City of Winnipeg

Administrative Report
Chief Construction Officer (CCO)

REPORT TYPE: Information Only
DATE: May 25, 2026
SUBMITTED BY: Chief Construction Officer

Subject

South Winnipeg Recreation Campus (SWRC) – Assurance Update

Recommendation

That this report be received for information.

Discussion

1. Project Overview

Project Details	**Status**
Approved Budget	$118,763.00
Forecast at Ready-for-Takeover	$128,019.00
Approved Ready-for-Takeover Date	Q2 2028
Forecast Ready-for-Takeover Date	Q2 2028
Delivery / Procurement Model	Traditional Design-Bid-Build
Current Phase	Procurement/Pre-Construction

Project Classification:

☐Mega Project (>$500.0M)

■Major Capital Project ($25.0M–$500.0M)

Current Phase:

☐ Project Definition ■ Procurement ☐ Design☐ Construction ☐Commissioning ☐ Operations

CCO Assurance Commentary:

The South Winnipeg Recreation Campus project has completed the design phase and is transitioning into construction procurement and pre-construction activities. A construction tender for the Recreation Centre and Child Care Centre closed in February 2026, and an award report advanced to Council in April 2026. The project continues to demonstrate stable governance and delivery controls as it moves into a higher-risk execution phase.

The Recreation Centre component remains aligned with the Council-approved civic funding framework and is supported by tender pricing and a completed Class 1 estimate. Total forecast cost exposure above the approved budget remains limited to the provincially funded Child Care Centre and Vocational Wing components. Current delivery confidence is dependent on timely contract award, contractor mobilization, and management of market-related pressures during early construction.

2. Scope, Schedule & Financial

Assurance CCO Assurance

Commentary:

The approved project scope remains consistent with previously approved Council direction. No material scope changes have been identified since the last reporting period. The project continues to include the Recreation Centre, Child Care Centre, and Pembina Trails Collegiate Vocational Wing as previously approved.

The project schedule remains achievable; however, remaining float is limited as the project transitions into construction. The critical path is increasingly sensitive to procurement timing, contractor mobilization, permit approvals, and market conditions. While schedule controls remain stable, the next construction phase represents the highest exposure period for schedule-driven impacts.

From a financial assurance perspective, the Civic Recreation Centre component remains within the amended Council-approved funding envelope. Approved contingency remains available and continues to be managed in a controlled manner. Forecast cost variance at the total program level is associated with non-civic facilities funded by the Province of Manitoba and has been transparently disclosed through existing project reporting.

Forward-looking financial exposure remains tied primarily to:

- market volatility affecting labour and materials;
- schedule-sensitive construction sequencing; and
- potential change-related pressures during early construction.

At this stage, no immediate financial control concerns have been identified for the civic scope.

3. Risk, Governance & Procurement

Assurance CCO Assurance Commentary:

Overall project risk remains stable. Previously identified risks continue to be actively monitored and managed through established project governance and reporting processes. No new material risks were identified during the reporting period.

The primary continuing risk exposures include:

- market volatility and trade-related cost escalation pressures;
- reduced schedule float entering construction;
- procurement and contractor mobilization timing; and
- coordination with external stakeholders and funding partners.

Governance and decision-making structures remain appropriate for the current phase of delivery. Reporting reliability and approval timelines remain stable and consistent with prior reporting periods. Procurement readiness is considered strong based on completed design work, tender issuance, and established cost certainty for the Recreation Centre component. The project's procurement strategy remains appropriate for the scale and complexity of the work. However, exposure to broader construction market conditions remains an ongoing external risk that may affect schedule and pricing stability as construction proceeds.

4. Readiness

CCO Assurance Commentary:

Project readiness indicators remain appropriate for the transition into construction. Safety, quality, and contract administration frameworks are established and suitable for the next phase of work.

The Pembina Trails Collegiate Vocational Wing is substantially advanced and remains tentatively scheduled for opening in September 2026. The Recreation Centre and Child Care Centre components are entering a critical readiness period associated with contract award, mobilization, permitting, and commencement of site activities.

At this stage:

- safety systems are considered adequate;
- quality management processes are established;
- procurement readiness is high; and
- operational readiness risks remain low for the current phase.

The Chief Construction Officer will continue to monitor early construction readiness indicators as the project progresses into execution.

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

Statement Forward Look (Next 90 Days)

The Chief Construction Officer will continue to monitor:

- Construction contract award timing and procurement outcomes
- Contractor mobilization and early construction sequencing
- Schedule sensitivity during transition into construction
- Market conditions and supply-chain pressures affecting pricing and delivery stability
- Early indicators of schedule-driven cost exposure or claims risk

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

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

Council previously approved the project's scope, budget, and schedule under Quarterly Project Status Report No. 16 – For the Period Ended March 31, 2026. 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:

- Schedule Confidence Index (SCI) - Chance of finishing on time

  • Moderate
  • Rationale: The project has maintained overall schedule alignment through design completion and procurement activities; however, schedule sensitivity is increasing as the project transitions into construction.

- Critical Path Volatility Trend - How often the main work plan is changing

  • Low to Moderate
  • Rationale: Critical path activities have remained generally stable during procurement. Volatility risk is expected to increase during contractor mobilization and early construction sequencing.

Financial & Commercial Position

Indicator	**Status**
Cost certainty	■High ☐ Moderate ☐ Low
Contingency sufficiency	■Adequate ☐ Marginal
Claims exposure	☐ None ■Potential

Forward-Looking Financial Indicators:

- Projected Contingency Sufficiency Index (PCSI) - Is there enough backup money left

  • Adequate
  • Rationale: Approved contingency remains available and has been used in a controlled manner to address approved over-expenditures. No immediate depletion trend is evident.

- Cost Exposure vs. Authorized Budget - Expected total cost compared to the approved budget

  • Contained for civic scope; elevated at total program level
  • Rationale: The Recreation Centre component remains within the Council-approved civic funding framework. Forecast cost variance above the approved budget relates to provincially funded non-civic components.

- Claim Probability Trend - Chance of future claims or disputes

  • Low to Moderate (emerging)
  • Rationale: No active claims are currently reported. As the project transitions into construction with limited schedule float, exposure to schedule-driven claims and change-related disputes increases.

Risk, Governance & Procurement Assurance Risk Profile

Overall risk trajectory:

☐ Improving ■ Stable ☐ Deteriorating

Risk Indicators:

- Risk Momentum Score - Are risks growing or shrinking

  • Stable
  • Rationale: Previously identified risks remain active but controlled. No material increase in overall project risk exposure has been identified during the reporting period.

- Persistent Risk Count - How many risks keep showing up again and again

  • Low to Moderate
  • Rationale: A limited number of recurring risks continue across reporting periods, primarily related to procurement timing, market conditions, and external stakeholder coordination.

- Risk Escalation Velocity - How quickly problems are getting worse

  • Low
  • Rationale: No acceleration in risk severity or frequency has been identified. Existing issues continue to progress within anticipated management thresholds.

Governance & Controls

- Decision-making clarity: ■Clear ☐ Requires monitoring
- Timeliness of approvals: ■ Adequate ☐ Under pressure
- Reporting reliability: ■ Sufficient ☐ Emerging gaps
- Decision Latency Trend - How long are decisions taking

  • Stable
  • Rationale: Approval timelines remain consistent with previous reporting periods and appropriate for the current procurement and pre-construction phase.

- Approval Bottleneck Frequency - How often approvals are slowing things down

  • Low
  • Rationale: No systemic approval delays have been identified. Governance processes continue to function as intended.

Procurement & Market Exposure

- Procurement plan aligned to schedule: ■ Yes ☐ Under review
- Contracting strategy appropriate to risk: ■ Yes ☐ Needs watching

Procurement Indicators:

- Procurement Readiness Score - Is the project ready to buy what it needs

  • High
  • Rationale: Design completion, tender issuance, and completed cost estimating support strong procurement readiness entering construction.

- Market Volatility Indicator - Are prices and supply stable or changing

  • Moderate (external)
  • Rationale: Broader construction market conditions remain variable, particularly related to labour availability, material pricing, and supply-chain pressures. These factors remain external market risks rather than project-specific governance concerns.

2. 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

CCO Assurance Commentary:

Project safety and quality management systems are appropriate for the current phase of delivery and support the transition from procurement into construction activities. Existing governance, contract administration, and reporting frameworks provide an adequate foundation for construction oversight and quality management.

Commissioning and operational readiness activities remain in early stages but continue to align with the current project schedule. No immediate readiness concerns have been identified for either the Recreation Centre or associated non-civic components.

External approvals, including permitting and coordination with funding and stakeholder partners, continue to progress within expected timelines. Inter-agency coordination remains stable, with no significant pressure currently identified related to third-party interfaces or external dependencies.

As the project transitions into active construction, the Chief Construction Officer will continue to monitor:

- contractor mobilization readiness;
- construction sequencing and coordination;
- permit and approval timelines; and
- early indicators of operational or commissioning risk.