City of Winnipeg

Administrative Report
Chief Construction Officer (CCO)

REPORT TYPE: Information Only
DATE: March 24, 2026
SUBMITTED BY: Chief Construction Officer

Subject

CentrePort South Water and Sewer Servicing – Assurance Update

Recommendation

That this report be received for information.

Discussion

1. Project Overview

Project Details	Status
Approved Budget	$73.7M
Forecast at Ready-for-Takeover	$73.7M
Approved Ready-for-Takeover Date	Q2 2025 (original baseline)
Forecast Ready-for-Takeover Date	Q3 2026 (revised)
Delivery / Procurement Model	Design–Bid–Build (multi-contract delivery: Lift Station, Force Main, Interceptor, Feeder Main)
Current Phase	Construction (transitioning to early Commissioning)

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 CentrePort South Water and Sewer Servicing project continues to demonstrate **strong financial stewardship with emerging schedule pressure typical of late-stage linear infrastructure delivery**.

The **approved budget of $73.7M remains intact**, with current forecasts indicating completion within the authorized funding envelope. This reflects **effective cost control and appropriate**

use of contingency, particularly in response to geotechnical challenges and construction-related adjustments encountered during execution.

From a **schedule perspective**, the project has experienced a **material shift in the ready-for-takeover date from the original 2025 target to 2026**, driven by a combination of:

- Unanticipated subsurface conditions (groundwater and boulders),
- Contractor productivity and sequencing constraints, and
- Third-party dependencies, including utility coordination and permitting.

While these pressures have extended the delivery timeline, current evidence suggests the project is **progressing toward completion with defined recovery strategies and no indication of systemic breakdown**. At approximately **85% complete**, the project has transitioned into a phase where **integration, testing, and commissioning readiness will become the primary determinants of delivery confidence**.

From a governance standpoint, the project reflects:

- **Clear alignment to Council-approved scope**,
- **Stable procurement and contracting structures**, and
- **Sufficient reporting visibility to monitor emerging risks**.

However, the current stage of the project introduces **heightened sensitivity to residual risks**, particularly:

- Completion sequencing across multiple contracts,
- Final system integration and commissioning readiness, and
- Dependency management (e.g., utilities, easements, and access).

In summary, the project is assessed as:

- **Financially stable**,
- **Operationally advancing**, and
- **Schedule-constrained but manageable**, provided that **current execution discipline is maintained and late-stage risks are actively governed**.

No immediate intervention is required at this time; however, **continued focused oversight is warranted as the project approaches commissioning and turnover**, where small disruptions can disproportionately impact final delivery outcomes.

2. Scope, Schedule & Financial Assurance

CCO Assurance Commentary:
The project demonstrates **strong scope and financial control, with moderate schedule pressure** as it approaches completion.

- **Scope:** Remains fully aligned with Council approval, with no material changes. Construction-related adjustments have been contained within the approved scope, reflecting strong discipline and control.
- **Schedule:** The primary area of pressure. The completion date has shifted into 2026, and the project is now operating with **limited float and a compressed critical path**. Schedule confidence is **moderate**, with delivery dependent on stable execution and effective coordination through commissioning.
- **Financial:** Remains stable and well-controlled. The project is forecast to be delivered within the **$73.7M approved budget**, with **adequate but tightening contingency**. Claims exposure is present but typical for this stage and currently manageable.

Overall Assurance Position:

Controlled delivery with schedule sensitivity.
No immediate intervention is required; however, **focused oversight is needed in the final phase** to protect schedule and prevent erosion of remaining contingency.

3. Risk, Governance & Procurement Assurance

CCO Assurance Commentary:
The project demonstrates a **stable risk profile, effective governance, and well-executed procurement**, supporting controlled delivery through its final phase.

- **Risk:** Overall risk exposure is **stable**, with key risks (geotechnical, contractor performance, and third-party coordination) now **well understood and actively managed**. No evidence of systemic escalation.
- **Governance:** Decision-making is **clear**, approvals are **timely**, and reporting is **reliable**. Any pressures observed are primarily related to **external dependencies**, not internal governance effectiveness.
- **Procurement:** Procurement is **complete and aligned**, with all major contracts in execution. The contracting strategy remains appropriate, and market exposure is **moderate but stabilizing**. Focus has shifted to **contract management and commercial closeout**.

Overall Assurance Position:

Well-governed delivery with controlled residual risk.
Continued focus is required on **risk containment, decision velocity, and claims management** as the project approaches completion.

4. Readiness

CCO Assurance Commentary:
The project is transitioning from construction into final completion and early commissioning, with safety and quality systems in place, but readiness, representing the primary emerging risk.

- Safety & Quality: Safety systems are adequate, and quality systems are established and functioning, supporting continued delivery without systemic concern.
- Commissioning & Turnover: Assessed as early risk due to compressed schedule conditions, multi-contract coordination, and dependency on final works completion. Integration and testing activities will be critical to maintaining delivery timelines.
- Operational Readiness: Also assessed as early risk, with focus required on system validation, documentation, training, and handover alignment to ensure readiness to operate upon completion.
- Stakeholder & Dependencies: External approvals and third-party interfaces are key sensitivities, requiring proactive management to avoid late-stage delays.

Overall Assurance Position:
Operational readiness emerging as the primary delivery risk.
Targeted oversight is required to ensure commissioning alignment, stakeholder coordination, and disciplined closeout, as this phase will ultimately determine successful project delivery.

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

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

- **Anticipated delivery pressure points**, including final construction sequencing, critical path protection, and coordination across remaining contracts
- **Leading indicators of early deviation**, particularly schedule confidence (SCI), critical path stability, and emerging commissioning readiness gaps
- **Conditions that could materially affect delivery confidence**, including:
    - External approvals and third-party dependencies (utilities, easements)
    - Commissioning and system integration readiness
    - Claims activity and potential impacts to remaining contingency

Focused attention will be placed on **aligning construction completion with commissioning readiness**, as this represents the most sensitive phase of delivery.

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

The project remains on track to achieve its approved scope and budget, with schedule delivery subject to continued execution discipline and effective management of late-stage risks.

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

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)
  - Moderate (estimated range: 0.60 – 0.75)
- How often the main work plan is changing - Critical Path Volatility Trend
  - Elevated but stabilizing

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 (estimated range: 0.80 – 0.95)
- Expected total cost compared to the approved budget - Cost Exposure vs. Authorized Budget
  - Within approved envelope (low variance)
- Chance of future claims or disputes - Claim Probability Trend
  - Moderate and active

The **Projected Contingency Sufficiency Index (PCSI)** indicates that **sufficient contingency remains to address known residual risks**, including final construction activities, commissioning integration, and minor commercial adjustments. While earlier contingency drawdowns have occurred due to geotechnical conditions and construction adaptations, the remaining contingency is assessed as **fit-for-purpose**, provided it is **tightly managed and not diluted by non-critical expenditures**.

The **Cost Exposure vs. Authorized Budget** remains **stable and controlled**, with the forecasted final cost aligned to the **Council-approved budget of $73.7M**. There is no current indication of structural cost overrun. However, the margin between forecast cost and available contingency has narrowed, reinforcing the need for **continued financial discipline through project closeout**.

The **Claim Probability Trend** is assessed as **moderate and active**, reflecting:

- Ongoing claims and change orders associated with differing site conditions,
- Productivity impacts and schedule compression measures, and
- Interface risks as multiple contracts approach completion simultaneously.

While this level of claim activity is typical for a project at this stage, it introduces **incremental financial exposure if not proactively managed**. The risk is less about any single claim and more about the **cumulative effect of unresolved or late-stage commercial issues**.

From a CCO assurance perspective:

- **Contingency is sufficient but no longer flexible**,
- **Cost exposure is controlled but increasingly sensitive**, and
- **Commercial vigilance is required to prevent erosion of the remaining financial buffer**.

Overall, the forward-looking financial position supports **continued confidence in budget adherence**, contingent on **disciplined closeout management, timely resolution of claims, and protection of remaining contingency against avoidable pressures**.

2. Risk, Governance & Procurement Assurance

Risk Profile
Overall risk trajectory:
☐ Improving ■ Stable ☐ Deteriorating

Key risks, particularly those related to **geotechnical conditions, contractor performance, and third-party coordination** have been **identified, actively managed, and, in several cases, partially mitigated** over the course of delivery. While these risks have contributed to schedule pressure, they have not translated into uncontrolled cost escalation or scope deviation.

Risk Indicators:

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

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 (within acceptable thresholds)
- How often approvals are slowing things down - Approval Bottleneck Frequency
  - Low to moderate

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 but stabilizing

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

External approvals are generally progressing; however, they **require continued monitoring** as the project approaches completion. Residual approvals, particularly those related to **utilities, easements, and final commissioning requirements**, have the potential to influence schedule if not secured in a timely manner.

Inter-agency and third-party dependencies are assessed as **under pressure**, reflecting:

- Coordination with utilities and regulatory bodies,
- Interface requirements with adjacent infrastructure and jurisdictions, and
- Timing dependencies tied to final construction and commissioning activities.

These dependencies have been a **contributing factor to earlier schedule impacts** and remain a key sensitivity in the final phase of delivery.

From a CCO assurance perspective:

- Dependencies are **known and actively managed**,
- However, they represent **one of the most significant remaining risks to schedule certainty**, and
- Continued proactive coordination is required to **prevent late-stage delays**.

Focused attention should be maintained on **securing approvals, aligning stakeholders, and tightly managing interface points**, as external factors now represent a **primary constraint to achieving the forecast completion timeline**.