Agenda – Standing Policy Committee on Community Services – April 14, 2026

REPORTS

Item No. 2 **Award of Contract for the Construction of New South Winnipeg Recreation Campus Phase 1 – Tender No. 63-2025B / Project No. 2020-127**
(Waverley West Ward)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the City increase the South Winnipeg Recreation Campus: Phase One capital budget by the amount of $9,256,000 to cover incremental costs to procure the child care centre component, for which the City will recover all associated project costs from the Province of Manitoba. This will increase the total capital project budget to $128,019,000 from $118,763,000.

2. That the City award, enter into, execute and deliver a Contract for the Construction of New South Winnipeg Recreation Campus Phase 1 – Tender No. 63-2025B to PCL Constructors Canada Inc., the lowest responsive bidder meeting the requirements of Tender No. 63-2025B, in the amount of $71,222,464.09, MRST included, GST extra (the "Agreement") and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Agreement required and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That subject to approval of Recommendations 2 and 3, the Chief Administrative Officer be delegated the authority to approve over-expenditures within the Contract as awarded pursuant to this report in the maximum amount of $10,293,000, which was allocated as contingency funding within the overall capital budget previously approved by Council.

5. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Award of Contract for the Construction of New South Winnipeg Recreation Campus Phase 1 – Tender No. 63-2025B / Project No. 2020-127

Critical Path: Standing Policy Committee on Community Services – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	R. Taylor	T. Graham	J. Dunford

EXECUTIVE SUMMARY

An award of contract to PCL Constructors Canada Inc. for the construction of New South Winnipeg Recreation Campus Phase 1 – Tender No. 63-2025B is recommended as the lowest responsive bidder.

In order for the project to proceed, a budget increase of $9.256 million is required to fund non-City components, with monies provided by the Province of Manitoba. Monies will be recovered incrementally by the City on a quarterly basis. This is anticipated to be from May 2026 – March 2028, pending contract award.

The work of the contract includes building a new 5,500m^2 recreation centre, a 1,850m^2 child care centre, and related site development as part of Phase 1 of the project.

The Chief Construction Officer has reviewed the project budget and tender results and has provided concurrence with the recommendations of this report.

The recommendations of this report are compliant with the Purchasing Policy and applicable trade agreements.

RECOMMENDATIONS

1. That the City increase the South Winnipeg Recreation Campus: Phase One capital budget by the amount of $9,256,000 to cover incremental costs to procure the child care centre component, for which the City will recover all associated project costs from the Province of Manitoba. This will increase the total capital project budget to $128,019,000 from $118,763,000.

2. That the City award, enter into, execute and deliver a Contract for the Construction of New South Winnipeg Recreation Campus Phase 1 – Tender No. 63-2025B to PCL Constructors Canada Inc., the lowest responsive bidder meeting the requirements of

Tender No. 63-2025B, in the amount of $71,222,464.09, MRST included, GST extra (the "Agreement") and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

3. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Agreement required and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

4. That, subject to approval of Recommendations 2 and 3, the Chief Administrative Officer be delegated the authority to approve over-expenditures within the Contract as awarded pursuant to this report in the maximum amount of $10,293,000, which was allocated as contingency funding within the overall capital budget previously approved by Council.

5. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract exceeds $10,000,000.00 (MRST included, GST extra) and the contract is requesting an amendment to the project budget, Council approval is required pursuant to the Purchasing Policy F1-003.

The Public Service is requesting an increase to the project capital budget and delegated authority for potential contract over-expenditures which can only be provided by Council.

IMPLICATIONS OF THE RECOMMENDATIONS

A total of $118,760,528 in funding for this project is provided for in the aggregate total of monies held in the following capital accounts, as previously approved by Council – refer to Table 1.

Table 1 – SWRC Phase 1 Project ID 6362800122: Capital Accounts

Capital Account ID	Adopted Budget	Amended Budget
6253000114	$350,000	$347,528
6253000117	$4,114,000	$3,110,866
62980000EX	$0	$1,003,134
6362500319	$1,750,000	$175,000
6362800122	$82,825,000	$114,124,000
Total	$89,039,000	$118,760,528

Note: Account #6253000114 was expended in the pre-design phase for scoping.

The SWRC project is characterized by three asset components, those being the City-owned recreation centre, and the Pembina Trails Collegiate vocational building and child care centre being constructed by the City on behalf of the Province of Manitoba.

The current estimated total project cost based on the low bid tender price, plus previously awarded contracts for construction of the Pembina Trails Collegiate vocational building, consultant, contingencies and other costs, is within the recommended budget of $128.019 million. This amount is also within the $129.421 million Class 1 cost estimate received in November 2025 prior to tender issuance.

The increase of $9.256 million to amend the budget is attributed to the additional cost for the child care centre and vocational building, both of which are non-civic funded. While the Public Service expects that the additional Provincial funding of $9.256 million will be incremental and separate from the City's 2026 Strategic Infrastructure Basket (SIB) funding (which has been fully allocated and approved by Council), the Province of Manitoba has not yet approved the City's allocation and the risk remains that the Province may earmark 2026 SIB funding to cover this additional cost.

No additional civic funding is required to construct the recreation centre component of the project - refer to Table 2.

Table 2 – SWRC Budget Allocation & Cost Breakdown by Project Component

Budget Allocation by Project Component (in millions $)		
Project Component	**Current Budget Allocation**	**Recommended Amended Budget Allocation**
City of Winnipeg		
Recreation Centre + Site Development	$ 94.0	$ 94.0
Province of Manitoba	$ 24.7	
Child Care Centre + Site Devlopment		$ 17.5
Vocational Wing - Pembina Trails Collegiate		$ 16.5
Total	**$ 118.7**	**$ 128.0**

The Assets and Project Management Department as the procurement agent, and Community Services Department as the budget holder, are of the opinion there will be sufficient funding within an amended project capital budget of $128,019,000 to award the proposed Contract and proceed with the project, subject to Recommendation No.1 being approved by Council.

Contingencies within the approved funding will be the source used to address any unforeseen costs.

Non-civic costs will be recovered from the Province of Manitoba (“Province”), which has affirmed its funding commitment for 100 percent of the costs related to the child care centre and associated Site Development, including the Contract award amount and any subsequent adjustments/increases.

Economic Impact Analysis (EIA)

The estimated direct and indirect economic impact of this expenditure is:

Economic Impact	Manitoba	Rest of Canada
Gross Domestic Product (GDP)	$49.2 million	$21.2 million
Person Years of Employment	430	133
Federal Government Tax Revenue	$6.5 million	$2.5 million
Provincial Government Tax Revenue	$6.2 million	N/A

Source: Statistics Canada. Table 36-10-0595-01 Input-output multipliers, detail level.

The evaluated expenditure for this project is $102.0 million. The expenditure and estimated impacts are in 2026 dollars. Contingency and internal staff costs are excluded from the analysis. Some additional elements of the expenditure may be excluded to align with macroeconomic accounting principles.

The 2022 GDP at basic prices simple multiplier for non-residential building construction [BS23B000] was used to assess this investment. Federal and provincial government tax revenue estimates include GST, MRST, personal income taxes, corporate income taxes and other sources of taxes and fees. These are estimated using the multipliers noted above in conjunction with effective tax rates calculated from the economic accounts produced by Statistics Canada.

HISTORY/DISCUSSION

On September 26, 2019, Council approved submitting a $71.009M South Winnipeg Recreation Campus: Phase One – Recreation Centre project to the Investing in Canada Infrastructure Program (ICIP).

On July 23, 2020, Council amended the previously approved South Winnipeg Recreation Campus Phase 1 Recreation Centre project to include a child care centre and vocational wing Building, with these additional assets fully funded by the Province. Council also approved submitting the amended $89.039 million project for federal and provincial funding consideration through the Investing in Canada Infrastructure Program (“ICIP”) Contribution Agreement.

On August 12, 2021, the South Winnipeg Recreation Campus: Phase One – Recreation Centre was approved for federal and provincial funding under the Investing in Canada Infrastructure Program – Community, Culture and Recreation Infrastructure Stream.

On May 30, 2024, Council approved an additional $23 million in debt financing to support additional costs for the City-owned recreation centre component resulting in the amended total project budget being $112,039,000.

On July 18, 2024, Council approved increasing the total project budget to $118,763,000 to reflect additional funding of $6,724,000 that was provided by the Province. Provincial funds

were provided to allow the award of the construction contract for the new vocational building (Tender No. 954-2023B) to proceed.

Within the current project budget of $118,760,528, Provincial funding approved for the vocational building and child care centre is $24,724,000. While construction of the vocational building has since proceeded, additional funding from the Province in the amount of $9,256,000 is now required to proceed with the construction of the new child care centre. The Province of Manitoba has affirmed its commitment to cover the increased costs relating to the child care centre. Once construction commences, cost recoveries from Manitoba will be executed on a quarterly basis within the claims process established for the project.

Project design work for the recreation centre, child care centre and site development commenced in 2022 with City contracting Diamond and Schmitt Architects Incorporated (dba Diamond Schmitt Architects) for design and contract administration services.

On September 9, 2025, RFQ 63-2025A for qualified contractors was posted on MERX and closed on October 10, 2025. The evaluation produced four qualified bidders meeting a threshold passing mark of 70 percent of the points per section.

Tender 63-2025B was issued to four qualified bidders via MERX on December 23, 2025, and closed on February 19, 2026. The evaluation resulted with only two bids received as follows:

1. PCL Constructors Canada Inc. $71,222,464.09 (GST Extra)
2. Penn-co Construction Canada (2003) Ltd. $71,984,433.70 (GST Extra)

The Manager of Purchasing has advised that all bids are accompanied by an acceptable bid security.

The Contract Administrator has verified that PCL Constructors Canada Inc. is COR certified with the Construction Safety Association of Manitoba, Certificate #10712-99 (expiration date: December 2026) and the company is in good standing with the Workers' Compensation Board of Manitoba. The Contract Administrator, having interviewed PCL Constructors Canada Inc. in a pre-award meeting to discuss the Scope of Work and their qualifications, is of the opinion that PCL Constructors Canada Inc. has the necessary resources and experience to perform the Work in accordance with the specifications.

The City will issue an award letter with a link to Contract Documents electronically to the successful bidder.

The bids are open for acceptance for 90 days from closing, which is May 20, 2026, but the Public Service anticipates approval of contract award on or around May 1, 2026. Construction will not commence prior to the Award of Contract.

The Chief Construction Officer has reviewed the project budget, the tender result and cost projections prepared by the Public Service and is of the opinion that the project can proceed with associated construction contract award.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 12, 2026

Project Name: **First Year of Program** **2026**

Award of Contract for the Construction of New South Winnipeg Recreation Campus Phase 1 – Tender No. 63-2025B / Project No. 2020-127

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ 36,189,000	$ 36,093,000	$ -	$ -	$ -
Less: Existing Budgeted Costs	36,189,000	26,837,000	-	-	-
Additional Capital Budget Required	$ -	$ 9,256,000	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Province of Manitoba	-	9,256,000	-	-	-
Total Funding	$ -	$ 9,256,000	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 9,256,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	577,768	481,768	-	-	-
Net Cost/(Benefit)	$ (577,768)	$ (481,768)	$ -	$ -	$ -
Less: Existing Budget Amounts	(577,768)	(481,768)	-	-	-
Net Budget Adjustment Required	-	-	-	$ -	$ -

Additional Comments: Capital expenditures consistent of the $71,222,464 contract amount split equally between 2026 and 2027 + short-term financing charges of $277,768 each year (based on the 39% share of total funding contributed by the City) & corporate admin fees of $100,000 (in 2026 only as the $100,000 maximum amount per project is reached) + MA project management overhead (for 1.8 FTE working full-time on this project) of $200,000 in 2026 and $204,000 in 2027. The former two amounts are offset by an equal recovery in the current budget of the Corporate Finance Department while the latter amount is offset by an equal recovery in the Municipal Accommodations Division current budget. The budget shortfall of $9.256 million is expected to be addressed with incremental provincial funding.

Mike McGinn Mar. 12, 2026

Mike McGinn, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Community Services Department

OURWINNIPEG POLICY ALIGNMENT

Goal: Leadership and Good Governance
Objective: Establish and implement priority actions through evidence-informed decision-making processes.
Policy 1.7: Equitable Service Access
Identify and provide access to, a base level of municipal services to everyone, directly or facilitated through partnerships. Remove systemic barriers to participation, based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, gender identity or expression, marital status, family status, physical or mental ability, official language used, citizenship status, socio-economic status, geographic location or climate change vulnerability.

Goal: Environmental Resilience
Objective: Prioritize the transition to a resilient, low-carbon future through demonstrated organizational and community leadership, and collaborative actions that mitigate and adapt to a changing climate.
Policy 2.1: Climate Action Targets
Meet and exceed greenhouse gas emissions reduction targets of 20 percent by 2030, relative to 2011, and net zero by 2050, by working towards partnerships with the community, businesses, and government bodies including Indigenous, Federal and Provincial governments.
Objective: Promote low-carbon, energy efficient buildings through low-energy building design, construction and retrofitting.
Policy 2.12: Eliminate Fossil Fuel Dependence
Reduce greenhouse gas emissions from existing and new buildings, including municipally owned buildings and facilities, and associated infrastructure, through the promotion of renewable energy sources, energy efficiency use and performance measures, and low-carbon construction, retrofit and demolition methods that maximize the lifecycle of buildings.

Goal: Good Health and Well-Being
Objective: Support positive health outcomes through the build and natural environment.
Policy 4.9: Inclusive Public Places
Provide and promote the amenities, and the design and maintenance standards, necessary to ensure accessible, safe and sanitary conditions in gathering spaces frequented by the Public

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Directions (Short-Term Implementation):

1.3 Implement Low Carbon and Energy Efficient City Facilities and Buildings – p.6
5.2 Improve Energy Performance of New Buildings – p.8

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The development of the South Winnipeg Recreation Campus aligns with the following Goals and Objectives of the Winnipeg Poverty Reduction Strategy (2021 – 2031), including:

Goal 1: Equity and a Culture of Caring are Demonstrated through Strategy Implementation and Systems Change

Related 10-year Objectives:

C. Equity and a Culture of Caring are factored into all service planning and budget decisions, resulting in City-wide systems change.

Goal 6: All City Services are Equitable, Inclusive and Accessible:

Related 10-year Objectives:

A. Residents have equitable access to City services, in particular demographic groups who experience marginalization.

SUBMITTED BY

Department: Assets & Project Management
Division: Municipal Accommodations
Prepared by: B. Piniuta, P.Eng.
Date: February 26, 2026
File No: MA2026-027