City of Winnipeg

Administrative Report
Chief Construction Officer (CCO)

REPORT TYPE: Information Only
DATE: March 26, 2026
SUBMITTED BY: Chief Construction Officer

Subject

Ferry Road and Riverbend Combined Sewer Relief Works: Rutland Trunk Sewer – Assurance Update

Recommendation

That this report be received for information.

Discussion

1. Project Overview

Project Details	Status
Approved Budget	$55.1 million
Forecast at Ready-for-Takeover	$55.1 million (no variance identified across reporting periods)
Approved Ready-for-Takeover Date	June 30, 2027 (Total Performance)
Forecast Ready-for-Takeover Date	June 30, 2027 (no change from approved schedule)
Delivery / Procurement Model	Design–bid–build (traditional tender and contract award to a construction contractor)
Current Phase	Construction (work started August 2025; early works underway)

Project Classification:
☐ MegaProject (>$500.0M)
■ Major Capital Project ($25.0M–$500.0M)

Current Phase:
☐ Project Definition ☐ Procurement ☐ Design ■ Construction ☐ Commissioning ☐ Operations

CCO Assurance Commentary:
The project is a major capital sewer program delivering a 2.0 km trunk sewer to support combined sewer separation and reduce basement flooding risk.

The approved budget of $55.1 million has remained stable across all reports. No budget changes or forecast pressures have been identified to date.

Procurement was completed in April 2025, with the construction contract awarded at a value below the pre-bid estimate, supporting cost certainty at the start of construction.

Construction began in August 2025. Reported progress of approximately 1% complete reflects early construction activity rather than overall project advancement. Construction began in August 2025, and work to date has focused on mobilization, shaft construction, and initial site works. These activities represent a small portion of total project scope and value, which explains the low percentage complete at this stage.

The project remains on schedule with no changes to key milestone dates. Substantial completion is expected by October 31, 2026, with total completion by June 30, 2027.

Overall, the project has progressed from design and procurement into early construction with stable budget, confirmed schedule, and defined scope.

2. Scope, Schedule & Financial Assurance

CCO Assurance Commentary:
No changes to scope have been identified in this reporting period. The project continues to deliver the approved trunk sewer and related works, with no adjustments to defined outputs.

Schedule performance remains stable. Construction activities are progressing as planned, and key milestone dates remain unchanged. Early works completed to date align with the planned construction sequence.

Financial performance remains within approved limits. There are no reported variances, pressures, or changes to the project budget or forecast.

Cost certainty is supported by the fixed construction contract, and no claims or cost issues have been reported during early construction.

Overall, there are no material changes or emerging issues in scope, schedule, or financial performance during this reporting period.

3. Risk, Governance & Procurement Assurance

CCO Assurance Commentary:
The project risk profile is stable. Risks identified in prior reporting periods remain consistent, with no new material risks emerging during early construction. Key risks relate to subsurface soil conditions, existing utility conflicts, and potential impacts to adjacent infrastructure. These risks are typical for tunnelling work and are being actively managed through established mitigation measures, including geotechnical baseline information, utility coordination, and monitoring of critical infrastructure.

Risk exposure related to market conditions and tariffs has been reduced following contract award. Unit prices are now fixed, which provides cost certainty and limits exposure to future price changes.

Governance and oversight structures are functioning as intended. Decision-making processes are clear, and there is no indication of delays in approvals or escalation issues. Reporting to date has been consistent and supports ongoing monitoring of project performance.

Procurement activities are complete for the main construction contract, which was awarded through a competitive tender process. The contract was awarded below the pre-bid estimate, supporting value for money and strengthening the project's financial position at the start of construction.

The selected delivery model and contracting approach remain appropriate for the project risk profile. No procurement gaps or market constraints have been identified at this stage. Overall, procurement readiness is confirmed, and market exposure is considered low under the current contract structure.

4. Readiness

CCO Assurance Commentary:
The project is in early construction and readiness systems are in place and functioning as expected. Site mobilization and initial shaft construction activities are underway, indicating that the contractor is prepared to proceed with planned construction activities.

Safety and quality processes are established and aligned with standard construction practices for this type of work. There are no reported safety or quality issues at this stage. Monitoring and inspection activities are in place to support safe delivery and confirm work meets required standards.

Construction sequencing and planning support readiness for upcoming tunnelling activities. The contractor has completed initial works and is scheduled to remobilize for major tunnelling activities in 2026, which aligns with the overall project schedule.

External approvals required for construction, including regulatory approvals for the river outfall, have been secured. This reduces the risk of delays related to permitting and supports continued progress.

Stakeholder coordination is ongoing and managed. Engagement with local stakeholders, including the school division and community groups, continues to support construction access and minimize disruption.

Overall, readiness to continue construction is on track. There are no indicators of gaps in safety, quality, approvals, or stakeholder coordination that would affect near-term delivery.

5. CCO Forward Look (Next 90 Days) and Confidence Statement

Forward Look (Next 90 Days)
The Chief Construction Officer will continue to monitor:

- Progress of shaft construction and transition to tunnelling activities
- Coordination of contractor remobilization for the next phase of work in 2026
- Subsurface conditions encountered during early works that may affect cost or schedule
- Ongoing management of utility conflicts and protection of existing infrastructure

- Stakeholder coordination to support construction access and minimize disruption
- Early indicators of schedule pressure as construction activities scale up

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

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
- Appendix A – Standard Language and Background
- Appendix B – Early Warning Indicators Metrics

Appendix A – Standard Language and Background

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 Contract including project's scope, budget, and schedule in late Spring, 2025, under Contract 6. 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.

Appendix B – Early Warning Indicators Metrics

1. Scope, Schedule & Financial Assurance

Scope & Authority

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

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)
  - Stable, with no change to key milestone dates and early works progressing as planned
- How often the main work plan is changing - Critical Path Volatility Trend
  - Low, with no reported changes to the construction sequence or critical path

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, with no identified pressures on contingency and forecast aligned to approved budget
- Expected total cost compared to the approved budget - Cost Exposure vs. Authorized Budget
  - No exposure identified, with forecast remaining at the approved budget and no variances reported
- Chance of future claims or disputes - Claim Probability Trend
  - Low, with no claims reported to date and limited exposure under the fixed construction contract

2. Risk, Governance & Procurement Assurance

Risk Profile

Overall risk trajectory:

☐ Improving ■ Stable ☐ Deteriorating

Risk Indicators:

- Are risks growing or shrinking - Risk Momentum Score
  - Stable, with no new material risks identified and existing risks remaining consistent

- How many risks keep showing up again and again - Persistent Risk Count
    - Moderate, reflecting ongoing construction risks such as subsurface conditions and utility conflicts typical for this phase
- How quickly problems are getting worse - Risk Escalation Velocity
    - Low, with no evidence of rapid escalation or compounding issues

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, with no delays in key approvals or decisions
- How often approvals are slowing things down - Approval Bottleneck Frequency
    - Low, with no reported approval constraints affecting progress

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
    - Complete, with major construction procurement finalized and no gaps identified
- Are prices and supply stable or changing - Market Volatility Indicator
    - Low, with fixed contract pricing reducing exposure to market fluctuations

3. Readiness

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

Stakeholder & External Dependencies

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