Agenda – Executive Policy Committee – June 16, 2026

REPORTS

Item No. 2 Mega Capital Projects Summary Report – NEWPCC Upgrade: Headworks 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: Headworks Facilities,**

April 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 June 2, 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 April 30, 2026. The remaining metrics are updated to May 28, 2026.

Cost

No performance change from the previous period (green).

- $2.5 million was spent in April for a total of $448.3 million or 79.3% of the $565.355 million budget. Costs are tracking behind planned.
- Approved contract change:
    - On April 10, 2026, the Director of Water and Waste approved a $40,500.00 contract change for the preparation of record drawings and contract administration services for seasonal restoration related to the broken feeder main.
- Change approved subsequent to the end of the reporting period:
    - On May 12, 2026, the Chief Financial Officer approved a $54,782.33 contract change for the Headworks project for additional contaminated soil removal associated with the north stormwater detention system constructed in October 2025.
- Pending contract changes:
    - 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.
    - A contract change is forthcoming for the Headworks project for the removal of contaminated soil associated with the south stormwater detention system to be

constructed in May and June. This is anticipated to be the last of the contaminated soil removal required for the Headworks project.
- A contract change is forthcoming for seasonal restoration and landscaping related to the broken feeder main.

Schedule

No performance change from the previous period (yellow).

- The schedule continues to be aggressive which could result in delays.
  - The value of work projected to be performed in the upcoming months (May 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 total value of payment milestones achieved in April was substantially lower than planned.
  - There were $9.4 million payment milestones planned for April. $3.9 million was completed ahead of schedule in February and March. No additional April payment milestones were achieved this reporting period.
  - A $200 thousand payment milestone planned for May was completed ahead of schedule in April.
  - The $5.5 million in unachieved April payment milestones are projected to be achieved in May and June.
- Although there was some improvement in the completion of construction and commissioning activities, the Design Builder fell short on completion of activities targeted in their schedule. Mechanical and electrical activities continue to progress slower than planned.
- Considering the aggressive schedule, lower than planned progress on payment milestones, and lower than planned completion of construction and commissioning activities, the City anticipates that delays to Interim Completion, Substantial Completion, and Final Completion may occur.
- 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: The gas detection system was installed in the Headworks facility. work progressed includes leak testing for a chamber, testing of medium voltage equipment, and submission of operation and maintenance manuals.
  - Distributed Control System (DCS) Migration: The installation of control devices in the Secondaries Area is complete. Programming of the software and graphics in the Secondaries Area is ongoing. Factory testing of the control devices for the Centrate 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 ongoing. Mechanical demolition in the existing Primary Clarifier

Building is ongoing. A schedule extension of ten working days was approved on April 15, 2026 to accommodate additional work added to the contract.
    - UV Upgrades: Programing work and construction of the maintenance building are ongoing. Roof and storage room work is underway.
- Upcoming critical path activities include:
    - Testing of the new screenings equipment in May.

Risk

No performance change from the previous period (yellow).

- 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. The Design Builder is developing pricing to address the non-standard connection.
    - 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 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. Flow testing of the new raw sewage pumps was completed on-schedule in April. An additional round of pump flow testing will be conducted in early June.
        - A tie-in plan for raw sewage diversion to the new Headworks Facility (including the Main Street Interceptor tie-in) has been received and is under review. Some of the tie-in work for raw sewage diversion cannot be undertaken in high flows. Weather may delay the timing of this work.
    - 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. The Design Builder has increased staffing on Saturdays to make up the deficit.
    - 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. A shutdown of this process area is being planned to determine if some of the existing infrastructure can be re-used to shorten the duration of the tie-in.
        - 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.
        - The new Headworks Facility needs to be tied into an existing siphon. This siphon is required for maintenance and emergency activities. As such, the work needs to be closely coordinated.
    - Construction method: An insurance claim has been initiated for the feeder main failure and external legal services have been engaged. Additional crossings of

the feeder main are required for the land drainage system tie-in. Mitigation measures for the additional crossings have been proposed and are under review.

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).

- Two tours of the Headworks Facilities were held in May.
- Lane and sidewalk closures associated with land drainage sewer and feeder main restoration work are anticipated in June/July. Advance notice will be provided.

Health/Safety/Environment

No performance change from the previous period (green).

- There were no first aid, high potential near misses, recordable medical aids, loss time injuries, or environmental spill incidents.
- The Design Builder held a Safety Day on May 5, 2026 for all contractor and City staff to attend.

Interface

No performance change from the previous period (green).

- Operator training for the new Headworks Facility was completed in May.
- Daily coordination for the flow testing of the new raw sewage pumps was completed in April. Additional coordination will be required in June for the next round of raw sewage pump flow testing.
- 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 was one new Non-Conformance Report (NCR) opened and no NCRs were closed.

SUBMITTED BY	
Department:	Water and Waste Department
Division:	Engineering Services
Prepared by:	Cynthia Wiebe, Manager of Engineering Services
Date:	May 28, 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