Agenda – Executive Policy Committee – September 15, 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.

Agenda – Executive Policy Committee – September 15, 2026

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,**

July 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 August 18, 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 July 31, 2026. The remaining metrics are updated to August 14, 2026.

Cost

No performance change from the previous period (green).

- $3.1 million was spent in July for a total of $463.9 million or 82.1% of the $565.355 million budget. Costs are tracking behind planned.
- Approved contract change:
    - On July 28, 2026, the Chief Administrative Officer approved a contract change in the amount of $850 thousand for the supply of upstream gates and actuators, channel modifications, and the resequencing and acceleration of work for the Ultraviolet Light (UV) Upgrades project.
- Pending contract changes:
    - A contract change is forthcoming for the Headworks project for the removal of contaminated soil associated with the south stormwater detention system. This is anticipated to be the last of the contaminated soil removal required for the Headworks project.
    - A contract change is forthcoming for the Headworks project for a deviation from the record drawings on the location of an existing underground pipe.
    - 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 is delayed.
  - The Design Builder did not achieve the May 29, 2026 Raw Sewage Testing milestone and is projecting delays of up to 44 working days to the Interim Completion, Substantial Completion, and Final Completion milestones.
  - A notice was issued to the Design Builder requiring them to submit a schedule remediation plan that outlines the steps they will take to recover schedule performance.
  - The Design Builder has submitted two notices requesting schedule relief due to storms in June. The extent of the project delay is being determined.
- The total value of planned payment milestones for July was $5.75 million.
  - $2.45 million of the $5.75 million was achieved early in May and June.
  - $115.92 thousand of the $5.75 million was achieved on schedule in July.
  - $3.18 million of the $5.75 million was not achieved in July and is now anticipated to be achieved in August through October.
- Four previously missed payment milestones were achieved in July valued at $1.71 million.
- The Design Builder fell short on completion of planned construction and commissioning activities targeted in their schedule. Mechanical, electrical, and commissioning activities progressed slower than planned.
- Construction of electrical, mechanical, and HVAC work is nearing completion and testing of automation is underway. Vibration testing of the raw sewage pumps was completed.
- Major milestones achieved this month include:
  - Headworks: Installation of all process control system cabling and fire alarm, security, and public announcement systems is complete. The outfall tie-in is complete.
  - Distributed Control System (DCS) Migration: Migration of the Centrate Area is underway.
  - Primary Clarification Upgrades: Concrete work on the second floor and installation of a new access road is complete. Mechanical work is underway. Exterior work and mechanical demolition in the existing Primary Clarifier Building is ongoing.
  - UV Upgrades: Programing work and construction of the maintenance building is ongoing. A contract extension is forthcoming due to design changes, however, the UV system continues to operate as intended.
- Upcoming critical path activities include:
  - Facility start-up and performance testing.

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 ongoing.
    - The major storm on June 9, 2026, flooded parts of the new Headworks Facility resulting in project delays. The extent of the project delay is being determined.
    - The Main Street Interceptor tie-in work is planned for fall.
  - Design Builder performance: The Design Builder is behind schedule. A notice was issued to the Design Builder in July requiring them to submit a schedule remediation plan that outlines the steps they will take to recover schedule performance.
  - Environment:
    - Removal of contaminated soils will likely result in a topsoil shortfall during restoration.
    - 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 tie 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 for the land drainage system tie-in are anticipated in September.

Contingency

No performance change from the previous period (yellow).

- A total of $19.6 million remains available in the contingency allowance. $150 thousand was spent on additional external risk management services, spare parts, and administrative charges.

Community Engagement

No performance change from the previous period (green).

- Lane and sidewalk closures associated with land drainage sewer and feeder main restoration work is planned in September. Advance notice will be provided.
- A tour of the Headworks Facility with the Provincial regulator was held on July 8, 2026.

Health/Safety/Environment

No performance change from the previous period (green).

- There were no recordable medical aids, lost time injuries, or environmental spill incidents.

Interface

No performance change from the previous period (green).

- Additional training for Operators on the raw sewage pumps was completed.
- Coordination and planning for start-up of the new Headworks Facility is ongoing.

Other

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

- One new Non-Conformance Report (NCR) was 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:	August 14, 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