Agenda – Executive Policy Committee – February 17, 2026

REPORTS

Item No. 2 Mega Capital Projects Summary Report – NEWPCC Upgrade: Headworks Facilities

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That this report be received as information.

DECISION MAKING HISTORY:

COUNCIL DECISION:

On December 18, 2025, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the proposed governance framework for "Mega" projects, which is composed of the Governance Framework and the Assurance Plan outlined in Schedules 1 and 2 respectively, be approved and that the Public Service proceed to operationalize the framework and plan, including the following:

    A. The total project budget threshold for Mega projects be set at $500 million or greater.

    B. Enhanced monthly reports on Mega projects be made to Executive Policy Committee instead of quarterly reports to Standing Policy Committee on Finance and Economic Development.

2. That authority be delegated to negotiate and approve contract awards for the NEWPCC Upgrade projects, and the terms and conditions of the resulting agreements as determined necessary by the City Solicitor/Director of Legal Services, where the value of the contract does not exceed the following and there are sufficient funds in a Council-approved budget to award the contract:

    A. The Chief Administrative Officer, Chair of the Project Steering Committee, up to $50 million

    B. The Chief Financial Officer, up to $35 million

3. That authority be delegated to the Chief Administrative Officer, Chair of the Project Steering Committee, to approve contract over-expenditures for the NEWPCC Upgrade projects where there are sufficient funds in a Council-approved budget and the accumulated contract over-expenditure does not exceed the contingency allowance, which may be sub-delegated to the Chief Financial Officer.

4. That the City Solicitor/Director of Legal Services prepare a by-law to amend the City Organization By-law No. 7100/97 to designate Executive Policy Committee as having jurisdiction over the Mega Projects and the specific power and duty to consider and make recommendations to Council on matters relating to Mega Projects and bring same directly to Council for enactment.

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

5. That, effective February 2026, the following projects commence reporting to Executive Policy Committee as Mega projects:

    A. North End Sewage Treatment Plant ("NEWPCC") Upgrade Projects: Power Supply and Headworks Facilities

    B. North End Sewage Treatment Plant ("NEWPCC") Upgrade Projects: Biosolids Facilities

6. That the Public Service be directed to report back to Council in February 2027, one year after implementation of the new governance framework, with a review of the framework's ability to meet the intended objectives of the NEWPCC Upgrade Projects audit report, including any recommendations to enhance the Mega projects framework.

7. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

MEGA CAPITAL PROJECT
DASHBOARD EXECUTIVE SUMMARY REPORT

Title: **NEWPCC Upgrade: Headworks Facilities ,**

December 2025

Critical Path: **Executive Policy Committee – Council**

Recommendations

1. That this report be received as information.

History/Discussion

The Project Steering Committee reviewed this report on February 3, 2026 and recommends that the report be sent to the Executive Policy Committee.

This report has Cost, Schedule, Health/Safety/Environment, and Quality updated to December 31, 2025. The remaining metrics are updated to January 29, 2026.

Cost

No change in performance compared to the previous month (green).

- $6.5 million was spent in December for a total of $431.4 million or 76% of the $565 million budget. Costs are tracking close to planned.
- Approved contract changes:
    - A change order for $1.6 million for the provision of temporary power and the relocation of a soil stockpile was approved by the CAO on December 2, 2025.
- Pending contract changes:
    - A change order for Headworks project for additional contaminated soil removal associated with the stormwater retention system constructed in October.
    - A change order for the Primary Clarification Upgrade for required architectural, electrical, and structural modifications to the new Scum Dewatering Building that were identified during construction.

Schedule

No change in performance compared to the previous month (yellow).

- The Design Builder met their milestone targets, however fell short on completion of planned construction activities.
- The re-baselined schedule that reflects the approved extension is still under review.
- The schedule continues to be aggressive, which could result in delays.
- Construction continues with significant focus on electrical, mechanical, and HVAC work in several buildings.
- Major milestones achieved this month include: installation of the site drainage west of the Headworks facility, construction of the north stormwater storage system, and completion of some of the site roads.
- The next critical path milestone is Electrical Distribution & Functional Testing which will be ongoing from October 2025 to January 2026.

Risk

No change in performance compared to the previous month (yellow).

- New
    - Construction method: On December 12, 2025, during the installation of a water main for the new Headworks facility, a feeder main broke causing significant flooding on Main Street. Investigation into root cause is underway. Additional crossings of the feeder main are required and additional mitigation measures will need to be implemented.
- Ongoing:
    - UV Upgrade
        - Equipment supply: The gates and actuators to be provided under a supply contract for the UV Upgrade were not delivered by the date specified. This has the potential to affect the project schedule for the UV Upgrade only. Legal Services has been engaged and alternate gates and actuators have been ordered. The alternate gates and actuators are currently tracking to be delivered in time for the UV to be reinstated on schedule by March 15, 2026.
        - Environment: UV shutdown poses a risk to river water quality. Ongoing monitoring is being performed as per Provincial approval.
    - Existing conditions: Tie-ins may be affected by existing conditions which could impact cost and schedule. Where possible, investigation of existing conditions is undertaken in advance of construction.
        - The existing City land drainage system connection is non-standard and presents maintenance issues. A change order enquiry has been submitted to Red River Solutions to address the issue.
    - Tariffs: Follow-up correspondence was provided to Red River Solutions indicating some of the costs presented are considered ineligible and that additional supporting documentation is needed to support the remaining costs claimed.
    - Weather: Weather has the potential to significantly affect the timing of tie-ins and commissioning. Collaborative planning for upcoming weather sensitive shut down and tie-in work is underway.
    - Design Builder performance: The design builder’s schedule is aggressive which

could result in delays. Progress monitoring is ongoing.
    - Environment: Removal of contaminated soils will likely result in a topsoil shortfall during restoration.

Contingency

No change in performance compared to the previous month (yellow).

- A total of $21.5 million remains available in the contingency allowance.

Community Engagement

Decrease in performance compared to the previous month (yellow).

- Significant flooding on Main Street following feeder main break during water main installation resulted in temporary road closures.
- Lane closures on Main Street and Chief Peguis Trail required for water main installation resulted in traffic delays. Public will be advised in advance of future closures where possible.
- An upcoming episode of the Our City, Our Stories podcast will cover the NEWPCC Upgrades. The podcast is scheduled to go live on February 4, 2026.

Health/Safety/Environment

Decrease in performance compared to the previous month (yellow).

- One environmental incident this month (feeder main break).

Interface

No change in performance compared to the previous month (green).

- Project team has engaged an Interface Manager to lead multi contract coordination.
- Grit Tank 3 was shut down in January 2026 for modifications for the tie-in to the new Headworks Facility.

Other

QA/QC: No new deficiencies were opened or closed this month (green).

SUBMITTED BY	
Department:	Water and Waste Department
Division:	Engineering Services
Prepared by:	Cynthia Wiebe, Manager of Engineering Services
Date:	January 29th, 2026

Appendices

Appendix A – Key Project Facts

Appendix A – Key Project Facts	
Project Name	NEWPCC Upgrade: Headworks Facilities
Business Owner (Department)	Water and Waste Department
Project Sponsor	Tim Shanks, Director of Water and Waste
Adopted Budget	$795.95 million
Class of Estimate (Adopted)	Class 5
Range of Estimate (Adopted)	-50% to +100% $397.80 million to $1.591 billion
Amended Budget	$565.36 million
Class of Estimate (Amended)	Class 3
Range of Estimate (Amended)	-20% to +30% $452.284 million to $734.961 million
Procurement Method	Design Build

Project Scope

The Power Supply and Headworks Facilities projects will address end-of-life equipment at the front end of the plant and upgrade the power supply to provide adequate power capacity for the NEWPCC Upgrade projects. The project design will accommodate expected influent flows and loads to 2037 and take into account future regulatory trends and long term planning to year 2067.

Mega Project Steering Committee Membership:

- Joseph Dunford, Chief Administrative Officer (Chair)
- Tracey Graham, Chief Financial Officer
- Tim Shanks, Director of Water and Waste (Sponsor)
- Rob Taylor, Director of Assets & Project Management
- Jim Berezowsky, Director of Public Works
- Tom Sparrow, Chief Construction Officer