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

South Winnipeg Recreation Campus (SWRC) 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 has previously approved the **scope, budget, and schedule** for the **South Winnipeg Recreation Campus (SWRC)** through a series of Administrative Reports, most recently reflected in **Quarterly Project Status Report No. 15 (Period Ended December 31, 2025)**. The project is being delivered under the City's Major Capital Projects governance framework and is reported regularly to the Standing Policy Committee on Finance and Economic Development.

This report provides a **periodic, independent assurance update** in accordance with the **Chief Construction Officer (CCO) mandate**. The purpose of this report is to provide Council with an objective assessment of **project readiness, risk exposure, and delivery confidence** based on a review of available project information, including approved budgets, schedules, procurement status, and reported risk factors.

The Chief Construction Officer **does not manage or direct project execution**. Administration retains full responsibility for project delivery, procurement, and contract administration. The CCO's role is limited to **identifying, assessing, and communicating material risks and forward-looking indicators** that may affect the project's ability to achieve Council-approved objectives.

Discussion

1. Project Overview

Project Details	**Status**
Approved Budget	$118,763,000.
Forecast at Ready-for-Takeover – Class 1 Cost Estimate – includes non-civic components funded by Province of Manitoba (Child Care and Vocational Wing)	$129,421,000.

Project Details	**Status**
Approved Ready-for-Takeover Date	Q2 2028 (Council reported milestone for Recreation Centre + Child Care Commissioning)
Forecast Ready-for-Takeover Date	Q2 2028 (subject to construction tender award and market conditions)
Delivery / Procurement Model	Traditional Design-Bid-Build (City led procurement)
Current Phase	Procurement (Construction Tender Issued – December 2025)

Project Classification:

☐ MegaProject (>$500.0M)

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

Current Phase:

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

CCO Assurance Commentary (Project Overview):
The South Winnipeg Recreation Campus is transitioning from design completion into construction procurement following issuance of the construction tender in December 2025. Cost certainty for the civic Recreation Centre component is high, supported by a completed Class 1 estimate, while total program cost exposure reflects known and disclosed variances associated with non-civic, provincially funded components. Schedule confidence is currently contingent on timely tender award and contractor market response, which will be monitored through forward-looking assurance indicators.

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
The project scope remains aligned with Council approvals as documented through successive Quarterly Project Status Reports. Since the last reporting period, no material scope changes have been introduced. The previously identified cost pressures associated with non-civic components (Child Care Centre and Vocational Wing) remain external to the City-funded Recreation Centre scope and are being managed through separate provincial funding arrangements.

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
Design activities for the Recreation Centre and Child Care Centre are complete, and a construction tender was issued in December 2025. The project is now entering a schedule-sensitive transition from procurement into construction. While the approved schedule remains intact, remaining float is limited and is increasingly dependent on timely tender award, contractor mobilization, and market response. Schedule confidence is therefore conditional and will require close monitoring during the tender evaluation and award period.

Key Schedule Indicators:

- Chance of finishing on time - Schedule Confidence Index (SCI)
    - **Moderate**
    - ***Rationale****:* The project has maintained schedule alignment through design completion; however, exposure increases as procurement concludes and construction commences.
- How often the main work plan is changing - Critical Path Volatility Trend
    - **Low to Moderate**
    - ***Rationale****:* Critical path logic has remained stable through late-stage design. Volatility risk is expected to increase post-award depending on contractor sequencing, subcontractor availability, and supply chain conditions.

Financial Assurance (Schedule-Linked)

CCO Assurance Commentary – Financial Interface
From a schedule-financial interface perspective, the Recreation Centre component is supported by a completed Class 1 cost estimate, providing a strong basis for construction pricing. However, limited schedule float increases sensitivity to procurement delays or post-award disruptions that could translate into time-related cost exposure. No immediate financial control issues are identified, but forward-looking schedule discipline will be critical to preserving cost certainty through construction commencement.

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**
    - ***Rationale****:* Approved contingencies remain available and have been partially utilized in a controlled manner to address known over-expenditures. No

depletion trend is evident at this stage; however, contingency protection will become increasingly sensitive as the project transitions into construction.

- Expected total cost compared to the approved budget - Cost Exposure vs. Authorized Budget
    - **Contained for civic scope; elevated at total program level**
    - ***Rationale:*** The City-funded Recreation Centre component remains within the amended Council-approved budget and is supported by a completed **Class 1 cost estimate**. Forecast cost exposure above the approved budget relates to **non-civic components** (Child Care Centre and Vocational Wing), which are funded by the Province of Manitoba and have been transparently reported to Council.
- Chance of future claims or disputes - Claim Probability Trend
    - **Low to Moderate (emerging)**
    - ***Rationale****:* No active claims are reported. As construction procurement advances and schedule float is reduced, exposure to time-related claims or change-driven disputes becomes a foreseeable risk, typical of projects entering construction following extended pre-construction phases.

CCO Assurance Commentary – Financial & Commercial

Based on the information reviewed, the project's **financial position for the City's civic scope is stable and well-controlled**, supported by a completed Class 1 estimate and an approved funding framework. Total program cost variance has been clearly attributed to **non-civic, provincially funded components**, and does not represent a deviation from Council-approved City financial commitments.

The transition from procurement into construction represents the most financially sensitive period ahead. While no immediate financial control issues are identified, **schedule-driven cost exposure and claim risk** will require continued monitoring as tender award, contractor mobilization, and early construction activities commence.

3. Risk, Governance & Procurement Assurance

Risk Profile

Overall risk trajectory:

☐ Improving ■ Stable ☐ Deteriorating

CCO Assurance Commentary – Risk Profile
Overall project risk remains **stable** as the project transitions from design completion into construction procurement. Known risks have been consistently identified and managed through established controls. No new material risks have emerged during this reporting period; however, risk sensitivity is expected to increase as procurement concludes and construction commences, consistent with major capital projects entering execution.

Risk Indicators:

- Are risks growing or shrinking - Risk Momentum Score
    - **Stable**
    - ***Rationale****:* The risk register shows continuity rather than escalation. Previously identified risks (market conditions, schedule sensitivity, inter-agency dependencies) remain active but controlled.
- How many risks keep showing up again and again - Persistent Risk Count
    - **Low to Moderate**
    - ***Rationale****:* A small number of recurring risks persist across reporting periods, primarily related to procurement timing, external approvals, and market conditions. These are typical for projects of this scale and phase.
- How quickly problems are getting worse - Risk Escalation Velocity
    - **Low**
    - ***Rationale:*** No acceleration in risk severity or frequency has been observed. Issues identified are progressing at a manageable pace and within anticipated thresholds.

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**
    - ***Rationale****:* Approval timelines are consistent with prior reporting periods and appropriate for the current procurement phase.
- How often approvals are slowing things down - Approval Bottleneck Frequency

- **Low**
- ***Rationale**:* No systemic approval delays have been identified. Governance processes are functioning as intended.

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**
    - ***Rationale**:* Design completion, a Class 1 cost estimate, and issuance of the construction tender support strong procurement readiness.
- Are prices and supply stable or changing - Market Volatility Indicator
    - **Moderate (external)**
    - ***Rationale**:* Broader construction market conditions remain variable; this is an external factor rather than a project-specific governance issue.

CCO Assurance Commentary – Risk, Governance & Procurement

From an assurance perspective, the project demonstrates **sound governance discipline and risk awareness** entering the construction phase. Decision-making authority is clear, approvals are timely, and reporting remains reliable. Procurement readiness is strong; however, exposure to **market-driven volatility and reduced schedule float** will increase as construction begins. These conditions warrant continued monitoring but do not indicate deterioration in project control at this time.

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 & Readiness
Project safety and quality frameworks are appropriate for the current stage of the project. Systems are in place to support the transition from procurement into construction and, subsequently, commissioning. While commissioning and operational readiness will become more prominent during later phases, no early readiness risks have been identified at this time.

Stakeholder & External Dependencies

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

Forward Look (Next 90 Days)

The Chief Construction Officer will continue to monitor:

- **Procurement outcomes**, including tender pricing, market response, and award timing
- **Schedule sensitivity** as the project transitions from procurement into construction
- **Early construction-phase risks**, including contractor mobilization and sequencing
- **Market and supply-chain conditions** that could influence cost or schedule stability

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 – Confidence Statement

The project is entering a critical transition point from procurement into construction. Governance, financial controls, and readiness indicators support delivery confidence; however, reduced schedule float and exposure to market-driven factors warrant a measured level of confidence at this stage. Continued monitoring during tender award and early construction will be essential to confirming sustained delivery performance.

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