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

Lagimodiere Twin Overpasses Rehabilitation 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 previously approved the Project's scope, budget, and schedule through adoption of the City of Winnipeg Capital Budgets (2022, 2024, 2025, and 2026), including associated first-charge authorities and delegated approval powers granted to the Chief Administrative Officer.

This report provides a periodic, independent assurance update in accordance with the Chief Construction Officer mandate. The CCO identifies, assesses, and communicates material risks and delivery confidence but does not manage or direct project execution.

Discussion

1. Project Overview

Project Details	**Status**
Approved Budget	$51,042,000.
Forecast at Ready-for-Takeover	$51,042,000.
Project Details	**Status**
Approved Ready-for-Takeover Date	October 31, 2027
Forecast Ready-for-Takeover Date	October 31, 2027
Delivery / Procurement Model	Design–Bid–Build (Staged Construction Contract)
Current Phase	Construction (Southbound Structure – Year 1 of Contract 2)

CCO Note
Forecast currently aligns with approved budget; however, retained contingency has been materially reduced, which introduces forward-looking cost exposure risk.

Project Classification:

☐ Mega Project (>$500.0M)

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

Current Phase:

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

CCO Assurance Commentary – Project Overview

Based on the most recent administrative reporting, the Lagimodiere Twin Overpasses Rehabilitation Project is currently aligned with Council-approved budget and schedule parameters. Construction has commenced following award of Part 1 of the main construction contract, and the forecast substantial performance date remains unchanged.

From an assurance perspective, the project has **entered its highest exposure phase**, with construction underway and contingency reserves significantly reduced as a result of procurement outcomes. While no immediate deviations from approved outcomes are identified, delivery confidence is now increasingly dependent on **risk containment, claims avoidance, and effective third-party coordination**, particularly with railway stakeholders.

2. Scope, Schedule & Financial Assurance

Scope & Authority

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

CCO Assurance Commentary – Scope

Based on review of the most recent Quarterly Project Status Reports, the project remains aligned with the scope previously approved by Council. No material scope changes requiring additional Council authority have been identified since the last reporting period. Scope elements currently being delivered are consistent with the approved rehabilitation, roadway renewal, drainage, and active transportation components.

Schedule & Delivery Confidence

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

Key Schedule Indicators:

- Chance of finishing on time - Schedule Confidence Index (SCI)
    - **Moderate to High**
- How often the main work plan is changing - Critical Path Volatility Trend
    - **Moderate**

CCO Assurance Commentary – Schedule

The Council-approved schedule remains in place, and the project is currently forecast to achieve Substantial Performance by the approved date of October 31, 2027. However, the **transition from procurement into active construction has reduced available schedule flexibility.**

While no critical path failure is evident at this stage, the work plan is experiencing **increased sensitivity to disruption**, particularly related to railway coordination, traffic staging, and seasonal construction sequencing. As a result, remaining schedule float is limited, and the project's ability to absorb unplanned events without schedule impact has diminished.

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)
    - **Low**
- Expected total cost compared to the approved budget - Cost Exposure vs. Authorized Budget
    - **Elevated but Contained**
- Chance of future claims or disputes - Claim Probability Trend
    - **Moderate**

CCO Assurance Commentary – Financial:

The project remains forecast to deliver within the currently approved budget. However, procurement outcomes have materially reduced retained contingency to a minimal level, limiting the project's financial resilience as construction progresses.

As the project enters its most cost-exposed phase, financial performance will be increasingly dependent on effective change control, avoidance of unforeseen conditions, and disciplined management of third-party risks. While no claims have been realized to date, the combination of constrained contingency and complex delivery conditions introduces a moderate forward-looking claims exposure.

CCO Assurance Summary – Section 2

From an assurance perspective, the project remains **within Council-approved authority**, with no immediate breaches of scope, schedule, or budget. However, delivery confidence is now **conditional**, with limited buffers available to absorb additional cost or schedule pressure. Continued monitoring of leading indicators is warranted as construction advances.

3. Risk, Governance & Procurement Assurance

Risk Profile

Overall risk trajectory:
☐ Improving ■Stable ☐ Deteriorating

Risk Indicators:

- Are risks growing or shrinking - Risk Momentum Score
    - **Stable to Slightly increasing**
- How many risks keep showing up again and again - Persistent Risk Count
    - **Elevated**
- How quickly problems are getting worse - Risk Escalation Velocity
    - **Low to Moderate**

CCO Assurance Commentary – Risk Profile

The project's overall risk position is currently assessed as **stable**, with several previously forecast risks having transitioned into realized conditions, most notably procurement-related cost pressure and reduced contingency availability.

While no acute risk escalation is evident at this time, a number of **persistent risks continue to recur**, including railway coordination, traffic staging complexity, and exposure to market-driven cost variability. These risks are being actively managed; however, their persistence indicates limited remaining tolerance for additional adverse events without affecting delivery confidence.

Risk escalation velocity remains low to moderate, reflecting the early stage of construction and the absence of significant claims or schedule disruption. Continued stability is contingent on disciplined change management and effective third-party coordination.

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
    - **Moderate**

- How often approvals are slowing things down - Approval Bottleneck Frequency
    - **Occasional**

CCO Assurance Commentary – Governance

Governance structures and authority frameworks remain clear, and decision-making accountability is well defined. However, as the project progresses deeper into construction, the volume and timing sensitivity of decisions have increased.

Approval timelines are beginning to experience pressure, particularly where coordination with external parties or delegated authorities is required. While this has not yet resulted in measurable delay, the **current governance cadence leaves limited margin for extended decision latency without potential downstream impact.**

Reporting reliability is assessed as sufficient for assurance purposes, with no material gaps identified. Continued effectiveness will depend on timely escalation of emerging issues as construction complexity increases.

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 (major contracts awarded)**
- Are prices and supply stable or changing - Market Volatility Indicator
    - **Moderate**

CCO Assurance Commentary:

Primary procurement risks have largely been retired following award of the main construction contract. Residual exposure now relates to contract administration, unit-price variability, and management of change within a constrained contingency environment.

Market volatility remains a moderate influence, particularly with respect to material pricing and availability. While these risks are contractually allocated, their realization could place additional pressure on remaining contingency and increase the likelihood of future budget adjustments.

CCO Assurance Summary – Section 3

From an assurance perspective, the project is operating within an acceptable but narrowing risk envelope. Governance and procurement controls are functioning as intended; however, the persistence of known risks combined with reduced contingency means tolerance for additional disruption is limited. **Proactive monitoring and early escalation remain critical to maintaining delivery confidence.**

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 & Readiness

Based on information reviewed to date, foundational safety and quality systems are in place and functioning appropriately for the current stage of construction. No safety or quality-related red flags have been identified that would materially affect delivery confidence at this time.

Commissioning and turnover readiness are necessarily early in the lifecycle given the current phase of work. From an assurance perspective, there are no indicators suggesting future readiness issues, provided current controls and planning discipline are maintained as the project advances.

Stakeholder & External Dependencies

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

CCO Assurance Commentary – Stakeholders & Dependencies

Key regulatory and approval requirements remain on track. However, the project continues to rely on sustained coordination with third parties, particularly railway stakeholders, throughout active construction.

While these dependencies are being actively managed, they represent an ongoing source of delivery pressure. Continued alignment and timely issue resolution will be essential to prevent localized disruptions from cascading into broader schedule or cost impacts.

Forward Look (Next 90 Days)

Over the next 90 days, the Chief Construction Officer will continue to monitor:

- Transition stability as construction activities intensify
- Early indicators of schedule compression or sequencing conflict
- Change order frequency and unit-price variability
- Third-party coordination effectiveness and approval turnaround times
- Any erosion of remaining contingency or schedule float

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 Lagimodiere Twin Overpasses Rehabilitation Project remains aligned with Council-approved scope, budget, and schedule. Construction has commenced as planned, and no immediate delivery failures are evident.

However, reduced contingency, limited schedule float, and ongoing third-party dependencies mean the project is now operating with constrained tolerance for additional disruption. Delivery confidence is therefore assessed as moderate, reflecting a project that remains viable but increasingly sensitive to adverse events.

Continued performance will depend on disciplined execution, timely decision-making, and early escalation of emerging issues. Any material deviation from these conditions would warrant reassessment of confidence in future assurance updates.

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