Agenda – Executive Policy Committee – June 16, 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,**

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 and Schedule updated to April 30, 2026. The remaining metrics are updated to May 28, 2026.

Cost

No performance change from the previous period (green).

- $5.3 million was spent this month for a total of $74.8 million or 7.2% of the $1.035 billion budget.
- There were no new approved or pending contract changes to report in April.
- 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 Class 2 Cost Estimate was received on May 15, 2026 from the Development Partner and is under review by the Project Team.
    - Land Drainage System (LDS): Connection of the next section of LDS along Foley Avenue and excavation of the dry pond is underway. Removal of contaminated soil is ongoing.

- Upcoming milestones include:
    - Biosolids:
        - 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.
    - Utilidor and Site Preparation: Total Completion is anticipated in May 2026.
    - Northwest Interceptor (NWI) Lining: Total Completion is anticipated in May 2026.
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Risk

No performance change from previous period (yellow).

- 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. Ongoing work includes:
        - Negotiation of DBA terms and conditions to mitigate risks related to tariffs and escalation.
        - Development of Sourcing Plans to be incorporated into the DPA and DBA to address tariff and supply chain risks.
        - Monitoring of the Strait of Hormuz closure to assess impacts on material costs and delivery timelines.
        - Development of a mitigation strategy to address potential labour shortages from multiple infrastructure initiatives in Manitoba.
    - 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.

- Closed:
    - Interfaces: Safety flagging services from Canadian Pacific Kansas City (CPKC) are required by mid-May to complete LDS work along the rail line. CPKC approved the flagging services application at the end of April.
    - Design: A new design team was engaged to update the Yardworks Area design to 60%. The Class 2 Cost Estimate was received on schedule.

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 is currently being assessed by SMA Consulting based on the Class 2 Cost Estimate. This contingency allowance will be updated in the DBA award report which is anticipated in July 2026.

Community Engagement

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

- Further sidewalk closures associated with the LDS project will be required from mid-June to July 2026. Advance notice will be provided.
- An upcoming episode of Our City, Our Stories on the Progressive Design Build delivery model is anticipated to go live in June 2026.

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).

- Coordination with Public Works on their upcoming road closure along Ferrier Street is underway to ensure continued access to the Biosolids site.

Other

Quality: Performance increased from the previous period (green).

- Quality concerns for the 60% design for the Yardworks Area have been addressed through rework completed by the new design team. No further quality issues remain.

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

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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