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City of Winnipeg | Chief Peguis Trail Extension West Project

Alternative Project Delivery Value for Money Study Delivery Model Assessment – Executive Summary

November 10, 2025

Executive summary

The City of Winnipeg (the "City") is planning the Chief Peguis Trail Extension West (CPT West) from Main Street to Brookside Boulevard. This major project aims to enhance connectivity, support economic development, and accommodate future growth. The extension includes a new four-lane urban roadway (expandable to six lanes), new interchanges at Main Street and McPhillips Street, widening of the Kildonan Settlers Bridge, multiple overpasses, pedestrian bridges, and significant land drainage system upgrades. To ensure the project is delivered in a way that provides the best value for taxpayers, the City engaged Deloitte LLP to study different ways of managing and building the CPT West extension. This delivery model assessment helps determine the best approach for the project.

The project is made up of several key components: new interchanges, bridge widening, overpasses, pedestrian crossings, and land drainage works. The assessment found that bundling all these elements into a single contract is feasible, given the greenfield nature of the site and the market's capacity and interest.

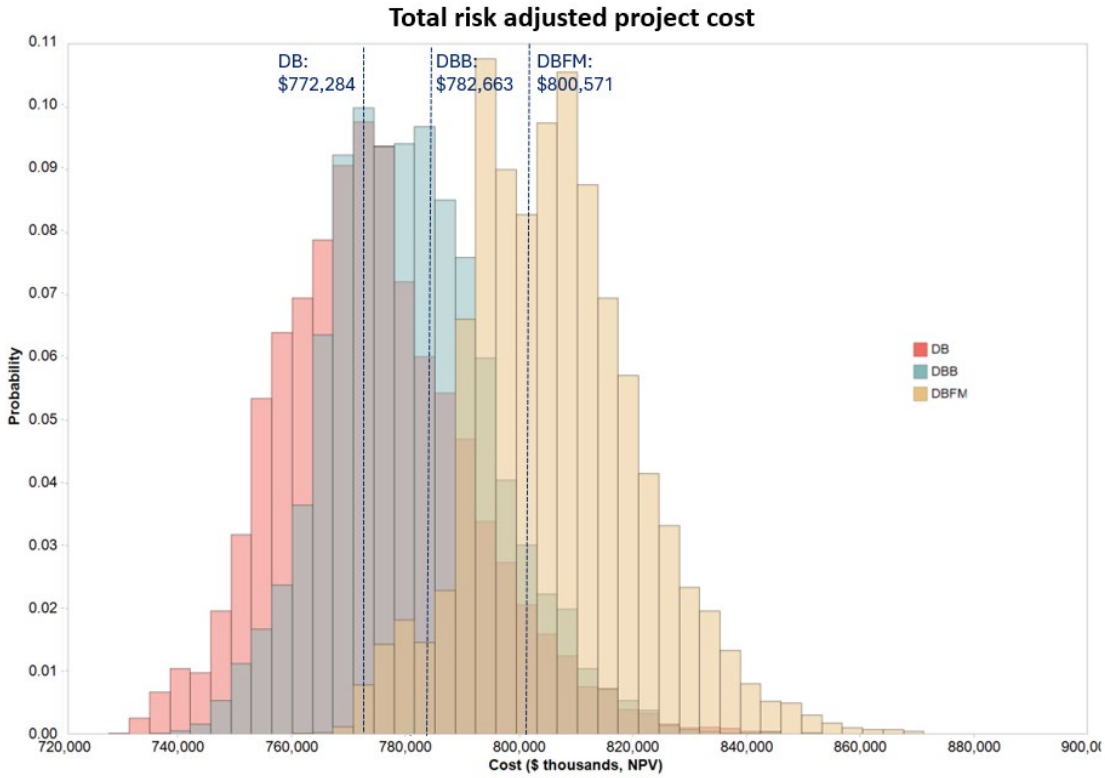
A range of delivery models were considered, including the traditional Design-Bid-Build (DBB) approach, as well as Design-Build (DB), Progressive Design-Build (PDB), Construction Management at Risk (CMAR), and Design-Build-Finance-Maintain (DBFM). The process included a review of the business case and cost benefit analysis, qualitative assessment, market sounding with local and national contractors and a Value for Money (VFM) quantitative assessment. Based on the results of the qualitative and quantitative assessment, a preferred delivery model was recommended for the project.

Qualitative evaluation was conducted with City staff using weighted criteria to rank the proposed delivery models based on the project goals for the City. The DBFM ranked the highest because of lifetime cost certainty, long term performance, and risk transfer. The DB scored the next highest due to its likelihood of minimizing capital cost for the City while also performing strongly across the range of other criteria. The results showed that the price-certain options (DB, DBFM) scored better then they qualifications-based options (CMAR, PDB.). Following this, the top three options were carried into the market sounding which confirmed market interest in the DBB, DB, and the DBFM delivery models. Lastly, these models - DBB, DB, DBFM – were then assessed through a quantitative VFM assessment.

A risk workshop was conducted with members of Deloitte, AECOM and City staff. Risks were assessed quantitatively across the models, and a Monte Carlo simulation of the results was combined with the base project cost to form a distribution of risk adjusted project costs. Figure 1 shows the results and identifies the 50th percentile outcome for each procurement option.

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Figure 1 - Total risk adjusted project cost (DBB, DB, DBFM)[1]



The analysis indicated that, under current market conditions, the amount of risk that can be transferred to the private sector is somewhat less than in previous assessments. As a result, the lower level of risk transfer does not offset the additional financing cost associated with the DBFM model. The DB model receives many of the risk benefits without the additional financing cost.

Given these findings, the recommendation is to proceed with the Design-Build (DB) delivery model for the Chief Peguis Trail Extension West project. This approach best aligns with the City's objectives for value, risk transfer, and market competitiveness, and is supported by industry interest. Should market conditions change, DBB remain a viable option. This recommendation will help the City make an informed decision on how to best deliver the CPT West project, ensuring value for taxpayers and a successful project outcome.

[1] Subsequent to the completion of this analysis, $3.2m of administrative charges related to future R&D within the City were removed from the total project cost for each delivery model.

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