REPORTS

Item No. 2 Approval of Contract Over-Expenditure No. 1 for Construction of a new Wastewater Lift Station – Centreport South Regional Water and Wastewater Servicing Phase 1A (Contract 1A)
Tender No. 301-2024

STANDING COMMITTEE DECISION:

The Standing Policy Committee on Water, Waste and Environment concurred in the recommendation of the Winnipeg Public Service and approved the following:

1. That Contract Over-Expenditure No. 1 in the amount of $695,633.96, GST extra as applicable, be approved for Tender No. 301-2024, construction of a new wastewater lift station – CentrePort South Regional Water and Wastewater Servicing Phase 1A (Contract 1A), for a total revised contract value of $13,431,744.96, GST extra as applicable.

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

DECISION MAKING HISTORY:

Moved by Councillor Mayes,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

ADMINISTRATIVE REPORT

Title: Approval of Contract Over-Expenditure No. 1 for Construction of a new Wastewater Lift Station – Centreport South Regional Water and Wastewater Servicing Phase 1A (Contract 1A)
Tender No. 301-2024

Critical Path: Standing Policy Committee on Water, Waste and Environment

AUTHORIZATION

Author	Department Head	CFO	CAO
C. D. Wiebe, P. Eng., CAMP, Manager of Engineering Services	Tim W. Shanks, M. Eng., P. Eng., Director of Water and Waste Department	T. Graham	J. Dunford

EXECUTIVE SUMMARY

The Public Service is recommending approval of Contract Over-Expenditure No. 1 to J-Con Civil Ltd. for construction of a new wastewater lift station for CentrePort South.

This contract change is required due to:

- design modifications to the dry well configuration; and
- higher-than-anticipated volume of boulders encountered during excavation activities.

The total cost of the change is $695,633.96, GST extra as applicable. The total revised contract cost will be $13,431,744.96, GST extra as applicable. The project remains within budget and the available contingency.

The recommendations in this report comply with the requirements of the various trade agreements and the City's Purchasing Policy.

RECOMMENDATIONS

1. That Contract Over-Expenditure No. 1 in the amount of $695,633.96, GST extra as applicable, be approved for Tender No. 301-2024, construction of a new wastewater lift station – CentrePort South Regional Water and Wastewater Servicing Phase 1A (Contract 1A), for a total revised contract value of $13,431,744.96, GST extra as applicable.

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

REASON FOR THE REPORT

The Standing Policy Committee has authority to approve contract over-expenditures, where the accumulated amount for each contract, including over-expenditures, exceeds $10 million dollars, providing monies are available within the applicable capital or operating budget as approved by Council.

IMPLICATIONS OF THE RECOMMENDATIONS

Following approval of this over-expenditure, $2,571,265.56 will remain available from total funds in the amount of $74,850,000.00 originally included in the approved 2018, 2022-2024 Capital Budgets (Sewer) and 2022-2024 Capital Budgets (Water) for CentrePort South Water and Sewer Servicing, Account Distribution No's. 444 181000 200752 20370017YY (Sewer) and 443 181000 200751 20040012YY (Water) Contractex.

HISTORY/DISCUSSION

On October 8, 2024, Tender No. 301-2024 was awarded to J-Con Civil Ltd., in the amount of $12,736,111.00, GST extra as applicable for construction of a new wastewater lift station for CentrePort South.

The extra work item covered by this over-expenditure report is detailed below and summarized in the following table.

Table 1: Summary of Contract Changes

Item	Description	Amount
1	Pump Motor Relocation	$495,000.00
2	Boulders	$200,633.96
	TOTAL	**$695,633.96**

1. <u>Pump Motor Relocation</u>

The original design located the pump motors on an intermediate platform within the dry well. While it was technically feasible to design a motor base with sufficient rigidity at that elevation, achieving this would have required extensive laboratory testing and additional engineering effort to validate performance.

Given project schedule constraints and the time necessary to confirm the system's ability to withstand motor-induced vibration at that height, the pump motors were instead relocated to the concrete main floor of the superstructure. This revised configuration enhances long-term operational reliability and improves accessibility for City staff performing maintenance and inspection activities.

Relocating the pump motors to the main floor of the superstructure required coordinated structural, mechanical, electrical, and automation system modifications.

2. Boulders

During excavation of the wet and dry well shafts, the contractor encountered a substantially higher volume of boulders than anticipated. The Geotechnical Baseline Report estimated boulder content at approximately 6 percent of the excavated material; however, field conditions indicated boulder volumes of 25 percent or more through these shafts. Consequently, significant extra effort was required to mechanically break, remove and haul the boulders off-site.

There are sufficient funds in the approved 2018, 2022-2024 Capital Budgets for CentrePort South Water and Sewer Servicing to cover these over-expenditures.

The increase in costs of $695,633.96 exceeds the original contract of $12,736,111.00 by 5.5 percent. The revised total cost of the project is $13,431,744.96, GST extra as applicable.

The Public Service is satisfied that the $695,633.96 increase is reasonable and recommends approval of this over-expenditure.

The financial status of CentrePort South Regional Water and Wastewater Servicing – Phase 1A (Contract 1A) Construction of a New Wastewater Lift Station is as follows:

Contract Award Amount			$	12,736,111.00
Previous Over-Expenditure	$	-		
Amount of this Recommendation		695,633.96		
Est. Engineering Cost		-		
Est. Manitoba Retail Sales Tax		-		
Est. Self Assessed MRST		-		
Corporate Interest Charges		13,912.68		
Corporate Administrative Charges		-		
Total Estimated Value of Extra Work	$	709,546.64	$	709,546.64
Estimated Final Contract Amount			$	13,445,657.64

The financial status of the CentrePort South Water and Sewer Servicing project is as follows:

Authorized Capital			$	74,850,000.00
Amount of Previous Awards or Expenditures	$	71,569,187.80		
Amount of this Award		695,633.96		
Est. Engineering Cost				
Est. Manitoba Retail Sales Tax				
Est. Self Assessed MRST				
Corporate Interest Charges		13,912.68		
Corporate Administrative Charges				
Total Estimated Cost	$	72,278,734.44	$	72,278,734.44
Estimated Residual for Remaining Projects			$	2,571,265.56

FINANCIAL IMPACT

Financial Impact Statement

Date: March 17, 2026

Project Name:

First Year of Program **2026**

APPROVAL OF CONTRACT OVER-EXPENDITURE NO. 1 FOR CONSTRUCTION OF A NEW WASTEWATER LIFT STATION – CENTREPORT SOUTH REGIONAL WATER AND WASTEWATER SERVICING PHASE 1A (CONTRACT 1A)
TENDER NO. 301-2024

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ 709,547	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	709,547	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 13,913	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	13,913	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funds for this over-expenditure are included in the approved Capital Budget for CentrePort South Water and Sewer Servicing, Account Distribution No's. 444 181000 200752 20370017YY (Sewer) and 443 181000 200751 20040012YY (Water). This project is financed by Retained Earnings and Province of Manitoba Funding.

Angela Neufeld

bah
12-Mar-26

Angela Neufeld
Acting Manager of Finance and Administration
Water and Waste Department

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

This report aligns with OurWinnipeg 2045, Policy 2.17 Regional Water Resource Management, by protecting local and regional watershed resources from the negative impacts of development, flooding, and pollution.

> Objective: Protect and value ecosystems as essential components to quality of life through municipal activities and urban environment.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (WCAP) and its Goals and Objectives. It was determined that the WCAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (WPRS) and its Goals and Objectives. It was determined that the WPRS is not applicable to this specific report.

SUBMITTED BY

Department: Water and Waste
Division: Engineering Services
Prepared by: Tim Turzak, C.E.T.
Date: March 23, 2026
File No.: S-1268