City of Winnipeg

Administrative Report
Chief Construction Officer (CCO)

REPORT TYPE: Information Only
DATE:
SUBMITTED BY: Chief Construction Officer

Subject

Lagimodiere Twin Overpasses Rehabilitation Project – Assurance Update

Recommendation

That this report be received for information.

Discussion

1. Project Overview

Project Details	**Status**
Approved Budget	$53,362,000
Forecast at Ready-for-Takeover	$53,362,000
Approved Ready-for-Takeover Date	October 31, 2027
Forecast Ready-for-Takeover Date	October 31, 2027
Delivery / Procurement Model	Design-Bid-Build (Staged Construction Contract)
Current Phase	Construction (Southbound Structure – Year 1 of Contract 2)

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 Lagimodiere Twin Overpasses Rehabilitation Project remains aligned with the Council-approved scope and forecast schedule. Construction activities for the southbound structure continued during the reporting period and are progressing toward the planned 2026 construction milestones.

The project has now entered its highest delivery exposure phase, with active construction underway and reduced contingency available to absorb unforeseen conditions or cost escalation. Current delivery confidence remains moderate, supported by ongoing construction progress, established governance controls, and continued coordination with Canadian Pacific Kansas City Limited (CPKC).

From an assurance perspective, the project remains viable within approved authority; however, successful delivery will depend on disciplined change management, continued management of railway coordination risks, and close monitoring of construction cost pressures through the remainder of the 2026 construction season.

2. Scope, Schedule & Financial Assurance

CCO Assurance Commentary:

The project remains aligned with the scope previously approved by Council. No material scope changes requiring additional Council authority have been identified during the reporting period.

The approved schedule remains in place, with Substantial Performance forecast for October 31, 2027. Construction activities for the southbound structure remain underway and the project is currently forecast to achieve the approved delivery date. However, remaining schedule flexibility is limited as major bridge rehabilitation and associated roadway works continue through the active construction phase.

Financially, the project is now forecast at $53,362,000 following the approved budget increase and replenishment of contingency. The revised contingency amount improves the project's ability to manage ongoing construction risks; however, financial exposure remains elevated due to unit-price variability, fuel price adjustment provisions, railway coordination requirements, and broader market cost pressures.

From an assurance perspective, the project remains within Council-approved authority, but delivery confidence remains conditional on continued control of change orders, effective management of third-party coordination, and avoidance of significant unforeseen construction conditions.

3. Risk, Governance & Procurement

Assurance CCO Assurance Commentary:

The overall project risk profile is currently assessed as stable, with known risks continuing to be actively managed through established governance and project controls. The primary ongoing risks remain railway coordination, construction staging impacts, traffic management pressures, fuel price escalation, and broader construction cost volatility.

Railway-related risks continue to require close coordination with Canadian Pacific Kansas City Limited (CPKC), particularly regarding temporary access arrangements, construction sequencing, and operational safety requirements adjacent to the rail corridor. These risks remain manageable at this stage; however, they continue to represent a significant dependency throughout active construction.

Governance structures and delegated authorities remain clear and functional. Procurement activities for the major construction works have substantially concluded, reducing procurement uncertainty compared to earlier reporting periods. Remaining procurement exposure primarily relates to contract administration services, construction support services, and management of unit-price changes during delivery.

From an assurance perspective, governance and procurement controls remain appropriate for the current phase of the project. However, the project is operating with narrower tolerance for disruption than earlier phases, making proactive monitoring and timely escalation of emerging issues increasingly important.

4. Readiness

CCO Assurance Commentary:

Safety, quality, and construction readiness systems are established and functioning appropriately for the current stage of delivery. Construction activities are actively underway and the project team continues to advance work sequencing, traffic staging, and third-party coordination in support of the 2026 construction program.

No material readiness concerns have been identified at this time. External approvals and stakeholder coordination activities remain active and generally aligned with project requirements. Ongoing coordination with CPKC and utility stakeholders remains critical to maintaining schedule stability and minimizing localized disruptions during construction.

From an assurance perspective, the project remains operationally ready to continue through the current construction phase, provided existing controls, escalation practices, and coordination activities continue to be maintained through the remainder of the construction season.

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

Statement Forward Look (Next 90 Days)

The Chief Construction Officer will continue to monitor:

- Construction progress and sequencing through the active 2026 construction season
- Change order activity, unit-price variability, and fuel price adjustment impacts
- Remaining contingency sufficiency and potential cost escalation pressures
- Railway coordination activities and third-party dependency management with CPKC
- Traffic staging effectiveness and impacts to corridor operations during construction
- Early indicators of schedule compression or disruption affecting the 2027 delivery target

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

The Lagimodiere Twin Overpasses Rehabilitation Project remains aligned with the Council-approved scope and forecast delivery schedule. Construction activities are progressing and no immediate delivery failure indicators have been identified.

However, the project continues to operate within a constrained delivery environment due to reduced schedule flexibility, active construction risks, ongoing railway coordination requirements, and continued exposure to construction cost escalation pressures. Although contingency has been replenished through the approved budget adjustment, delivery confidence remains sensitive to unforeseen conditions and change activity during construction.

Based on current information, the project remains achievable within approved authority provided that construction progress, governance responsiveness, and third-party coordination continue to perform as anticipated through the remainder of the construction phase.

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 through adoption of the City of Winnipeg Capital Budgets (2022, 2024, 2025, and 2026), including associated first-charge authorities and delegated approval powers granted to the Chief Administrative Officer.

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

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

  • Low to Moderate

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

  • Elevated but Contained

- Claim Probability Trend - Chance of future claims or disputes

  • Moderate

Risk, Governance & Procurement Assurance Risk Profile

Overall risk trajectory:
☐ Improving ■ Stable ☐ Deteriorating

Risk Indicators:

- Risk Momentum Score - Are risks growing or shrinking

  • Stable to slightly increasing

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

  • Elevated

- Risk Escalation Velocity - How quickly problems are getting worse

  • Low to Moderate

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

  • Moderate

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

  • Occasional

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 (major construction contracts awarded)
- Market Volatility Indicator - Are prices and supply stable or changing
    - Moderate

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