Agenda – Executive Policy Committee – May 19, 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.

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,**

March 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 May 4, 2026 and recommends that the report be sent to the Executive Policy Committee.

This report has Cost and Schedule updated to March 31, 2026. The remaining metrics are updated to April 29, 2026.

Cost

No performance change from the previous period (green).

- $7.4 million was spent this month for a total of $69.2 million or 6.7% of the $1.035 billion budget.
- New approved contract:
  - On April 15, 2026, the Director of Water and Waste approved a tender for $68,583.79 for Temporary Electrical Service Installation.
- New contracts forthcoming:
  - 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:
  - Biosolids: The Intermediate Design was received on April 16, 2026.
  - Northwest Interceptor (NWI) Lining: Substantial Completion was achieved ahead of schedule on April 14, 2026.

    - Land Drainage System (LDS): Connection of the new LDS to the existing system along Main Street and the removal of trees is complete. Removal of contaminated soil and tree clean-up is ongoing.

- Upcoming milestones include:
    - Biosolids:
        - 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 next section of LDS along Foley Avenue is anticipated to start in May 2026.

Risk

No performance change from previous period (yellow).

- New:
    - Design: The Yardworks Area 60% design requires rework. This has the potential to delay the delivery of the Class 2 Cost Estimate. A new design team has been engaged to progress the design.
    - Interfaces: Safety flagging services from Canadian Pacific Kansas City (CPKC) are required by mid-May to complete LDS work along the rail line. Not getting this could result in delays to the LDS works which could ultimately impact the Biosolids work. The contractor and Project Team continue to follow up with CPKC on the status of the flagging services application.

- 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 to mitigate risks related to tariffs and escalation is ongoing.
        - Development of Sourcing Plans to be incorporated into the DPA and DBA to address tariff and supply chain risks is ongoing.
        - Monitoring of the Strait of Hormuz closure to assess impacts on material costs and delivery timelines is ongoing.
        - Multiple infrastructure initiatives in Manitoba have the potential to create labour shortages. Development of a mitigation strategy to address potential labour shortages is ongoing.

- Design: Lack of timely decisions and the implementation of value engineering changes can result in schedule delays.
- Permits/Approvals: 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.

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).

- The sidewalk closure for the LDS project reopened. Further sidewalk closures will be required from mid-June to July 2026 for sidewalk repairs.
- The Project Team is developing a strategy to educate the public on what a Progressive Design Build delivery model is.

Health/Safety/Environment

No performance change from the previous period (green).

- There were no first aids, high potential near misses, recordable medical aids, lost time injuries, or environmental spill incidents.

Interface

No performance change from the previous period (green).

- Multi-contract coordination is ongoing.

Other

Quality: Performance decreased from the previous period (yellow).

- The 60% design received in April for the Yardworks Area did not meet quality standards and requires rework. A mitigation strategy has been put into place and quality issues are expected to be resolved shortly.
- The Quality Assurance and Quality Control audit of the 30% design was completed in April 2026. No concerns were noted.

SUBMITTED BY	
Department:	Water and Waste Department
Division:	Engineering Services
Prepared by:	Cynthia Wiebe, Manager of Engineering Services
Date:	April 29, 2026

Appendices

Appendix A – Key Project Facts

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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% $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% $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