City of Winnipeg

Administrative Report
Chief Construction Officer (CCO)

REPORT TYPE: Information Only
DATE: June 23, 2026
SUBMITTED BY: Chief Construction Officer

Subject

NEWPCC Upgrade (Project 2): Biosolids Facilities – Assurance Update

Recommendation

That this report be received for information.

Discussion

1. Project Overview

Project Details	**Status**
Approved Budget	$1.035 Billion
Forecast at Ready-for-Takeover	$1.035 Billion
Approved Ready-for-Takeover Date	March 2031
Forecast Ready-for-Takeover Date	March 2031
Delivery / Procurement Model	Progressive Design Build
Current Phase	Design

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 Biosolids Facilities Project remains in the Design Phase and continues to progress toward award of the Design Build Agreement (DBA) anticipated in July 2026. The project remains a Mega Capital Project with an approved budget of $1.035 billion and a forecast in-service date of March 2031. Design development milestones continue to be achieved, including completion of Stage Gate 3 and finalization of the Class 2 Cost Estimate. Preparatory works continue to advance and support readiness for the upcoming construction phase.

2. Scope, Schedule & Financial Assurance

CCO Assurance Commentary:

The project remains aligned with the Council-approved scope. No material scope changes were identified during this reporting period.

Schedule performance remains on track for the Design Phase. The Development Partner finalized the Class 2 Cost Estimate on June 19, 2026 and achieved Stage Gate 3 on the same date. Total Completion was achieved for the Utilidor and Site Preparation works on May 28, 2026 and for the Northwest Interceptor Lining on June 1, 2026. Award of the DBA remains targeted for July 2026.

Financial performance remains stable. Total expenditures to date are $79.9 million against the approved budget of $1.035 billion. Spending remains consistent with planned progress. No contingency has been drawn. A Quantitative Risk Assessment completed for City-retained risks indicates the recommended contingency remains within the approved budget framework.

The negotiated construction price and schedule provide increased certainty as the project transitions toward execution. Current information supports continued confidence in achieving the approved budget and schedule objectives.

3. Risk, Governance & Procurement Assurance

CCO Assurance Commentary:

The overall risk profile is improving compared to previous reporting periods. Several significant risks have been reduced through successful negotiation of the Design Build Agreement terms and conditions.

Commercial and market risks related to escalation, supply chain disruption, and labour shortages have largely been transferred to the Design Builder through the negotiated DBA structure. Sourcing plans have been incorporated into the agreement to support monitoring of supply chain and tariff-related pressures.

A key remaining external dependency is execution of the federal and provincial funding agreements prior to DBA award. Delays in executing these agreements could result in schedule impacts and potential cost increases.

Governance processes continue to function effectively. Major design milestones have been achieved, risk reviews are occurring regularly, and reporting quality remains strong. Procurement activities remain aligned with project objectives and support the planned transition into the construction phase.

4. Readiness

CCO Assurance Commentary:

Project readiness continues to improve.

Health, safety, and environmental performance remains positive. No first aid incidents, high-potential near misses, recordable medical aids, lost time injuries, or environmental spill incidents were reported during the reporting period.

Quality performance improved during the period. No additional quality concerns were identified, and previous design quality issues have been resolved. Design reviews and quality assurance processes continue to support project readiness.

Coordination with Public Works regarding Ferrier Street road closures remains ongoing and is being actively managed to maintain site access. Community engagement activities continue, including public education regarding the Progressive Design Build delivery model and advance notification of upcoming Land Drainage System work.

Based on current performance, the project appears ready to proceed into the Design Build Agreement phase, subject to completion of remaining approvals and funding agreements.

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

Statement Forward Look (Next 90 Days)

The Chief Construction Officer will continue to monitor:

- Award and execution of the Design Build Agreement.
- Completion and execution of federal and provincial funding agreements.
- Implementation of sourcing plans and monitoring of tariff-related exposure.
- Progress on Land Drainage System works and associated stakeholder coordination.
- Mobilization activities following transition from design to construction.

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 C – Risk Summary
- Appendix D – Schedule Milestone Overview
- Appendix E – Financial Exposure Snapshot

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 the NEWPCC Biosolids Facilities Project authority. 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
    - High
    - Major milestones continue to be achieved on or ahead of schedule and the project remains aligned with the approved delivery plan.
- Critical Path Volatility Trend - How often the main work plan is changing
    - Low
    - No significant schedule resequencing or instability was identified during the reporting period.

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
    - Current contingency assessment remains within the approved budget framework.
- Cost Exposure vs. Authorized Budget - Expected total cost compared to the approved budget
    - Within approved budget.
- Claim Probability Trend - Chance of future claims or disputes
    - Low to Moderate
    - Contract negotiations are substantially complete; however, market conditions and future construction activities continue to create normal project exposure.

Risk, Governance & Procurement Assurance Risk Profile

Overall risk trajectory:

■Improving ☐ Stable ☐ Deteriorating

Risk Indicators:

- Risk Momentum Score - Are risks growing or shrinking
    - Improving
    - Several significant commercial risks have been reduced through the negotiated DBA structure.
- Persistent Risk Count - How many risks keep showing up again and again
    - Moderate
    - Funding agreement execution and market-related risks continue to require monitoring.
- Risk Escalation Velocity - How quickly problems are getting worse
    - Low
    - No rapidly escalating risks were identified during the reporting period.

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
- Approval Bottleneck Frequency - How often approvals are slowing things down
    - Low, with continued monitoring of funding agreement approvals.

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
    - Commercial negotiations are complete and award of the DBA is anticipated.
- Market Volatility Indicator - Are prices and supply stable or changing
    - Moderate
    - Tariff and supply chain conditions continue to require monitoring.

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

Appendix C – Risk Summary

Risk Area	Current Assessment	Assurance Commentary
Funding Agreements	Moderate	Final execution remains required prior to DBA award.
Tariff Exposure	Moderate	Monitoring continues through sourcing plans and commercial controls.
Supply Chain	Moderate	Risk reduced through DBA allocation and procurement planning.
Labour Availability	Moderate	Market pressures remain but mitigation measures are in place.
Schedule Delivery	Low	Project milestones continue to be achieved.
Design Quality	Low	Previous quality concerns have been addressed.
Health and Safety	Low	Positive performance continues.

Appendix D – Schedule Milestone Overview

Milestone	**Status**
Development Phase Agreement Start	September 2024 – Complete
Preparatory Works Start	October 2024 – Complete
Stage Gate 1	January 2025 – Complete
Intermediate Design Complete	April 2026 – Complete
Class 2 Cost Estimate Complete	June 2026 – Complete
Stage Gate 3	June 2026 – Complete
Design Build Agreement (DBA) Award	July 2026 – Forecast
DBA Construction Start	July 2026 – Forecast
Preparatory Works Substantial Completion	December 2026 – Forecast
Preparatory Works Total Completion	June 2027 – Forecast
Substantial Completion	March 2031 – Forecast
Ready-for-Takeover / In Service	March 2031 – Forecast

Appendix E – Financial Exposure Snapshot

Financial Metric	Value
Approved Budget	$1.035 Billion
Total Spent	$79.9 Million
Planned Spend	$83.0 Million
Percent Complete	25%
Percent Budget Spent	8%
Remaining Contingency	$62.9 Million
Total Committed	$225.9 Million
Forecast at Completion	Within Approved Budget

Financial Assurance Commentary

Financial performance remains stable and consistent with planned progress. No contingency drawdowns have been reported. The negotiated DBA price and completed risk assessment provide increased confidence that forecast costs remain within the approved budget framework.