City of Winnipeg

Administrative Report
Chief Construction Officer (CCO)

REPORT TYPE: Information Only
DATE:
REFERENCE NO.:
SUBMITTED BY: Chief Construction Officer
REVIEWED BY: Not applicable
APPROVED BY: Not applicable

Subject:

Pembina Highway Overpass at Abinojii Mikanah Rehabilitation and Related Works Project – Assurance Update

Recommendation

That this report be received for information.

Standard Standing Language

This report is provided for information only. The Chief Construction Officer's role is to provide independent assurance to Council regarding project readiness, risk exposure, and delivery confidence. Predictive indicators are included for early warning and assurance purposes only and do not constitute recommendations or requests for direction. No approvals or direction are requested unless explicitly stated.

Background

Council approved funding for the Project through 2023, 2024, and 2025 Capital Budgets, establishing an approved budget of $30.5 million, with scope and schedule refined through design and delivery.

This report provides a periodic, independent assurance update in accordance with the Chief Construction Officer (CCO) mandate.

The CCO identifies, assesses, and communicates material risks and overall delivery confidence associated with the Project, but does not manage, direct, or assume responsibility for project execution, which remains with the responsible delivery department and project team.

Discussion

1. Project Overview

Project Details	Status
Approved Budget	$30,500,000
Forecast at Ready-for-Takeover	$30,500,000
Approved Ready-for-Takeover Date	October 16, 2026 (Total Performance)
Forecast Ready-for-Takeover Date	October 16, 2026
Delivery / Procurement Model	Traditional Design-Bid-Build
Current Phase	Construction

Project Classification:

☐ MegaProject (>$500.0M)

■ Major Capital Project ($25.0M–$500.0M)

Current Phase:

☐ Project Definition ☐ Procurement ☐ Design■ Construction ☐ Commissioning ☐ Operations

CCO Assurance Commentary:

Based on the information reviewed, the project remains aligned with Council-approved budget, delivery model, and key milestone dates. No variance between approved and forecast cost or Ready-for-Takeover date has been identified at this stage. The project has progressed from early construction into a staged completion approach, with funding now fully confirmed and construction sequencing clearly defined.

2. Scope, Schedule & Financial Assurance

Scope & Authority

- Alignment to Council-approved scope: ■Confirmed ☐ At Risk
- Material changes since last report: ■Yes☐ No

CCO Assurance Commentary (Scope):

The project remains aligned with the scope approved by Council, including bridge rehabilitation, roadway works, active transportation enhancements, and related infrastructure improvements.

However, since the prior reporting period, **scope execution adjustments occurred within the approved scope envelope**, most notably the change in treatment of the westbound Abinojii Mikanah off-ramp from **rehabilitation to reconstruction** due to observed field conditions. These changes were managed within the existing authority framework and did not result in a change to the Council-approved budget.

Schedule & Delivery Confidence

- Council-approved schedule in place: ■ Yes ☐ No
- Work plan stability: ■ Stable ☐ Under pressure
- Time buffer remaining: ■ Adequate ☐ Limited

CCO Assurance Commentary (Schedule):

A Council-approved schedule remains in effect, with Substantial Performance targeted for **October 2, 2026** and Total Performance (Ready-for-Takeover) for **October 16, 2026**. Completion of southbound bridge and roadway works in October 2025, followed by reopening of all lanes for winter operations, demonstrates schedule adherence and effective staging. The remaining northbound works are planned for Summer 2026 under the same construction contract, providing a defined execution window and maintaining schedule resilience.

Key Schedule Indicators:

- Chance of finishing on time – Schedule Confidence Index (SCI):
  High (qualitative)
- How often the main work plan is changing – Critical Path Volatility Trend:
  Low / Stable

CCO Indicator Interpretation:

The Schedule Confidence Index is assessed as **high**, based on sustained milestone performance, completion of a major construction phase without winter carryover risk, and absence of critical path re-sequencing. Critical path volatility has remained **low**, with construction activities progressing in accordance with the original staging strategy and no evidence of recurring schedule re-planning.

Financial & Commercial Position

Indicator	Status
Cost certainty	☐ High■ Moderate ☐ Low
Contingency sufficiency	■Adequate ☐ Marginal
Claims exposure	■ None ☐ Potential

Forward-Looking Financial Indicators:

- Is there enough backup money left - Projected Contingency Sufficiency Index (PCSI)
    - **Adequate**
- Expected total cost compared to the approved budget - Cost Exposure vs. Authorized Budget
    - **Aligned with Council-approved Budget**
- Chance of future claims or disputes - Claim Probability Trend
    - **Low**

CCO Assurance Commentary:

The project's financial position remains stable and aligned with the Council-approved budget of **$30.5 million**, with no change to the Estimate at Completion across four consecutive reporting periods. Cost certainty is assessed as **moderate**, reflecting that while a competitively tendered construction contract is in place and the majority of high-risk scope has been executed, remaining northbound works will occur during the 2026 construction season and remain subject to typical residual construction risks.

Contingency levels have been progressively drawn down in response to confirmed field conditions and execution decisions, including additional structural repairs and scope adjustments managed within authority. As of the most recent reporting period, remaining contingencies are assessed as **adequate** relative to the residual scope of work and current risk profile.

No active or anticipated construction claims have been identified to date. Contractual risk associated with material pricing and construction inflation has largely been transferred to the

contractor, with limited retained exposure related to fuel price adjustments and changes in law or tariffs. With all project funding now confirmed, the likelihood of financial disruption or dispute is assessed as **low**.

3. Risk, Governance & Procurement Assurance

Risk Profile

Overall risk trajectory:
■ Improving ☐ Stable ☐ Deteriorating

CCO Assurance Commentary (Risk Trajectory):

The project's overall risk trajectory is assessed as **improving.** Several early-stage risks identified during preliminary design and early construction, particularly related to construction inflation, contractor availability, unknown works, and scope definition have been materially reduced or resolved through competitive procurement, completion of southbound works, and confirmation of remaining scope. While residual construction risks remain for the 2026 northbound works, the risk profile has narrowed and stabilized relative to earlier reporting periods.

Risk Indicators:

- Are risks growing or shrinking - Risk Momentum Score
    - **Shrinking**
- How many risks keep showing up again and again - Persistent Risk Count
    - **Low**
- How quickly problems are getting worse - Risk Escalation Velocity
    - **Low**

CCO Indicator Interpretation:

Risk momentum has trended downward as the project has transitioned from design uncertainty into executed construction. Risks that were previously classified as high-impact threats such as construction market volatility, utility conflicts, and unknown scope elements have either been mitigated, transferred, or resolved. The remaining risks are largely known, bounded, and repeatable in nature, resulting in a low persistent risk count and limited escalation velocity.

Governance & Controls

- Decision-making clarity:■ Clear ☐ Requires monitoring
- Timeliness of approvals: ■ Adequate ☐ Under pressure
- Reporting reliability: ■ Sufficient ☐ Emerging gaps
- How long decisions are taking - Decision Latency Trend
    - **Stable**
- How often approvals are slowing things down - Approval Bottleneck Frequency
    - **Low**

Procurement & Market Exposure

- Procurement plan aligned to schedule: ■ Yes ☐ Under review
- Contracting strategy appropriate to risk: ■ Yes ☐ Needs watching

Procurement Indicators:

- Is the project ready to buy what it needs - Procurement Readiness Score
    - **High**
- Are prices and supply stable or changing - Market Volatility Indicator
    - **Moderate → Low**

CCO Assurance Commentary:

The project's procurement strategy has been appropriate to its risk profile and delivery stage. The use of a competitively tendered Design–Bid–Build model successfully transferred key construction pricing and availability risks to the contractor at an appropriate time in the market cycle. While early market volatility influenced contingency planning, subsequent procurement outcomes and execution performance indicate that market exposure has diminished as the project advances toward completion.

4. Readiness, Forward Look & Confidence Statement

Safety, Quality & Readiness

- Safety systems: ■ Adequate ☐ At risk
- Quality systems: ■Established ☐ Partial

- Commissioning / turnover readiness: ■ On track ☐ Early risk
- Readiness to operate: ■ On track ☐ Early risk

CCO Assurance Commentary (Safety & Quality):

Based on the information reviewed, safety and quality systems supporting the project are assessed as adequate and established. Major construction activities have been executed without evidence of systemic safety or quality deficiencies, and southbound works have been completed and reopened to traffic. Commissioning and turnover readiness is progressing in alignment with the staged delivery approach, with remaining activities clearly sequenced for the 2026 construction season.

Stakeholder & External Dependencies

- External approvals: ■ On track ☐ Need watching
- Inter-agency / Third-party dependencies: ■ Managed ☐ Under pressure

CCO Assurance Commentary (Dependencies):
External approvals and third-party dependencies have been managed effectively to date. Key inter-agency coordination including utilities, transit operations, and provincial funding has been maintained without material disruption to schedule or scope. With all project funding now confirmed and major utility and stakeholder interfaces largely resolved, dependency-related risks are assessed as controlled for the remaining delivery period.

Forward Look (Next 90 Days)

The Chief Construction Officer will continue to monitor:

- Transition planning from completed southbound works to the 2026 northbound construction phase
- Contingency utilization relative to remaining scope and residual construction risks
- Readiness activities supporting final commissioning, turnover, and operational handover
- Any emerging third-party coordination issues as work resumes in the 2026 construction season

CCO Confidence Statement

Based on the information reviewed during this reporting period, the Chief Construction Officer's independent assessment of the project's ability to achieve Council-approved objectives is:

☐ High Confidence ■ Moderate Confidence ☐ Low Confidence

CCO Assurance Commentary:

The project demonstrates strong alignment with Council-approved scope, budget, and schedule, supported by stable governance and effective execution to date. While overall risk has declined and delivery confidence is positive, residual construction and integration activities remain for the 2026 season. Accordingly, confidence is assessed as **moderate**, reflecting prudent assurance at this stage of delivery.

Financial Impact

There is no immediate financial impact associated with receiving this report.

Legal Implications

There are no legal implications associated with receiving this report.

Consultation

This report was prepared independently by the Chief Construction Officer using departmental materials and briefings as required for assurance purposes.

Council Considerations

This report is submitted for information only. No approvals, decisions, or direction are requested.

Attachments (if applicable)

- Appendix A – Early Warning Indicators Metrics – n/a
- Appendix B – Risk Summary – n/a
- Appendix C – Schedule Milestone Overview – n/a
- Appendix D – Financial Exposure Snapshot – n/a