

**Agenda – Standing Policy Committee on Finance and Economic Development –  
April 12, 2023**

**REPORTS**

**Item No. 7                   NEWPCC Upgrade: Biosolids Facilities,  
Project ID: 203110028B,  
Quarterly Project Status Report No. 1  
For the Period Ended January 31, 2023**

**STANDING COMMITTEE DECISION:**

The Standing Policy Committee on Finance and Economic Development concurred in the recommendation of the Winnipeg Public Service and received the financial status of the North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities, as contained in this report, as information.

**Minutes – Standing Policy Committee on Finance and Economic Development –  
April 12, 2023**

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

# ADMINISTRATIVE REPORT

**Title: NEWPCC Upgrade: Biosolids Facilities,  
Project ID: 203110028B,  
Quarterly Project Status Report No. 1  
For the Period Ended January 31, 2023**

**Critical Path: Standing Policy Committee on Finance and Economic Development**

## AUTHORIZATION

Author	Department Head	CFO	CAO
C. D. Wiebe, P. Eng., CAMP, Manager, Engineering Services	T. W. Shanks, M. Eng., P. Eng., Director, Water and Waste Department	C. Kloepfer	M. Jack

## EXECUTIVE SUMMARY

**Project On Schedule: Yes  No**

**Project On Adopted Budget: Yes  No**

**Percent of Schedule Complete:**

**Percent of Adopted Budget Spent:**

On September 26, 2019, Council approved a 2019 capital project budget of \$552.7 million for the North End Sewage Treatment Plant Upgrade: Biosolids Facilities, subject to final written confirmation of federal and provincial funding satisfactory to the Chief Financial Officer.

On January 30, 2020, Council approved spending of \$15.3 million from the Biosolids Facilities Budget to commence engineering services.

On December 20, 2022, written confirmation was received of the NEWPCC Upgrade: Biosolids Facilities inclusion in the Investing in Canada Infrastructure Program (ICIP). This tri-level government funding is based on the current approved conditional capital budget of \$552.7 million.

The total project budget spent as of January 31, 2023, is \$1.957 million or 0.4%. A total of \$673 thousand was expended during this reporting period on consulting services and overhead costs.

During this reporting period, owner's advocate services were provided by AECOM. AECOM has continued to develop the Request for Qualifications (RFQ) and the Request for Proposals (RFP) for the Design Build of NEWPCC Upgrade: Biosolids Facilities. The RFQ is expected to be released to the market in Q2 2023.

This is the first separate Quarterly Project Status Report for the NEWPCC Upgrade: Biosolids Facilities under the Major Capital Projects Reporting Schedule. Previous reporting was as part of the ongoing NEWPCC Headworks Upgrade Project (most recently through Report No. 30).

Key project developments this quarter:

- Market soundings to determine the market’s tolerance for delivering the project as a fixed price design build have been concluded. The RFQ and RFP documents are being drafted based on the feedback received.
- Additional environmental and geotechnical assessments were completed in the fall of 2022. The Heritage Resource Impact Assessment report is currently being drafted. This report will be submitted to the Province’s Heritage Resource Branch for review.
- Canadian Pacific Railway has granted permission for the City to proceed with legal surveys and preparation of detailed design drawings for a surface and subsurface crossing between NEWPCC’s existing site (Parcel A) and the future biosolids site (Parcel B).

Key Financial Risk:

An update to the original Class 3 cost estimate for the NEWPCC Upgrade: Biosolids Facilities project was developed in 2021. The updated cost estimate of \$912 million was \$359 million greater than the Council approved budget of \$552.7 million. As part of a report to Council on July 21, 2022, the Public Service acknowledged that the updated costs were based on unprecedented market conditions that may not be representative of true market value for the work.

To mitigate this risk, the Public Service will be obtaining two additional cost estimates for this project, based on 2023 and 2024 market conditions, to determine if additional budget may be required. Any future budget increases will be referred to the 2024 to 2027 multi-year budget process, and multi-year utility rates process.

The Advisory Committee has reviewed this report and recommends that the report be sent to the Standing Policy Committee on Finance and Economic Development.

## **RECOMMENDATIONS**

That the financial status of the North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities, as contained in this report, be received as information.

## **REASON FOR THE REPORT**

The Asset Management Administrative Standard FM-004 requires all projects with a total estimated cost of \$25 million (2022) or more report quarterly to the Standing Policy Committee on Finance and Economic Development. This threshold is adjusted annually for construction inflation as part of the annual Capital Budget approval. The Standing Policy Committee on Finance and Economic Development may also request reporting on any capital project.

## **IMPLICATIONS OF THE RECOMMENDATIONS**

No implications.

## HISTORY/DISCUSSION

See Appendix C – Key Project Events (History)

This is the first separate Quarterly Project Status Report for the North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities. Previous reporting was as part of the ongoing NEWPCC Headworks Upgrade Project (most recently through Report No. 30).

### **Procurement** (Update from last report)

- **RFP 182-2015 – Biosolids Procurement:** AECOM (owner’s advisor) continues to:
  - Prepare Request for Qualifications (RFQ) and Request for Proposals (RFP) documents based upon feedback from the market sounding
  - Summarize findings from the environmental and geotechnical assessments
  - Complete analysis on early contractor work to reduce project risk
  - Draft the Heritage Resource Impact Assessment report for the province’s Heritage Resource Branch review
  - Prepare the detailed design and legal survey for the surface and subsurface Canadian Pacific Railway crossings
- **RFP 102-2017:** Blakes Cassels & Graydon LLP (legal advisor) continues to be involved in reviewing procurement documents and design build agreement for the project.
- **RFP 7-2017:** P1 Consulting Inc. (fairness advisor) will be providing fairness monitoring and advisory services through the RFQ, RFP, and evaluation periods.
- **RFP 790-2022:** Buy Social Canada (social advisor) continues to assist the project team with the social procurement bidding requirements through market engagement sessions and local market surveys.
- **Upcoming Procurement:**
  - The City will be obtaining two additional cost estimates for this project based on 2023 and 2024 market conditions. The original 2018 cost estimate was \$552.7 million. A second cost estimate was undertaken in 2021 based on unprecedented market conditions. The 2023/2024 costs estimates will help determine if additional budget for the project is required based on current market conditions. The 2023 cost estimate is anticipated in Q2 2023.
  - The RFQ release for the Design Build of NEWPCC Upgrade: Biosolids Facilities is anticipated in Q2 2023.

Table 1 – Contracts

Contracts Table							
Bid Opportunity #	Company Name	Description	Original Contract Award Value (GST & MRST extra as applicable)	Total Approved Over-Expenditures (Over-Expenditure amount only)	Date of Award	Date of Completion	Estimated % Complete
182-2015 (Phase 1 - Biosolids - Procurement)	AECOM Canada Ltd	Professional Engineering Consulting Services for NEWPCC Upgrade – Phase 1 (Biosolids) - Procurement	\$ 6,521,026	\$ -	4-Aug-2022	-	8
102-2017 (Biosolids Procurement)	Blakes Cassels & Graydon LLP	External Legal Counsel - NEWPCC Upgrade Project	\$ 804,373	\$ -	14-Sep-2022	-	4
9-2017 (Biosolids Procurement)	P1 Consulting Inc	Request for Proposal for a Fairness Advisor for the North End Sewage Treatment Plant Upgrade Project	\$ 124,505	\$ -	14-Oct-2022	-	0
790-2022	Buy Social Canada	NEWPCC Biosolids Facilities Social Procurement Bidding Requirement Design	\$ 12,840	\$ -	11-Oct-2022	-	50
<b>Total</b>			<b>\$ 7,462,743</b>	<b>\$ -</b>			

**Upcoming Procurements:**

Description	Anticipated Award Date
2023 Updated Cost Estimate	Q1 2023
779-2021A: RFQ for the Design Build of NEWPCC Upgrade: Biosolids Facilities	Q2 2023

**Schedule** (Update from last report)

The key schedule milestones for the Biosolids Facilities project have been included in Table 2.

Table 2 – Milestones

<b>Milestones</b>					
<b>Deliverable</b>		<b>Original Targeted Completion Date</b>	<b>Revised Targeted Completion</b>	<b>Actual Completion Date</b>	<b>Estimated % Complete</b>
1	Preliminary Design Report	2022 Q1	2022 Q1	2022 Q1	100
2	2022 Cost Report <sup>1</sup>	2022 Q1	2022 Q1	2022 Q1	100
3	2023 Cost Report <sup>1</sup>	2023 Q2	-	-	1
4	2024 Cost Report <sup>1</sup>	2024 Q2	-	-	-
5	Design Build RFQ Posted	2023 Q2	-	-	75
6	Design Build RFP Posted	2023 Q4	-	-	60
7	Design Builder Contract Award	2024 Q4	-	-	-
8	Design Build Substantial Completion	2030 Q4	-	-	-
9	Design Build Final Completion	2031 Q2	-	-	-

<sup>1</sup> Cost Consultant Class 3 Estimate

**Risk** (Update from last report)

No new risks identified.

Table 3 – Significant Risks and Mitigations Strategies

<b>Significant Risks and Mitigation Strategies</b>	
<b>Risk Statement and Explanation</b>	<b>Risk Mitigation Management Plan</b>
<b><u>New:</u></b>	
<b><u>Ongoing:</u></b>	
The Biosolids Facilities project costs are now estimated to be \$912 million, while the approved conditional project budget is \$552 million.	Future budget increases will be referred to the 2024 to 2027 multi-year budget process, and multi-year utility rates process. Seek additional funding sources that may be available.
Limited competition on the Biosolids Facilities project due to limited bidders.	Significant market outreach to stimulate healthy competition. Ensuring the procurement model allows for innovation in process, design, and schedule efficiency.
<b><u>Mitigated:</u></b>	

**Financial** (Update from last report)

For further information, refer to Appendix B – Financial Forecast

**Funding** (Update from last report)

Internal approval is pending to update the capital project budget from \$15.33M to \$552.712M following the written confirmation of federal and provincial ICIP funding.



Table 4 – Project Funding Forecast

<b>Funding Forecast</b>			
<b>Funding Source</b>	<b>Adopted Budget (in millions)</b>	<b>Amended Budget <sup>1</sup> (in millions)</b>	<b>Committed (in millions)</b>
<b>Class of Estimate</b>	<b>Class 3</b>	<b>Class 3</b>	<b>Class 3</b>
NEWPCC Upgrade: Biosolids Facilities <sup>2</sup>			
External Debt	184.46	184.46	184.46
Federal Government <sup>3</sup>	200.87	200.87	200.87
Provincial Government <sup>3</sup>	167.38	167.38	167.38
<b>Total</b>	<b>552.71</b>	<b>552.71</b>	<b>552.71</b>

<sup>1</sup> On February 28, 2019, Council approved the existing project be amended to consist of three projects. Project 1: Power Supply and Headworks Facilities; Project 2: Biosolids Facilities; and Project 3: Nutrient Removal Facilities.

<sup>2</sup> On September 26, 2019, Council approved Project 2 conditional upon Federal\Provincial Funding.

<sup>3</sup> On December 20, 2022, the Province of Manitoba advised that the Biosolids Facilities project was approved for federal and provincial funding.

**Property Acquisition** (Update from last report)

AECOM Canada Ltd., on behalf of the Water and Waste Department, has made an application to close a portion of the legally opened public road (Chief Peguis Trail), east of Ferrier Street to facilitate the development of immediately adjoining land to the south for the NEWPCC Biosolids Project. The ownership of the land will remain in the City's control. The intent of the closing is to transfer jurisdiction from Public Works to Water and Waste. This application to close the Chief Peguis Trail is not related to the extension of Chief Peguis Trail Extension project.

**Stakeholder Engagements/Communications** (Update from last report)

The City continues to work a number of stakeholders on this project including:

- Peguis First Nation regarding the cultural interest in the NEWPCC lands for the Biosolid Facilities project.
- The Manitoba Government as the provincial regulator.
- The International Institute for Sustainable Development, Lake Winnipeg Foundation, Lake Winnipeg Indigenous Collective as environmental stakeholders.

**Subsequent Events after Report Period End Date**

On February 27, 2023, the Standing Policy Committee on Water, Waste and Environment

concurred with the Public Service's recommendation:

1. That the use of escalation clauses as a negotiation option in the NEWPCC Upgrade: Biosolids Facilities project be approved; and
2. That the Public Service be directed to request special meetings of the Standing Policy Committee on Water, Waste and the Environment, Executive Policy Committee, and Council for the advancement of the award of the Design Build Agreement.

Council will hear this recommendation at the March 23, 2023, Council meeting.

<b>FINANCIAL IMPACT</b>
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**Financial Impact Statement**Date: [March 17, 2023](#)

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**Project Name:**

**North End Sewage Treatment Plant (NEPWCC) Upgrade: Biosolids Facilities,  
Project ID: 203110028B  
Quarterley Project Status Report No. 1  
For the Period Ended January 31, 2023**

**COMMENTS:**

Financial Forecast for NEWPCC Upgrade Biosolids can be found in Appendix B.

*A. Wiebe, CPA, CGA for*  
\_\_\_\_\_  
Lucy Szkwarek, CPA, CGA  
Manager of Finance & Administration

## CONSULTATION

This Report has been prepared in consultation with:

N/A

## OURWINNIPEG POLICY ALIGNMENT

This report aligns OurWinnipeg 2045, Policy 2.17 Regional Water Resource Management, by addressing long-term capacity of water-related systems including wastewater management.

Objective: Protect and value ecosystems as essential components to quality of life through municipal activities and urban environment.

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

NEWPCC Upgrade: Biosolids Facilities Project aligns with the Strategic Opportunity #6 Waste Reduction and Diversion found on page 51 of the Climate Action Plan approved by Council on September 20, 2018, Key Direction 6.3 and 6.4.

The Water Protection Act requires the city to reuse the wastewater biosolids, and to recover the nutrients from the biosolids to the maximum extent possible. The intent is for the facility to produce Class A Biosolids which can be reused resulting in diversion of biosolids from the landfill.

## WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

On February 24, 2022, Council directed that bidders for the Biosolids Facilities Project include the following in their submissions:

- Specific commitments to engage skilled labour including targets for employment of Indigenous peoples and other under-represented groups within the Manitoba market
- Proposed plans and partnerships with organizations to promote employment and training initiatives for Indigenous and other under-represented groups within the Manitoba market

This aligns with Goal 1 - Equity and a Culture of Caring are Demonstrated through Strategy Implementation and Systems Change; Topic- Community Benefits in City Projects; of the Winnipeg Poverty Reduction strategy Implementation Plan.

## SUBMITTED BY

**Department:** Water and Waste

**Division:** Engineering Services

**Prepared by:** Lana Obach, P. Eng., M.A.Sc., PMP

**Date:** March 23, 2023

**File No.** S-1192

**Appendices**

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix D - Funding

## Appendix A – Key Project Facts

<b>Project Name</b>	NEWPCC Upgrade: Biosolids Facilities
<b>Business Owner (Department)</b>	Water and Waste Department
<b>Project ID</b>	203110028B
<b>Project Sponsor</b>	Director of Water and Waste
<b>Department Responsible for Project Delivery</b>	Water and Waste Department
<b>Consultant Engineer</b> (Company Name)	AECOM Canada Ltd.
<b>Adopted Budget</b>	On September 26, 2019 Council approved a budget of \$552.71 million conditional on government funding. \$15.334 million was approved by Council on January 30, 2020 out of the \$552.71 million to commence engineering services.
<b>Class of Estimate (Adopted)</b>	
<b>Range of Estimate (Adopted)</b>	
<b>Amended Budget</b>	
<b>Class of Estimate (Amended)</b>	
<b>Range of Estimate (Amended)</b>	
<b><u>Project Scope</u></b>	
<p>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 City of Winnipeg's three sewage treatment plants and replace end-of-life equipment.</p>	
<b>Major Capital Projects Advisory Committee Membership:</b>	
<ul style="list-style-type: none"> <li>- Tim Shanks, Director of Water and Waste Department (Chair)</li> <li>- Michael Jack, Chief Administrative Officer</li> <li>- Moira Geer, Deputy Chief Administrative Officer</li> <li>- Catherine Kloepfer, Chief Financial Officer</li> <li>- Geoffrey Patton, Director of Assets and Project Management</li> <li>- Lucy Szkwarek, Manager of Finance and Administration, Water and Waste</li> <li>- Colin Javra, Project Director, Winnipeg Sewage Treatment Program, Water and Waste</li> </ul>	

## Appendix B – Financial Forecast

Appendix B - North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities Project Financial Forecast  
As at January 31, 2023

Project Component Deliverables	Budget (in 000's)			Actual Costs To Jan 31, 2023	Expenditure Forecast (in 000's)										Total Forecasted Costs	Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted Conditional Budget <sup>1</sup>	Council Approved Change	Amended Budget		Projected Costs													
					2023	2024	2025	2026	2027	2028	2029	2030	2031	2032				
Engineering, Design and Other	\$ 30,967	\$ -	\$ 30,967	\$ 1,937	\$ 7,596	\$ 5,247	\$ 3,230	\$ 3,431	\$ 3,205	\$ 2,964	\$ 2,438	\$ 643	\$ 136	\$ 140	\$ 30,967	\$ -	\$ -	\$ -
Construction	\$ 377,967	\$ -	\$ 377,967	\$ -	\$ -	\$ -	\$ 53,816	\$ 90,658	\$ 92,415	\$ 63,728	\$ 60,459	\$ 8,254	\$ 4,254	\$ 4,383	\$ 377,967	\$ -	\$ -	\$ -
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Financing/Overhead Cost	\$ 43,161	\$ -	\$ 43,161	\$ 20	\$ -	\$ -	\$ 3,444	\$ 4,751	\$ 7,935	\$ 11,428	\$ 15,042	\$ 271	\$ 134	\$ 136	\$ 43,161	\$ -	\$ -	\$ -
Contingency	\$ 100,617	\$ -	\$ 100,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,617	\$ 100,617	\$ -	\$ -	\$ -
<b>Total Project Budget</b>	<b>\$ 552,712</b>	<b>\$ -</b>	<b>\$ 552,712</b>	<b>\$ 1,957</b>	<b>\$ 7,596</b>	<b>\$ 5,247</b>	<b>\$ 60,490</b>	<b>\$ 98,840</b>	<b>\$ 103,555</b>	<b>\$ 78,120</b>	<b>\$ 77,939</b>	<b>\$ 9,168</b>	<b>\$ 4,524</b>	<b>\$ 105,276</b>	<b>\$ 552,712</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>% of Project Budget Spent<sup>2</sup></b> (Actual Costs to Date / Adopted & Amended Budget)	0.4%		0.4%
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<sup>1</sup> On September 26, 2019 Council approved NEWPCC Upgrade Biosolids Facility \$552.71M conditional on government funding and CFO approval  
On January 31, 2020 \$15.334M was approved for Engineering Services

<sup>2</sup> Actual costs to date / Amended budget

## Appendix C – Key Project Events (History)

The NEWPCC Upgrade will be delivered in three separate capital projects:

1. NEWPCC Upgrade: Power Supply and Headworks Facilities
2. NEWPCC Upgrade: Biosolids Facilities
3. NEWPCC Upgrade: Nutrient Removal Facilities

The Biosolids Facilities upgrade will focus on new sludge processing facilities to treat waste solids from the NEWPCC, SEWPCC and WEPCC. The new sludge processing facilities will include pre-treatment of the combined sludge streams using thermal hydrolysis and mesophilic anaerobic digestion.

On September 26, 2019, Council approved a 2019 capital project budget of \$552.712 million, for the NEWPCC Upgrade: Biosolids Facilities, subject to final written confirmation of federal and provincial funding satisfactory to the Chief Financial Officer.

On January 30, 2020, Council approved \$15.334 million from the Biosolids Facilities Budget to commence engineering services.

On September 20, 2020, Council approved that the City agree to transfer \$321.24 million of Federal Government's funding under the ICIP from the Public Transit Infrastructure Stream to the Green Infrastructure Stream to fund the Federal Government's funding portion for the NEWPCC Upgrade: Headworks Facilities Project and the NEWPCC Upgrade: Biosolids Facilities Project as per the Province of Manitoba's requirement, subject to certain conditions.

On March 25, 2021, Council adopted that:

- The Government of Canada and the Province of Manitoba be requested to provide confirmation of approval of ICIP for the NEWPCC Upgrade Projects: Headworks Facility Project and Biosolids Facility Project
- The Province of Manitoba be requested to confirm the City's recommended procurement methodology for the Biosolids Facility Project
- The Public Service be directed not to proceed with detailed engineering design for the Biosolids Facility design-bid-build project, in the amount of \$15.334 million, as approved by Council on January 30, 2020, until such time as the confirmation requested in recommendations 1 and 2 have been received

On May 18, 2021, the Executive Policy Committee concurred in the recommendation of the Public Service, as amended, that:

- The current Operation and Maintenance of Winnipeg's sewage treatment utility shall remain public and that the Operation and Maintenance not be included as part of the P3 market sounding
- That a single source contract be approved with Deloitte LLP of up to \$400 thousand to conduct a market sounding for a Design, Build and Financing P3 for the Biosolids and Nutrient Removal facilities projects of the NEWPCC upgrades



- That the Public Service report back to Council on the results of the market sounding and analysis

On May 27, 2021, Council approved

- Review of the AACE Class 3 cost estimates for Biosolids and Nutrient Removal Facilities projects and refer any increases to the 2022 capital budget process; and to update the ten-year water and sewer financial plan and report back to Council in October 2021

On November 24, 2021, a joint news release by the Province of Manitoba and the City was issued regarding the advancement of the City's funding application to the Federal Government of Canada for the NEWPCC Upgrade: Biosolids Facilities Project through the ICIP.

On February 24, 2022, Council approved that future tenders for the NEWPCC Upgrade Projects require bidders to include the following as part of their bid submissions:

- Specific information on its intended partnerships or self-directed plans to secure a skilled project labour workforce
- Estimated numbers of and classifications of skilled tradespersons to be employed.
- Specific commitments to engage skilled labour including targets for employment of Indigenous peoples and other under-represented groups within the Manitoba market.
- Proposed plans and partnerships with organizations to promote employment and training initiatives for Indigenous and other under-represented groups within the Manitoba market.

On July 21, 2022, the City Council approved:

- That the NEWPCC Upgrade: Biosolids Facilities Project be delivered using a Design Build procurement model
- That the revised cost estimate for the NEWPCC Upgrade: Biosolids Facilities Capital Budget be referred to the 2024-2027 Multi-Year Budget Process
- That the \$15,334,000.00 2019 Capital Budget for the NEWPCC Upgrade: Biosolids Facilities, approved on January 30, 2020, as part of the 2020-2023 Water and Sewer Rate Report, be funded from the Environmental Projects Reserve rather than external debt

On August 16, 2022, a formal press release regarding the approval of funding through the ICIP application for the Biosolids Facilities was carried out at the NEWPCC. All three levels of government were in attendance.

On December 20, 2022, written confirmation was received of the Biosolids Facilities inclusion in the Investing in Canada Infrastructure Program (ICIP), based on the current approved budget of \$552 million.

## **RISKS AND RISK MITIGATION STRATEGIES**

There are risks associated with the cost and schedule for a project that is this large and complex, especially at the early stages. In addition, the final bid amounts for projects are unknown until the project agreement is finalized with the Design Builder.

An ongoing risk management strategy has been implemented. It includes a proactive process of identifying risks, performing qualitative and quantitative risk analyses, creating response plan strategies, and ongoing monitoring. The risk management process is an active part of the management of the project. The project will also incorporate structured Hazard and Operability Analysis and a Construction Hazard Assessment Implication Review. Since detailed design and construction will be carried out through a DB contract, the Winnipeg Sewage Treatment Program will be identifying and transferring as much risk as reasonable to the Design Builder.

The Risk Register for the project contains cost and schedule risks associated with design, procurement, construction, operation, and unknown events. This is reviewed and updated regularly.

## NEWPCC UPGRADES – FUNDING FORECAST FOR ALL PROJECTS

Funding Forecast				
Funding Source	Adopted Budget (in millions)	Amended Budget <sup>1</sup> (in millions)	Committed (in millions)	Conditional Budget (in millions)
Class of Estimate	Class 5	Class 3	Class 3	Class 3
North End Sewage Treatment Plant (NEWPCC) Biological Nutrient Removal Upgrade Project				
<b>City of Winnipeg Total</b>	<b>795.59</b>			
Retained Earnings	87.64			
External Debt	690.29			
Environmental Projects Reserve	17.66			
NEWPCC Upgrade: Power Supply and Headworks Facilities				
<b>Project 1 Total <sup>1</sup></b>		<b>473.38</b>	<b>473.38</b>	
Retained Earnings		87.64	87.64	
External Debt <sup>5</sup>		114.90	114.90	
Environmental Projects Reserve <sup>4, 5</sup>		57.97	57.97	
Federal Government <sup>4, 6</sup>		116.11	116.11	
Provincial Government <sup>4, 6</sup>		96.75	96.75	
NEWPCC Upgrade: Biosolids Facility				
<b>Project 2 Total <sup>2</sup></b>		<b>15.33</b>	<b>15.33</b>	<b>552.71</b>
External Debt <sup>3</sup>		15.33	15.33	184.46
Federal Government				200.87
Provincial Government				167.38
<b>Total</b>	<b>795.59</b>	<b>488.71</b>	<b>488.71</b>	<b>552.71</b>

*The funding forecast should match The Capital Budget Detail Sheet.*

**1** On February 28, 2019 Council approved the existing project be amended to consist of three projects. Project one being Power Supply and Headworks Facilities only. With projects two and three pending Council approval.

**2** On September 26, 2019 Council approved Project 2 conditional upon Federal\Provincial Funding. Total contains \$15.33 million for engineering.

**3** On January 30, 2020 Council approved \$15.33 million budget for Project 2 to proceed with engineering services.

**4** In a letter dated April 1, 2021, the Province confirmed that funding for Headworks Project would be reduced to \$96.749 million from \$100.300 million (Province) and to \$116.111 million from \$120.373 million (Federal), resulting in an increase of \$7.813 million to the City's share of costs.

**5** On May 27, 2021 Council approved a budget increase of \$65 million funded by \$32.5 million debt and \$32.5 million Environmental Projects Reserve.

**6** On July 23, 2021 Federal and Provincial ICIP funding of \$212.86 million was announced for the Headworks Project.

Project 3 - NEWPCC Upgrade: Nutrient Removal Facilities - \$828 million is, pending Council approval.

## Appendix D - Funding

### Appendix D North End Sewage Treatment Plant (NEWPCC) and Winnipeg Sewage Treatment Program (WSTP)

1) Funding for the NEWPCC is as follows:

NEWPCC Nutrient Removal Facilities (in \$millions)	Total Cost	Funded to Date		Funding Pending		Total Funding		City Share of Costs
		Canada	Manitoba	Canada	Manitoba	Canada	Manitoba	
Provincial Funding								
Power Supply and Headworks Facilities	\$ 473.38			\$ 116.11	\$ 96.75	\$ 116.11	\$ 96.75	\$ 260.52
Funding Dependent								
Biosolids Facilities	552.71			200.87	167.38	200.87	167.38	184.46
Nutrient Removal Facilities	828.06							
<b>Estimated Program Costs</b>	<b>\$ 1,854.15</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 316.98</b>	<b>\$ 264.13</b>	<b>\$ 316.98</b>	<b>\$ 264.13</b>	<b>\$ 444.98</b>

2) Funding for the Winnipeg Sewage Treatment Programs is as follows:

WSTP All Projects (in \$millions)	Total Cost	Funded to Date		Funding Pending		Total Funding		City Share of Costs
		Canada	Manitoba	Canada	Manitoba	Canada	Manitoba	
WEWPCB Biological Nutrient Removal <sup>1</sup>	\$ 33.23	\$ 5.07	\$ 8.19			\$ 5.07	\$ 8.19	\$ 19.97
NEWPCC Centrate and UV Disinfection <sup>1</sup>	52.08	5.59	14.54			5.59	14.54	31.95
SEWPCB Nutrient Removal/Expansion	375.60	37.04	15.98	5.30	1.10	42.34	17.08	316.18
NEWPCC Power Supply and Headworks <sup>2</sup>	473.38			116.11	96.75	116.11	96.75	260.52
NEWPCC Biosolids <sup>3</sup>	552.71			200.87	167.38	200.87	167.38	184.46
NEWPCC Nutrient Removal <sup>4</sup>	828.06					-	-	-
<b>Estimated Program Costs</b>	<b>\$ 2,315.06</b>	<b>\$ 47.70</b>	<b>\$ 38.71</b>	<b>\$ 322.28</b>	<b>\$ 265.23</b>	<b>\$ 369.98</b>	<b>\$ 303.94</b>	<b>\$ 813.08</b>

<sup>1</sup> WEWPCB Biological Nutrient Removal and NEWPCC Centrate and UV Disinfection have been completed.

<sup>2</sup> On July 23, 2021 the Federal and Provincial governments announced \$212.86 million in Investment in Canada Infrastructure Program (ICIP) funding for the NEWPCC Upgrade Power Supply and Headworks project. \$116.11 million in Federal and \$96.75 million in Provincial funding.

<sup>3</sup> On August 16, 2022 the Federal and Provincial governments announced an additional \$368.25 million in ICIP funding for the NEWPCC Upgrade Biosolids project. \$200.87 million in Federal and \$167.38 million in Provincial funding.