Agenda – Executive Policy Committee – February 17, 2026

REPORTS

Item No. 3 Mega Capital Projects Summary Report – NEWPCC Upgrade: Biosolids 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: Biosolids 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, and Health/Safety/Environment 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).

- $4.6 million was spent this month for a total of $54 million or 5% of the $1.035 billion budget.
- No new approved or pending contract changes to report for December.
- New contracts forthcoming:
    - Potential Early Works Agreement for site preparation and procurement of long lead items anticipated in March or April 2026.
    - Design Build Agreement (DBA) for construction of the Biosolids Facility anticipated in July 2026.

Schedule

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

- Schedule is on track for the Design Phase.
- Major milestones achieved this month include:
    - Development Phase Agreement (DPA) Stage Gate 2 – Preliminary Period completed on December 12, 2025.

    - Commencement of DPA Stage Gate 3 – Intermediate Period
- Upcoming milestones include:
    - Substantial Completion of the NEWPCC Piping Installation, Soil Remediation, and Site Compound Development in January 2026.
    - DBA for construction of the Biosolids Facility anticipated in July 2026.

Risk

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

- Cost and Schedule: Value Engineering is underway; potential Early Works packages are being considered in order to mitigate cost and schedule risks.
- Market Conditions: Market conditions have the potential to affect costs and schedule. Negotiation of DBA terms and conditions are ongoing to mitigate risks related to:
    - Tariffs
    - Trade and labour restrictions
    - Escalation
- Design: Lack of timely decisions and the implementation of value engineering changes can result in schedule delays.
- Permits/Approvals: Signed funding agreements from the Provincial and Federal government must be in place prior to the signing of the DBA. Cost increases and schedule delays will occur if funding agreements are not in place.
- External Factors: Lack of available biosolids capacity may result in development restrictions. Monitoring of population trends and preparation of an operational strategy report are ongoing.
- Existing Infrastructure: During design, the condition of the Northwest Interceptor (NWI) was identified as a risk. The NWI is being lined to mitigate the risk of failure.

Contingency

No change in performance compared to the previous month.

- A contingency allowance of $154.2 million was set when the budget was established. This amount is subject to change once the DBA is signed.
- Contingency Allowance for City risks will be reassessed when the Quantitative Risk Analysis (QRA) by SMA Consulting is complete.

Community Engagement

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

- RRBP, in consultation with the City, posted a locally based Community Liaison Officer

job opportunity.

- Two public outreach activities related to the Land Drainage System (LDS) project will be undertaken:
    - A notice to the public providing context and scope for the construction in the Chief Peguis Trail right of way and surrounding vicinity will be issued.
    - A single lane closure on Main Street and Chief Peguis Trail may be required for this construction. The Public will be advised in advance of closure, 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

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

- No first aids, high potential near misses, recordable medical aids, loss time injuries, or environmental incidents this month.

Interface

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

- Project team has engaged an Interface Manager to lead multi contract coordination.

Other

Quality: The Owner's Advocate will be completing a Quality Assurance and Quality Control audit on the 30% design as part of a DPA requirement. Target date is February 2026.

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

Appendices

Appendix A – Key Project Facts

Appendix A - Key Project Facts	
Project Name	NEWPCC Upgrade: Biosolids Facilities
Business Owner (Department)	Water and Waste Department
Project Sponsor	Tim Shanks, Director of Water and Waste
Adopted Budget	$552.71 Million
Class of Estimate (Adopted)	Class 3
Range of Estimate (Adopted)	-20% to +30% $442.17 Million to $718.52 Million
Amended Budget	$1,035.00 Million
Class of Estimate (Adopted)	Class 3
Range of Estimate (Adopted)	-20% to +30% $828.00 Million to $1,345.50 Million
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.	
Mega Project Steering Committee Membership: - Joseph Dunford, Chief Administrative Officer (Chair) - Tracy Graham, Chief Financial Officer - Tim Shanks, Director of Water and Waste (Sponsor) - Rob Taylor, Director of Assets and Project Management - Jim Berezowsky, Director of Public Works Department - Tom Sparrow, Chief Construction Officer	