**Agenda – Council – March 26, 2026**

**Report – Executive Policy Committee – March 17, 2026**

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

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2026, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That this report be received as information.

## Report – Executive Policy Committee – March 17, 2026

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2026, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

David Grant submitted a communication in support of the matter.

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

**Report – Executive Policy Committee – March 17, 2026**

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

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.

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,**

**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 and Schedule updated to January 31, 2026. The remaining metrics are updated to February 26, 2026.

## Cost

No performance change from the previous period (green).

- $3.6 million was spent this month for a total of $58.0 million or 5.6% of the $1.035 billion budget.
- No new approved or pending contract changes to report for January.
- New contracts forthcoming:
    - Design Build Agreement (DBA) for construction of the Biosolids Facilities anticipated in July 2026.

## Schedule

No performance change from the previous period (green).

- Schedule is on track for the Design Phase.
- The potential Early Works Agreement for site preparation was withdrawn as significant schedule savings could not be demonstrated.
- Major milestones achieved this month include:
    - Substantial Completion of the NEWPCC Piping Installation, Soil Remediation, and Site Compound Development was achieved on January 12, 2026.
    - The Land Drainage System (LDS) project commenced in late February 2026 and is anticipated to end in June 2027.

- Upcoming milestones include:
    - Completion of the Intermediate Design is anticipated in April 2026.
    - Class 2 cost estimate and construction schedule is anticipated in May 2026.
    - Completion of the Development Phase Agreement (DPA) Stage Gate 3 is anticipated in June 2026.
    - DBA award for construction of the Biosolids Facilities is anticipated in July 2026.

**Risk**

No performance change from previous period (yellow).

- Ongoing:
    - Cost and Schedule: Value engineering is ongoing. The potential Early Works Agreement for site preparation to mitigate schedule risk is no longer being pursued.
    - 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 and escalation. Sourcing Plans are being incorporated into the DPA and DBA to address tariff and supply chain risks.
    - 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: 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 performance change from the previous period (yellow).

- 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.
- The contingency allowance for City risks will be reassessed when the Quantitative Risk Analysis (QRA) by SMA Consulting is complete at the end of the Development Phase. This contingency allowance will be updated at the same time as the DBA award recommendation which is anticipated in July 2026.

**Community Engagement**

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

- The Development Partner hired a Community Liaison Officer in January to engage with various community organizations in preparation for construction in July 2026.
- An episode of the Our City, Our Stories podcast covering the NEWPCC Upgrades went live on February 4, 2026.
- A notice to the public regarding the Land Drainage System project in and around the Chief Peguis Trail right of way will be issued in March. This work will result in some sidewalk closures near Foley Avenue and Main Street. Signage will be posted prior to the closure of any sidewalks and detour information will be provided for alternate routes.

**Health/Safety/Environment**

No performance change from the previous period (green).

- One recordable medical aid was reported in February 2026. First responders attended site, however, no medical services were required.

**Interface**

No performance change from the previous period (green).

- Interface Manager is engaged in multi-contract coordination.

**Other**

Quality: The Owner's Advocate has started their Quality Assurance and Quality Control audit on the 30% design. The audit is anticipated to be completed by the end of March 2026.

| SUBMITTED BY | |
|---|---|
| **Department:** | Water and Waste Department |
| **Division:** | Engineering Services |
| **Prepared by:** | Cynthia Wiebe, Manager of Engineering Services |
| **Date:** | February 26, 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%<br>$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%<br>$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:**<br>- Joseph Dunford, Chief Administrative Officer (Chair)<br>- Tracy Graham, Chief Financial Officer<br>- Tim Shanks, Director of Water and Waste (Sponsor)<br>- Rob Taylor, Director of Assets and Project Management<br>- Jim Berezowsky, Director of Public Works Department<br>- Tom Sparrow, Chief Construction Officer | |