facilities project
- The Manitoba Government as the provincial regulator and funding partner
- The International Institute for Sustainable Development, Lake Winnipeg Foundation, and Lake Winnipeg Indigenous Collective as environmental stakeholders
- Sustainable Procurement Advisory Table as a social procurement stakeholder

Audit (Update from last report)

The Public Service is actively implementing a number of audit recommendations. The quarterly Implementation of Audit Recommendation Reports can be found here: https://winnipeg.ca/audit/reports.stm#tab-QuarterlyReports

KPMG continues to develop a fit-for-purpose governance structure for the NEWPCC Upgrade projects. KPMG considered input from the Public Service and Councillors while developing the new governance structure. The proposed new governance structure is anticipated to be considered by Council in Q4 2025.

Subsequent Events after Report Period End Date

N/A

FINANCIAL IMPACT

Financial Impact Statement

Date: November 24, 2025

Project Name:

North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities,
Project ID: 203110028B,
Quarterly Project Status Report No. 11
For the Period Ended October 31, 2025

COMMENTS:

Financial forecast for NEWPCC Upgrade Biosolids can be found in Appendix B.

Lucy Szkwarek, FCPA, FCGA
Lucy Szkwarek, FCPA, FCGA
Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

This report aligns OurWinnipeg 2045, Policy 2.17 Regional Water Resource Management, by addressing long-term capacity of water-related systems including wastewater management. Objective: Protect and value ecosystems as essential components to quality of life through municipal activities and urban environment.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

NEWPCC Upgrade: Biosolids Facilities Project aligns with the Strategic Opportunity #6 Waste Reduction and Diversion found on page 51 of the Climate Action Plan approved by Council on September 20, 2018, Key Direction 6.3 and 6.4.

The Water Protection Act requires the City to reuse the wastewater biosolids and to recover the nutrients from the biosolids to the maximum extent possible. The intent is for the facility to produce Class A Biosolids which can be reused resulting in diversion of biosolids from the landfill.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

On February 24, 2022, Council directed that bidders for the Biosolids Facilities Project include the following in their submissions:

- Specific commitments to engage skilled labour including targets for employment of Indigenous peoples and other under-represented groups within the Manitoba market

- Proposed plans and partnerships with organizations to promote employment and training initiatives for Indigenous and other under-represented groups within the Manitoba market

This aligns with Goal 1 - Equity and a Culture of Caring are Demonstrated through Strategy Implementation and Systems Change; Topic- Community Benefits in City Projects; of the Winnipeg Poverty Reduction strategy Implementation Plan.

SUBMITTED BY

Department: Water and Waste

Division: Engineering Services

Prepared by: Lana Obach, P. Eng., MASc., PMP

Date: December 15, 2025

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix D – Funding

Appendix A – Key Project Facts

Appendix A – Key Project Facts	
Project Name	NEWPCC Upgrade: Biosolids Facilities
Business Owner (Department)	Water and Waste
Project ID	203110028B
Project Sponsor	Director of Water and Waste
Department Responsible for Project Delivery	Water and Waste
Owner's Advisor (Company Name)	AECOM Canada Ltd.
Adopted Budget	$ 552,712,000.00
Class of Estimate (Adopted)	3
Range of Estimate (Adopted)	-20% to 30%
Amended Budget	$ 1,035,000,061.00
Class of Estimate (Amended)	3
Range of Estimate (Amended)	-20% to 30%

Project Scope

The Biosolids Facilities project will address end of life equipment and regulatory requirements regarding the recovery of nutrients and maximize biosolids reuse. It will add new facilities to treat the sludge from the City of Winnipeg's three sewage treatment plants and replace end-of-life equipment.

Major Capital Projects Advisory Committee Membership:

- Joseph Dunford, Chief Administrative Officer
- Tracy Graham, Chief Financial Officer
- Rob Taylor, Director of Assets and Project Management
- Danny Tooth, Acting Manager of Capital Projects Oversight and Reporting
- Tim Shanks, Director of Water and Waste
- Cynthia Wiebe, Manager of Engineering Services, Water and Waste
- Lucy Szkwarek, Manager of Finance and Administration, Water and Waste
- Linda McCusker, Project Director, Winnipeg Sewage Treatment Program, Water and Waste

Appendix B – Financial Forecast

Appendix B - North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities Project Financial Forecast
As at October 31, 2025

Project Component Deliverables	Budget (in 000's)			Expenditure Forecast (in 000's)												
	Adopted Budget	Council Approved Change	Amended Budget	Actual Costs To Oct 31, 2025	Remaining 2025	2026	2027	2028	2029	2030	2031	2032	Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
Engineering, Design and Other	$ 30,967	$ 38,303	$ 69,270	$ 12,689	$ 1,742	$ 21,688	$ 6,374	$ 6,257	$ 6,142	$ 7,487	$ 3,565	$ 3,326	$ 69,270	$ 0	$ -	$ 0
Construction	$ 377,967	$ 300,721	$ 678,688	$ 31,353	$ 6,591	$ 120,283	$ 170,446	$ 166,896	$ 119,307	$ 38,678	$ 12,381	$ 12,753	$ 678,688	$ (0)	$ -	$ (0)
Land Acquisition	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Internal Financing/Overhead Costs	$ 43,161	$ 89,656	$ 132,817	$ 1,401	$ 310	$ 4,269	$ 6,621	$ 16,093	$ 23,391	$ 26,177	$ 27,315	$ 27,240	$ 132,817	$ -	$ -	$ -
Contingency	$ 100,617	$ 53,608	$ 154,225	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 154,225	$ 154,225	$ -	$ -	$ -
Total Project Budget	**$ 552,712**	**$ 482,288**	**$ 1,035,000**	$ 45,443	$ 8,643	$ 146,240	$ 183,441	$ 189,246	$ 148,840	$ 72,342	$ 43,261	$ 197,544	$ 1,035,000	$ (0)		

% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	4.39%

Appendix C – Key Project Events (History)

The NEWPCC Upgrade will be delivered in three separate capital projects:

1. NEWPCC Upgrade: Power Supply and Headworks Facilities
2. NEWPCC Upgrade: Biosolids Facilities
3. NEWPCC Upgrade: Nutrient Removal Facilities

The Biosolids Facilities upgrade will focus on new sludge processing facilities to treat waste solids from the NEWPCC, SEWPCC and WEWPCC. The new sludge processing facilities will include pre-treatment of the combined sludge streams using thermal hydrolysis and mesophilic anaerobic digestion.

On September 26, 2019, Council approved a 2019 capital project budget of $552.712 million, for the NEWPCC Upgrade: Biosolids Facilities, subject to final written confirmation of federal and provincial funding satisfactory to the Chief Financial Officer.

On January 30, 2020, Council approved $15.334 million from the Biosolids Facilities Budget to commence engineering services.

On September 20, 2020, Council approved that the City agree to transfer $321.24 million of Federal Government's funding under the ICIP from the Public Transit Infrastructure Stream to the Green Infrastructure Stream to fund the Federal Government's funding portion for the NEWPCC Upgrade: Headworks Facilities Project and the NEWPCC Upgrade: Biosolids Facilities Project as per the Province of Manitoba's requirement, subject to certain conditions.

On March 25, 2021, Council adopted that:

- The Government of Canada and the Province of Manitoba be requested to provide confirmation of approval of ICIP for the NEWPCC Upgrade Projects: Headworks Facility Project and Biosolids Facility Project
- The Province of Manitoba be requested to confirm the City's recommended procurement methodology for the Biosolids Facility Project
- The Public Service be directed not to proceed with detailed engineering design for the Biosolids Facility design-bid-build project, in the amount of $15.334 million, as approved by Council on January 30, 2020, until such time as the confirmation requested in recommendations 1 and 2 have been received

On May 18, 2021, the Executive Policy Committee concurred in the recommendation of the Public Service, as amended, that:

- The current Operation and Maintenance of Winnipeg's sewage treatment utility shall remain public and that the Operation and Maintenance not be included as part of the P3 market sounding
- That a single source contract be approved with Deloitte LLP of up to $400,000 to conduct a market sounding for a Design, Build and Financing P3 for the Biosolids and Nutrient Removal facilities projects of the NEWPCC upgrades

- That the Public Service report back to Council on the results of the market sounding and analysis

On May 27, 2021, Council approved

- Review of the AACE Class 3 cost estimates for Biosolids and Nutrient Removal Facilities projects and refer any increases to the 2022 capital budget process; and to update the ten-year water and sewer financial plan and report back to Council in October 2021

On November 24, 2021, a joint news release by the Province of Manitoba and the City was issued regarding the advancement of the City's funding application to the Federal Government of Canada for the NEWPCC Upgrade: Biosolids Facilities Project through the ICIP.

On February 24, 2022, Council approved that future tenders for the NEWPCC Upgrade Projects require bidders to include the following as part of their bid submissions:

- Specific information on its intended partnerships or self-directed plans to secure a skilled project labour workforce
- Estimated numbers of and classifications of skilled tradespersons to be employed
- Specific commitments to engage skilled labour including targets for employment of Indigenous peoples and other under-represented groups within the Manitoba market
- Proposed plans and partnerships with organizations to promote employment and training initiatives for Indigenous and other under-represented groups within the Manitoba market

On July 21, 2022, the City Council approved:

- That the NEWPCC Upgrade: Biosolids Facilities Project be delivered using a Design Build procurement model
- That the revised cost estimate for the NEWPCC Upgrade: Biosolids Facilities Capital Budget be referred to the 2024-2027 Multi-Year Budget Process
- That the $15.334 million 2019 Capital Budget for the NEWPCC Upgrade: Biosolids Facilities, approved on January 30, 2020, as part of the 2020-2023 Water and Sewer Rate Report, be funded from the Environmental Projects Reserve rather than external debt

On August 16, 2022, a formal press release regarding the approval of funding through the ICIP application for the Biosolids Facilities was carried out at the NEWPCC. All three levels of government were in attendance.

On December 20, 2022, written confirmation was received of the Biosolids Facilities inclusion in the ICIP, based on the current approved budget of $552 million.

On February 23, 2023, the CFO approved a budget of $552.71 million based upon written confirmation of government funding.

On March 23, 2023, City Council concurred in the Public Service's recommendation for:

- The use of escalation clauses as a negotiation option in the NEWPCC Upgrade: Biosolids Facilities project; and
- The Public Service be directed to request special meetings of the Standing Policy Committee on Water, Waste and the Environment, Executive Policy Committee, and Council for the advancement of the award of the Design Build Agreement.

On April 27, 2023, City Council concurred in the Public Service's recommendation to close a portion of the legally opened public road (Chief Peguis Trail), east of Ferrier Street to facilitate the development of immediately adjoining land to the south for the NEWPCC Upgrade: Biosolids Facilities project.

On July 13, 2023, City Council approved:

- That the NEWPCC Upgrade: Biosolids Facilities project be delivered using a Progressive Design Build (PDB) procurement model
- Delegated authority to the Chief Administrative Officer for awarding Early Works Contracts to the design builder up to a cumulative amount of $50 million, and
- By-Law No. 67/2023 to close part of the Public Road (Chief Peguis Trail) East of Ferrier Street under Development Application No. DAC 5/2022

On September 29, 2023, City Council approved an increase of $482 million to the previously adopted budget of $552 million, for a total budget of $1.035 billion.

On March 26, 2024, the NEWPCC Upgrade: Biosolids Facilities Contribution Agreement under the ICIP was executed. Federal contributions will be up to $200.87 million and Provincial contributions will be up to $167.38 million.

On July 18, 2024, the Standing Policy Committee on Water, Waste and Environment approved that Red River Biosolids Partners, an Aecon Water Infrastructure Inc. and Oscar Renda Contracting of Canada Inc. and MWH Constructors Canada Ltd. Joint Venture, be selected as the Preferred Proponent for the Development Phase Agreement for the NEWPCC Upgrade: Biosolids Facilities Project, in the amount of $95,000,000.00 including MRST, GST extra, as applicable. The Development Phase Agreement was fully executed on September 5, 2024.

On February 27, 2025, City Council approved:

- the delegated authority to approve contract over-expenditures for Owner's Advocate Engineer (RFP No. 182-2015) where the total contract value does not exceed the following to:
    A. the Chief Financial Officer, up to $150 million
    B. the Director of Water and Waste, up to $100 million
- that the Public Service be directed to submit funding applications for the Southwest Interceptor to the Direct Delivery stream of the Canada Housing Infrastructure Fund, and the NEWPCC Upgrades: Biosolids Facilities to the Provincial and territorial agreement stream of the Canada Housing Infrastructure Fund.

On March 28, 2025, the NEWPCC Upgrade: Biosolids Facilities Contribution Agreement under the Provincial Government's Strategic Infrastructure Basket (SIB) was executed. The additional Provincial contribution will be up to $30 million.

RISKS AND RISK MITIGATION STRATEGIES

There are risks associated with the cost and schedule for a project that is this large and complex, especially at the early stages. In addition, the final bid amounts for projects are unknown until the project agreement is finalized with the Progressive Design Builder.

An ongoing risk management strategy has been implemented. It includes a proactive process of identifying risks, performing qualitative and quantitative risk analyses, creating response plan strategies, and ongoing monitoring. The risk management process is an active part of the management of the project. The project will also incorporate structured Hazard and Operability Analysis and a Construction Hazard Assessment Implication Review. Since detailed design and construction will be carried out through a Progressive Design Build contract, the Winnipeg Sewage Treatment Program will be identifying and transferring as much risk as reasonable to the Design Builder.

The Risk Register for the project contains cost and schedule risks associated with design, procurement, construction, operation, and unknown events. This is reviewed and updated regularly.

Appendix D – Funding

Appendix D

North End Sewage Treatment Plant (NEWPCC) and Winnipeg Sewage Treatment Program (WSTP)

1) Funding for the NEWPCC is as follows:

NEWPCC Upgrade (in $millions)	Total Cost	Funded to Date		Funding Pending		Total Funding		City Share of Costs
		Canada	Manitoba	Canada	Manitoba	Canada	Manitoba	
Funding by Project								
Power Supply and Headworks Facilities	$ 565.35							
Power Supply and Other Ineligible	52.28	-	-	-	-	-	-	$ 52.28
Headworks Facilities	421.10	$ 102.96	$ 85.79	$ 13.15	$ 10.96	$ 116.11	$ 96.75	$ 208.24
Headworks Facilities - NWI* Failure	44.47	-	-	-	-	-	-	44.47
Headworks Facilities - Covid and other potential claims	47.50							47.50
Biosolids Facilities	1,035.00	-	$ -	200.87	$ 197.38	200.87	197.38	636.75
Funding Dependent								
Nutrient Removal Facilities	1,570.00	-	-	-	-	-	-	28.89
Estimated Program Costs	**$ 3,170.35**	**$ 102.96**	**$ 85.79**	**$ 214.02**	**$ 208.34**	**$ 316.98**	**$ 294.13**	**$ 1,018.13**

2) Funding for the Winnipeg Sewage Treatment Programs is as follows:

WSTP All Projects (in $millions)	Total Cost	Funded to Date		Funding Pending		Total Funding		City Share of Costs
		Canada	Manitoba	Canada	Manitoba	Canada	Manitoba	
WEWPCC Biological Nutrient Removal [1]	$ 33.23	$ 5.07	$ 8.19	-	-	$ 5.07	$ 8.19	$ 19.97
NEWPCC Centrate and UV Disinfection [1]	52.08	5.59	14.54	-	-	5.59	14.54	31.95
SEWPCC Nutrient Removal/Expansion[5]	385.60	37.04	15.98	5.30	1.10	42.34	17.08	326.18
NEWPCC Power Supply and Headworks [2]	565.35	102.96	85.79	$ 13.15	$ 10.96	116.11	96.75	352.49
NEWPCC Biosolids [3]	1,035.00	-	-	200.87	197.38	200.87	197.38	636.75
NEWPCC Nutrient Removal [4]	1,570.00	-	-	-	-	-	-	28.89
Estimated Program Costs	**$ 3,641.26**	**$ 150.66**	**$ 124.50**	**$ 219.32**	**$ 209.44**	**$ 369.98**	**$ 333.94**	**$ 1,396.23**

[1] WEWPCC Biological Nutrient Removal and NEWPCC Centrate and UV Disinfection have been completed.

[2] On July 23, 2021 the Federal and Provincial governments announced $212.86 million in Investment in Canada Infrastructure Program (ICIP) funding for the NEWPCC Upgrade Power Supply and Headworks project. $116.11 million in Federal and $96.75 million in Provincial funding.

[3] On August 16, 2022 the Federal and Provincial governments announced an additional $368.25 million in ICIP funding for the NEWPCC Upgrade Biosolids project. $200.87 million in Federal and $167.38 million in Provincial funding. On March 28, 2025, the Provincial government signed an agreement for an additional $30 million in SIB funding for the NEWPCC Upgrade Biosolids project.

[4] NEWPCC Upgrade Nutrient Removal project has not been approved. The cost estimate for the NEWPCC Upgrade Nutrient Removal project was updated from $828.06 million to $1,491.03 million in 2025. An additional $10.894 million in City funding was approved for the NEWPCC Upgrade Nutrient Removal project by Council on March 27. 2025.

[5] An additional $10 million in City funding was approved for the SEWPCC Nutrient Removal/Upgrade project by Council on May 2, 2025.

* Northwest Interceptor (NWI)