Agenda – Council – May 28, 2026

Report – Executive Policy Committee – May 19, 2026

Item No. 1 Mega Capital Projects Summary Report – NEWPCC Upgrade: Headworks Facilities

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 19, 2026, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That this report be received as information.

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 19, 2026, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

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.

Report – Executive Policy Committee – May 19, 2026

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

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.

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: Headworks 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, Schedule, Health/Safety/Environment, and Quality updated to March 31, 2026. The remaining metrics are updated to April 29, 2026.

Cost

No performance change from the previous period (green).

- $6.1 million was spent in March for a total of $445.8 million or 78.8% of the $565.355 million budget. Costs are tracking close to planned.
- Approved contract change:
    - On March 16, 2026, the Director of Water and Waste approved a $601,984.78 contract change for the repair of the broken feeder main. An insurance claim has been initiated for the loss and costs are being tracked.
- Change approved subsequent to the end of the reporting period:
    - On April 1, 2026, the Chief Financial Officer approved a $74,750.19 contract change for the Primary Clarification Upgrade for required architectural, electrical, and structural modifications to the new Scum Dewatering Building that were identified during construction.
- Pending contract changes:
    - A contract change is forthcoming for the Headworks project for additional contaminated soil removal associated with the stormwater detention system constructed in October.
    - A contract change is forthcoming for the Ultraviolet Light (UV) Upgrades project for the supply and installation of alternative gates and for payment of an early completion bonus.

- Additional contract changes are forthcoming for construction and associated contract administration services for seasonal road restoration and landscaping related to the broken feeder main.

Schedule

No performance change from the previous period (yellow).

- The revised re-baselined schedule was accepted on March 19, 2026. The schedule continues to be aggressive which could result in delays.
    - The value of work projected to be performed in the upcoming months (April to August) is substantially higher than what has typically been achieved in the past.
    - The Design Builder is projecting a delay of up to four weeks for the completion of the Raw Sewage Testing milestone but expects to achieve Interim Completion, Substantial Completion, and Final Completion on time.
- The Design Builder did not achieve all of their planned payment milestones for March but completed some April payment milestones ahead of schedule:
    - Two of five payment milestones planned for March were completed. The three uncompleted payment milestones are projected to be completed in May.
    - Four payment milestones planned for April were completed ahead of schedule in March.
    - Overall, the total value of payment milestones achieved in March was higher than projected.
- The Design Builder fell short on completion of planned construction and commissioning activities targeted in their schedule; mechanical and electrical activities continue to progress slower than planned.
- Construction continues with significant focus on electrical, mechanical, and HVAC work in several buildings. Flow testing of the raw sewage pumps began in April.
- Major milestones achieved this month include:
    - Headworks: Installation and testing of process piping in the Raw Sewage Pumping Station is complete. Installation and testing of flushing water piping in the yard area is complete. Electrical cabling and terminations in the Raw Sewage Pumping Station and for the Grit Removal System are complete. The asset registry was submitted.
    - Distributed Control System (DCS) Migration: The relocation of DCS communication devices in the Dewatering Area is underway. Programming of the software and graphics in the Secondaries Area is underway.
    - Primary Clarification Upgrades: Concrete work on the main floor of the new Scum Dewatering Building is ongoing. Exterior work, including installation of weeping tiles, is underway. Mechanical demolition in the existing Primary Clarifier Building is ongoing.
    - UV Upgrades: The UV system was reinstated March 13, 2026. Programing work for the integration to the existing NEWPCC control system is underway. Construction of the maintenance building is ongoing.

- Upcoming critical path activities include:
    - Testing of the screenings equipment in May.

Risk

No performance change from the previous period (yellow).

- New:
    - Environment: The new Headworks Facility needs to be tied into an existing siphon. This siphon is critical for maintenance and emergency activities. As such, the work needs to be closely coordinated.

- Ongoing:
    - Existing conditions: Tie-ins may be affected by existing conditions which could impact cost and schedule. Where possible, investigation of existing conditions is undertaken in advance of construction.
        - The existing City land drainage system connection is non-standard and presents maintenance issues. A change order inquiry was submitted to the Design Builder in December to address the issue. Response to the change order inquiry remains outstanding.
    - Weather: Higher flows due to weather have the potential to significantly affect the timing of tie-ins and commissioning. Coordination and planning for upcoming weather sensitive shutdowns, commissioning, and tie-in work is underway.
        - Flow testing of the new raw sewage pumps is underway and will increase flow to the plant. If flow to the plant is too high, some tests may be delayed. Overnight and weekend work may be required to maintain the testing schedule.
    - Design Builder performance: The Design Builder's schedule is aggressive which could result in delays. This risk is increasing each month as less time is available to regain schedule. Progress monitoring is ongoing. This risk has been elevated to senior leadership levels of the Design Builder.
    - Environment:
        - Removal of contaminated soils will likely result in a topsoil shortfall during restoration.
        - The centrate tie-in work will likely take longer than the available shutdown window and has potential to create plant impacts. Options for this tie-in are being investigated.
        - Start-up of the new Headworks Facility may result in nuisance odour concerns until biological processes have stabilized. The new Headworks Facility will be brought online gradually to allow for this.
    - Construction method: An insurance claim has been initiated for the feeder main failure and external legal services have been engaged. A root cause analysis is complete and has been provided to the Design Builder and insurance adjuster. The analysis concluded that the construction method led to the failure. Additional crossings of the feeder main are required for the land drainage system tie-in. Mitigation measures are in development.

- Closed:
    - Ultraviolet Light (UV) Upgrade:
        - Environment: The new UV system is in operation and meeting licence limits.
    - Outfall Tie In:
        - Weather: A temporary steel liner was installed in the NEWPCC outfall allowing the outfall to continue to operate while construction of a connection chamber occurs around it.
        - Condition: No condition issues with the existing NEWPCC outfall were identified at the tie-in location.

Contingency

No performance change from the previous period (yellow).

- A total of $20.7 million remains available in the contingency allowance.

Community Engagement

No performance change from the previous period (green).

- No engagement activities were performed.
- Sidewalk and lane closures will occur in May and June respectively. Advanced notification will be provided.

Health/Safety/Environment

No performance change from the previous period (green).

- There were four instances where minor first aid was provided with all workers returning to work. There was no high potential near misses, recordable medical aids, loss time injuries, or environmental spill incidents.

Interface

No performance change from the previous period (green).

- Operator training for the new Headworks Facility is ongoing.
- Daily coordination for the flow testing of the new raw sewage pumps is ongoing.
- Coordination and planning for the removal of the temporary steel liner for the outfall, the introduction of raw sewage to the new Headworks Facility, and the Main Street Interceptor tie-in are ongoing.

Other

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

- There were no new Non-Conformance Reports (NCR) opened and three NCRs were closed.

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

Appendix A – Key Project Facts	
Project Name	NEWPCC Upgrade: Headworks Facilities
Business Owner (Department)	Water and Waste Department
Project Sponsor	Tim Shanks, Director of Water and Waste
Adopted Budget	$795.95 million
Class of Estimate (Adopted)	Class 5
Range of Estimate (Adopted)	-50% to +100% $397.80 million to $1.591 billion
Amended Budget	$565.36 million
Class of Estimate (Amended)	Class 3
Range of Estimate (Amended)	-20% to +30% $452.284 million to $734.961 million
Procurement Method	Design Build
Project Scope	
The Power Supply and Headworks Facilities projects will address end-of-life equipment at the front end of the plant and upgrade the power supply to provide adequate power capacity for the NEWPCC Upgrade projects. The project design will accommodate expected influent flows and loads to 2037 and take into account future regulatory trends and long term planning to year 2067.	
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 & Project Management - Jim Berezowsky, Director of Public Works - Tom Sparrow, Chief Construction Officer	