Agenda – Executive Policy Committee – March 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,**

January 2026

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 March 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 January 31, 2026. The remaining metrics are updated to February 26, 2026.

Cost

No performance change from the previous period (green).

- $2.2 million was spent in January for a total of $433.6 million or 77% of the $565 million budget. Costs are tracking close to planned.
- Approved contract changes:
    - On January 30, 2026, the Director of Water and Waste approved a $130,000 contract change for contract administration services to an ongoing engineering assignment to design and administer the broken feeder main repairs. An insurance claim has been initiated for the loss and costs are being tracked.
- Pending contract changes:
    - A contract change in the amount of $74,750.19 for the Primary Clarification Upgrade will be submitted to the Chief Financial Officer in March for required architectural, electrical, and structural modifications to the new Scum Dewatering Building that were identified during construction.
    - A contract change for the Headworks project for additional contaminated soil removal associated with the stormwater detention system constructed in October.
    - Additional contract changes will be forthcoming for construction and associated contract administration services for the broken feeder main.

Schedule

No performance change from the previous period (yellow).

- The Design Builder fell short on completion of their milestone targets and planned construction and commissioning activities.
- Comments on the re-baselined schedule were provided to the Design Builder. The Design Builder is in the process of addressing the comments.
- 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: the procurement, delivery, and storage of a temporary power source, functional testing of a significant portion of the electrical distribution system, and installation of the fuel system for the Standby Generator Building.
- The next critical path milestones are the testing of the raw sewage pump variable frequency drives which will be ongoing through February and flow testing of the raw sewage pumps which will be ongoing through April.
- A schedule extension of eight working days was approved in January for the Primary Clarification Upgrade project to accommodate additional work added to the contract including modifications to a stairwell and roof insulation requirements.

Risk

No performance change from the previous period (yellow).

- New
    - Environment:
        - The centrate tie-in work will likely take longer than the available shutdown window and has potential to create plant impacts and impact discharge quality. Options for this tie-in are being investigated. All major plant tie-ins have the potential to create process upsets and affect the discharge quality. Planning is ongoing for all remaining tie-ins.
        - Start-up of the new Headworks Facility may result in odour concerns until biological processes have stabilized. The new Headworks Facility will be brought online gradually to allow for this.

- Ongoing:
    - Ultraviolet Light (UV) Upgrade:
        - Equipment supply: The gates purchased under a supply contract for the UV Upgrade were not delivered by the date specified. Alternate gates were ordered to mitigate schedule impacts and were delivered to site on February 5, 2026. They are currently being installed with the UV anticipated to be reinstated on schedule by March 15, 2026.
        - Environment: The 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 was submitted to the Design Builder in December to address the issue. Response to the change order inquiry remains outstanding.
    - Planning for the upcoming tie-in of the new Headworks Facility to the existing NEWPCC outfall is underway. Design Builder is working towards exposing the outfall to confirm condition.
- Tariffs: Follow-up correspondence was provided to the Design Builder in December 2025 indicating some 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.
    - Planning for the upcoming tie-in of the new Headworks Facility to the existing NEWPCC outfall is underway and will consider the flows anticipated during the tie-in window.
- 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.
- 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. A draft root cause analysis of the feeder main failure has been received and is under review. An insurance claim has been initiated, and external legal services have been engaged. The feeder main was returned to service on February 11, 2026. Additional crossings of the feeder main are required for the land drainage system tie-in. Mitigation measures are in development.

Contingency

No performance change from the previous period (yellow).

- A total of $21.3 million remains available in the contingency allowance.

Community Engagement

Performance increased from the previous period (green).

- An episode of the Our City, Our Stories podcast covering the NEWPCC Upgrades went live on February 4, 2026.
- A media tour for the NEWPCC Upgrades was held on February 11, 2026 with walkthroughs of the new Headworks Facility and existing Grit Area. This resulted in the NEWPCC Upgrades being highlighted in several news articles and videos.

Health/Safety/Environment

Performance increased from the previous period (green).

- The annual safety refresher training was completed in January.
- Full safety orientations are underway for Operations staff who will participate in commissioning of the new Headworks Facility.

Interface

No performance change from the previous period (green).

- Interface Manager is engaged in multi contract coordination.
- Grit Tanks 2 and 3, which were previously shut down for tie-in, were returned to service on February 4, 2026.

Other

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

There was one new Non-Conformance Report (NCR) opened this month. No NCRs were closed this month.

Heritage resource monitoring with Peguis First Nation resumed in February for excavation associated with the stormwater detention system. No concerns were identified.

SUBMITTED BY	
Department:	Water and Waste Department
Division:	Engineering Services
Prepared by:	Cynthia Wiebe, Manager of Engineering Services
Date:	February 26th, 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)
- Tracy 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