**Agenda – Executive Policy Committee – April 21, 2026**

## REPORTS

**Item No. 3** **Mega Capital Projects Summary Report – NEWPCC Upgrade: Biosolids Facilities**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That this report be received as information.

**Agenda – Executive Policy Committee – April 21, 2026**

DECISION MAKING HISTORY:

COUNCIL DECISION:

On December 18, 2025, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the proposed governance framework for "Mega" projects, which is composed of the Governance Framework and the Assurance Plan outlined in Schedules 1 and 2 respectively, be approved and that the Public Service proceed to operationalize the framework and plan, including the following:

    A. The total project budget threshold for Mega projects be set at $500 million or greater.

    B. Enhanced monthly reports on Mega projects be made to Executive Policy Committee instead of quarterly reports to Standing Policy Committee on Finance and Economic Development.

2. That authority be delegated to negotiate and approve contract awards for the NEWPCC Upgrade projects, and the terms and conditions of the resulting agreements as determined necessary by the City Solicitor/Director of Legal Services, where the value of the contract does not exceed the following and there are sufficient funds in a Council-approved budget to award the contract:

    A. The Chief Administrative Officer, Chair of the Project Steering Committee, up to $50 million

    B. The Chief Financial Officer, up to $35 million

3. That authority be delegated to the Chief Administrative Officer, Chair of the Project Steering Committee, to approve contract over-expenditures for the NEWPCC Upgrade projects where there are sufficient funds in a Council-approved budget and the accumulated contract over-expenditure does not exceed the contingency allowance, which may be sub-delegated to the Chief Financial Officer.

4. That the City Solicitor/Director of Legal Services prepare a by-law to amend the City Organization By-law No. 7100/97 to designate Executive Policy Committee as having jurisdiction over the Mega Projects and the specific power and duty to consider and make recommendations to Council on matters relating to Mega Projects and bring same directly to Council for enactment.

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

5. That, effective February 2026, the following projects commence reporting to Executive Policy Committee as Mega projects:

    A. North End Sewage Treatment Plant ("NEWPCC") Upgrade Projects: Power Supply and Headworks Facilities

    B. North End Sewage Treatment Plant ("NEWPCC") Upgrade Projects: Biosolids Facilities

6. That the Public Service be directed to report back to Council in February 2027, one year after implementation of the new governance framework, with a review of the framework's ability to meet the intended objectives of the NEWPCC Upgrade Projects audit report, including any recommendations to enhance the Mega projects framework.

7. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

# MEGA CAPITAL PROJECT
# DASHBOARD EXECUTIVE SUMMARY REPORT

**Title:** **NEWPCC Upgrade: Biosolids Facilities,**

**February 2026**

**Critical Path:** **Executive Policy Committee – Council**

## Recommendations

1. That this report be received as information.

## History/Discussion

The Project Steering Committee reviewed this report on April 7, 2026 and recommends that the report be sent to the Executive Policy Committee.

This report has Cost and Schedule updated to February 28, 2026. The remaining metrics are updated to March 31, 2026.

### Cost

No performance change from the previous period (green).

- $3.8 million was spent this month for a total of $61.8 million or 6.0% of the $1.035 billion budget.
- There were no new approved or pending contract changes to report in February.
- New contracts forthcoming:
    - Tender 206-2026 for Temporary Electrical Service Installation has closed and is anticipated to be awarded in April 2026.
    - The Design Build Agreement (DBA) for construction of the Biosolids Facilities is anticipated to be awarded in July 2026.

### Schedule

No performance change from the previous period (green).

- Schedule is on track for the Design Phase.
- Major milestones achieved this month include:
    - Northwest Interceptor (NWI) Lining: Lining of the NWI was completed ahead of schedule and flows were reinstated to the NWI on March 5, 2026.

    - Land Drainage System (LDS): Installation of manholes west of the rail line and tree removal north of Highland Avenue is complete.

- Upcoming milestones include:
    - Biosolids:
        - Completion of the Intermediate Design is anticipated in April 2026.
        - The Class 2 cost estimate and construction schedule is anticipated in May 2026.
        - The Development Phase Agreement (DPA) Stage Gate 3 is anticipated in June 2026.
        - Award of the DBA for construction of the Biosolids Facilities is anticipated in July 2026.
    - LDS: Connection of the new LDS to the existing system along Main Street is anticipated in April 2026.
    - Utilidor and Site Preparation: Total Completion is anticipated in May 2026.

**<u>Risk</u>**

No performance change from previous period (yellow).

- New:
    - Market Conditions:
        - The closure of the Strait of Hormuz has the potential to impact cost and schedule. Monitoring of the closure to assess impacts on material costs and delivery timelines is ongoing.
        - Multiple infrastructure initiatives in Manitoba have the potential to create labour shortages. A mitigation strategy is being developed to address these shortages.

- Ongoing:
    - Cost and Schedule: Value engineering and early procurement of long lead items are being considered to mitigate cost and schedule risk.
    - Market Conditions: Market conditions have the potential to affect costs and schedule. Negotiation of DBA terms and conditions is ongoing to mitigate risks related to tariffs and escalation. Sourcing Plans are being incorporated into the DPA and DBA to address tariff and supply chain risks.
    - Design: Lack of timely decisions and the implementation of value engineering changes can result in schedule delays.
    - Permits/Approvals: A letter confirming Federal and Provincial funding has been received. The draft funding agreement is being reviewed and execution is anticipated prior to award of the DBA. Cost increases and schedule delays will occur if funding agreements are not in place.

- Closed:

- Existing Infrastructure: The condition of the Northwest Interceptor (NWI) was identified as a risk. This risk is now closed as the lining of the NWI is complete.

**Contingency**

No performance change from the previous period (yellow).

- A contingency allowance of $154.2 million was set when the budget was established.
- The contingency allowance for City risks will be reassessed when the Quantitative Risk Analysis (QRA) by SMA Consulting is complete at the end of the Development Phase. This contingency allowance will be updated at DBA award which is anticipated in July 2026.

**Community Engagement**

No change in performance compared to the previous month (green).

- A notice to the public about the LDS project in and around the Chief Peguis Trail right of way was issued February 26, 2026. Sidewalk closure signage was placed on March 5, 2026 near Foley Avenue, Murray Avenue, and Main Street. Reopening of the sidewalks is anticipated by May 1, 2026. Sidewalk closures will be required again from mid-June to July 2026 for sidewalk repairs.
- An episode of Our City, Our Stories about the NWI Lining was released on March 25, 2026.
- Six out of twelve planned communication activities within the Communication Strategy have been executed to date. Upcoming communication activities include the introduction of the new Community Liaison Officer, public education on the Progressive Design Build delivery model, and a Biosolids groundbreaking event.

**Health/Safety/Environment**

No performance change from the previous period (green).

- LDS: An environmental incident occurred on March 11, 2026 when a delivery truck ruptured a hydraulic line resulting in an oil spillage. All contaminated material was removed and disposed of at an approved site.

**Interface**

No performance change from the previous period (green).

- Multi-contract coordination is ongoing.

## Other

Quality: The Quality Assurance and Quality Control audit of the 30% design continues and is anticipated to be completed in April 2026.

| **SUBMITTED BY** | |
|---|---|
| **Department:** | Water and Waste Department |
| **Division:** | Engineering Services |
| **Prepared by:** | Cynthia Wiebe, Manager of Engineering Services |
| **Date:** | April 10, 2026 |

## Appendices

Appendix A – Key Project Facts

| Appendix A - Key Project Facts | |
|---|---|
| **Project Name** | NEWPCC Upgrade: Biosolids Facilities |
| **Business Owner (Department)** | Water and Waste Department |
| **Project Sponsor** | Tim Shanks, Director of Water and Waste |
| **Adopted Budget** | $552.71 Million |
| **Class of Estimate (Adopted)** | Class 3 |
| **Range of Estimate (Adopted)** | -20% to +30%<br>$442.17 Million to $718.52 Million |
| **Amended Budget** | $1,035.00 Million |
| **Class of Estimate (Adopted)** | Class 3 |
| **Range of Estimate (Adopted)** | -20% to +30%<br>$828.00 Million to $1,345.50 Million |

**Project Scope**

The Biosolids Facilities project will address end-of-life equipment and regulatory requirements regarding the recovery of nutrients and maximize biosolids reuse. It will add new facilities to treat the sludge from the City of Winnipeg's three sewage treatment plants and replace end-of-life equipment.

**Mega Project Steering Committee Membership:**

- Joseph Dunford, Chief Administrative Officer (Chair)
- Tracy Graham, Chief Financial Officer
- Tim Shanks, Director of Water and Waste (Sponsor)
- Rob Taylor, Director of Assets and Project Management
- Jim Berezowsky, Director of Public Works Department
- Tom Sparrow, Chief Construction Officer