Agenda – Executive Policy Committee – July 7, 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,**

May 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 22, 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 May 31, 2026. The remaining metrics are updated to June 17, 2026.

Cost

No performance change from the previous period (green).

- $7.3 million was spent in May for a total of $455.7 million or 80.6% of the $565.355 million budget. Costs are tracking behind planned.
- Approved contract change:
    - 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.
    - 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 (June 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 May was $6.9 million which is substantially higher than the planned value of $3.0 million. This is positive as it signifies that the Design Builder is catching up on their schedule delay. Note that the contract price is comprised of many payment milestones. Achieving payment milestones ahead or behind schedule does not change the contract price.
    - Some of the missed payment milestones from March and April were achieved.
    - Some of the June and July payment milestones were achieved ahead of schedule.
    - Some of the planned May payment milestones were not achieved and are now anticipated in June through August.
- The Design Builder achieved commissioning activities ahead of their targeted schedule, however, fell short on completion of planned construction activities. There was a significant improvement in the completion rate of mechanical activities. Electrical activities continue to progress slower than planned.
- Although the Design Builder performance improved significantly, 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 is ongoing.
- Major milestones achieved this month include:
    - Headworks: Completion of leak testing for a chamber, backfilling and grading of areas of the yard, and the installation of valves, piping, and HVAC equipment.
    - Distributed Control System (DCS) Migration: Factory testing of the control devices for the Centrate Area is complete. Migration in the Secondaries Area is underway. Programming in the Centrate Area is underway.
    - Primary Clarification Upgrades: Installation of weeping tiles is complete. Concrete work on the main floor and exterior work is ongoing. Mechanical demolition in the existing Primary Clarifier Building is ongoing. Construction of steel framing is underway.
    - UV Upgrades: Installation of HVAC equipment is complete. Programing work and construction of the maintenance building is ongoing. Roof and storage room work is ongoing.
- Upcoming critical path activities include:
    - Testing of the new grit equipment in June.

Risk

No performance change from the previous period (yellow).

- New:

- Performance: Vibration issues were identified on the pump shaft during the raw sewage pump flow tests. Additional testing is being undertaken by the Design Builder to determine a solution. This issue has potential to affect the overall project schedule.

- 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.
    - The major storm on June 9, 2026 resulted in the flooding of the deep chambers and wet well for the new Headworks Facility. No damage to equipment has been identified to date, however cleanup efforts will likely result in some delay to facility start-up.
    - Flow testing of the new raw sewage pumps will increase flows 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 pumps will continue in 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 comments have been returned to the Design Builder. 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 and Sundays 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 could impact the plant . Reusing the existing in-tank piping could shorten the overall tie-in duration. Preliminary findings indicate that the piping is in good condition, however, confirmation is required.
    - Start-up of the new Headworks Facility may result in nuisance odours until biological processes have stabilized. The new Headworks Facility will be brought online gradually to minimize 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 remaining crossings have been proposed and are appropriate.

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).

- Lane and sidewalk closures associated with land drainage sewer and feeder main restoration work are anticipated in July. Advance notice will be provided.

Health/Safety/Environment

No performance change from the previous period (green).

- There was one first aid and one environmental spill incident.

Interface

No performance change from the previous period (green).

- Coordination of sampling requirements with Environmental Standards for facility start-up and performance testing is ongoing.
- Daily coordination with Operations for raw sewage pump testing is ongoing.
- Training for the bin haulers was completed in June.
- 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 two new Non-Conformance Reports (NCRs) opened and one NCR was closed.

SUBMITTED BY	
Department:	Water and Waste Department
Division:	Engineering Services
Prepared by:	Cynthia Wiebe, Manager of Engineering Services
Date:	June 17, 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