

**Minutes – Standing Policy Committee on Finance and Economic Development –  
November 27, 2024**

**REPORTS**

**Item No. 5                      North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids  
Facilities,  
Project ID: 203110028B,  
Quarterly Project Status Report No. 7  
For the Period Ended August 31, 2024**

**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 NEWPCC Upgrade: Biosolids Facilities, as contained in this report, as information.

**Minutes – Standing Policy Committee on Finance and Economic Development –  
November 27, 2024**

**DECISION MAKING HISTORY:**

Moved by Councillor Orlikow,

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

Carried

## ADMINISTRATIVE REPORT

**Title:** North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids Facilities,  
Project ID: 203110028B,  
Quarterly Project Status Report No. 7  
For the Period Ended August 31, 2024

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

### AUTHORIZATION

Author	Department Head	CFO	CAO
C. D. Wiebe, P. Eng., CAMP, Manager of Engineering Services	T. W. Shanks, M. Eng., P. Eng. Director, Water and Waste	T. Graham	S. Armbruster, Interim CAO

### EXECUTIVE SUMMARY

**Project On Schedule:** Yes ☒ No ☐

**Project On Adopted Budget:** Yes ☒ No ☐

**Percent of Schedule Complete:** 0.75%

**Percent of Adopted Budget Spent:** 0.75%

The Capital Budget for the NEWPCC Upgrade: Biosolids Facilities project is \$1.035 billion with expenditures to date totaling \$7.7 million. A total of \$1.3 million was spent during this reporting period. Of the approved Capital Budget, the funding sources for the additional \$483 million need to be confirmed.

Key project updates this quarter include:

- A contract extension for the Owner's Advisor for the Development Phase was approved by the Standing Policy Committee for Water Waste and the Environment (SPC WWE) on June 28, 2024.
- The Preferred Proponent for the Progressive Design Build (PDB) of NEWPCC Upgrade: Biosolids Facilities project was approved by the SPC WWE on July 18, 2024. Negotiations on the final contract terms of the Development Phase Agreement with the Preferred Proponent continued throughout the summer.
- Tender 447-2024 NEWPCC Piping Installation, Soil Remediation, and Site Compound Development was posted on MERX on August 2, 2024.
- KPMG LLP continues its audit on all three NEWPCC Upgrade projects. The audit is expected to be completed in Q4 2024.

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 NEWPCC Upgrade: Biosolids Facilities, as contained in this report, be received as information.

## REASON FOR THE REPORT

Major Capital Projects are required to report quarterly to the Standing Policy Committee on Finance and Economic Development. The threshold for reporting is reviewed at the beginning of each multi-year budget cycle and revised, if required, for Council consideration. For the 2024-2027 multi-year budget cycle Council approved that the threshold be maintained at \$25 million. 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)

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

- **RFP 779-2021B:** PDB Contract: Red River Biosolids Partners, an Aecon Water Infrastructure Inc. and Oscar Renda Contracting of Canada Inc. and MWH Constructors Canada Ltd. Joint Venture, was identified as the Preferred Proponent. On July 18, 2024, SPC WWE approved Red River Biosolids Partners as the Preferred Proponent. Negotiations on the final contract terms with the Preferred Proponent continued throughout the summer.
- **RFP 182-2015:** Biosolids Procurement: AECOM (owner's advisor) continued to support the RFP Step 2 procurement process. A contract extension for the Development Phase was approved by SPC WWE on June 28, 2024.
- **RFP 102-2017:** Blakes Cassels & Graydon LLP (legal advisor) continued to support the RFP Step 2 procurement process.
- **RFP 7-2017:** P1 Consulting Inc. (fairness advisor) continued to provide fairness monitoring and advisory services through the RFP Step 2 procurement process.

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

- **RFP 182-2015:** Biosolids Early Works: AECOM continues to assist the City with early work construction packages to de-risk the main PDB contract.
  - Tender 447-2024: NEWPCC Piping Installation, Soil Remediation, and Site Compound Development was posted on MERX on August 2, 2024. This tender will pilot social procurement clauses including the requirement to submit a Social Procurement Plan and the requirement to commit to a skilled labour engagement target for Indigenous Peoples and other underrepresented groups.
  - Tender 446-2024: Supply and Installation of Prefabricated Modular Office Complex: The pre-tender cost estimate for this work was higher than anticipated. Further review is required to determine a path forward.
  - Preliminary design is underway for the land drainage sewer. The preliminary design report is anticipated in November 2024.
- **RFP 182-2015:** Biosolids Flushing Water: AECOM's preliminary design for the flushing water was received. The cost estimate received was higher than anticipated. Budget and timing strategy discussions are ongoing prior to advancing the detailed design.
- **RFP 695-2023:** Legacy Bowes Group Inc. continues to advise the City on how to successfully communicate and foster good relationships with Indigenous communities.

Table 1 – Contracts

<b>NEWPCC Upgrade: Biosolids Facilities</b>							
<b>Contracts Table (Over \$250,000.00)</b>							
<b>Bid Opportunity #</b>	<b>Company Name</b>	<b>Description</b>	<b>Original Contract Award Value (GST &amp; MRST extra as applicable)</b>	<b>Total Approved Over-Expenditures (Over-Expenditure amount only)</b>	<b>Date of Award</b>	<b>Date of Total Completion</b>	<b>Estimated % Complete</b>
182-2015 (Biosolids - Preliminary Design)	AECOM Canada Ltd	Owner's Advisor	\$ 1,316,735	\$ -		-	94
182-2015 (Biosolids - Procurement) <sup>1</sup>	AECOM Canada Ltd	Owner's Advisor	\$ 6,521,026	\$ -	4-Aug-2022	-	52
102-2017 (Biosolids Procurement)	Blakes Cassels & Graydon LLP	External Legal Counsel	\$ 751,750	\$ -	14-Sep-2022	-	54
182-2015 (Biosolids - Early Works) <sup>1</sup>	AECOM Canada Ltd	Professional Engineering Services for Early Works	\$ 2,519,308	\$ -	23-Jun-2023	-	41
182-2015 (Biosolids - Flushing Water) <sup>1</sup>	AECOM Canada Ltd	Professional Engineering Services for Flushing Water	\$ 1,645,000	\$ -	30-Oct-2023	-	9
779-2021B <sup>1</sup>	Red River Biosolids Partners	Development Phase Agreement	\$ 95,000,000	\$ -	18-Jul-2024	-	0
182-2015 (Biosolids - Development Phase) <sup>1</sup>	AECOM Canada Ltd	Owner's Advisor	\$ 18,812,168	\$ -	28-Jun-2024	-	0
		<b>Total</b>	<b>\$126,565,987</b>	<b>\$ -</b>			

<sup>1</sup>The Original Contract Award Value includes MRST

**Upcoming Procurements:**

<b>Description</b>	<b>Anticipated Award Date</b>
447-2024 NEWPCC Piping Installation, Soil Remediation, and Site Compound Development	Q3 2024

**Schedule** (Update from last report)

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

Table 2 – Milestones

Milestones					
Deliverable		Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1	Preliminary Design Report	2022 Q1	-	2022 Q1	100
2	2022 Cost Report <sup>1</sup>	2022 Q1	-	2022 Q1	100
3	2023 Cost Report <sup>1</sup>	2023 Q2	-	2023 Q2	100
4	RFP Step 1 Posted	2023 Q1	2023 Q2	2023 Q3	100
5	RFP Step 2 Posted	2023 Q4	-	2023 Q4	100
6	Development Phase Agreement Award	2024 Q2		2024 Q3	100
7	Design Build Agreement Award	2026 Q3		-	-
8	Design Build Substantial Completion	2030 Q4	-	-	-
9	Design Build Final Completion	2032 Q4	-	-	-

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

**Risk** (Update from last report)

No new risks were identified in this reporting period.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
<b>New:</b>	
<b>Ongoing:</b>	
The City is currently funding 64% of the Biosolids budget of \$1.035 billion	Seek additional external funding sources for consistent cost sharing
The 2024 to 2027 rates assumed additional external funding would be received to finance the Biosolids upgrades. This has not materialized. A funding source for that portion of the additional Biosolids costs needs to be identified. There is the potential for significant rate increases due to not receiving additional funding.	Revise 2025 rate report to reflect full cost of the biosolids project.  Continue to seek additional external funding sources for consistent cost sharing to limit impact to rate payers.
<b>Mitigated:</b>	
The draft ICIP funding agreement from the Province of Manitoba remains outstanding	The ICIP funding agreement was executed on March 26, 2024
No competition on a design-build procurement for the Biosolids Facilities project due to only one bidder	Changed project delivery model to Progressive Design Build and shortlisted two proponents

**Financial** (Update from last report)

For further information, refer to Appendix B – Financial Forecast.

**Funding** (Update from last report)

No new updates.



Table 4 – Project Funding Forecast

Funding Forecast			
Funding Source*	Adopted Budget (in millions)	Amended Budget ** (in millions)	Committed (in millions)
Class of Estimate	Class 3	Class 3	Class 3
NEWPCC Upgrade: Biosolids Facilities			
External Debt	184.46	490.75	490.75
Federal Government	200.87	200.87	200.87
Provincial Government	167.38	167.38	167.38
Retained Earnings		106.00	106.00
Environmental Projects Reserve		70.00	70.00
<b>Total</b>	<b>552.71</b>	<b>1,035.00</b>	<b>1,035.00</b>

\*Refer to Funding Forecast table under "Appendix C – Key Project Events (History)" for funding details.

\*\*On September 29, 2023 Council approved a budget increase of \$482.29 million. The total Capital Budget increase will be funded from Environmental Projects Reserve, Retained Earnings, and debt as borrowing authority is available under existing by-laws. Funding sources have yet to be confirmed.

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

No new updates.

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

The Public Service continues to work with a number of stakeholders on this project including:

- Peguis First Nation regarding the cultural interest in the NEWPCC lands for the Biosolids Facilities project
- The Manitoba Government as the provincial regulator
- The International Institute for Sustainable Development, Lake Winnipeg Foundation, and Lake Winnipeg Indigenous Collective as environmental stakeholders
- Sustainable Procurement Advisory Table as a social procurement stakeholder

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

KPMG LLP continues its audit on all three NEWPCC Upgrade projects. The objective of the audit is to evaluate the existence, effectiveness, and adequacy of controls over the NEWPCC Upgrade projects. The audit is expected to be completed in Q4 2024.

### **Subsequent Events after Report Period End Date**

- The Public Service finished negotiations with Red River Biosolids Partners on the final contract terms for the Development Phase Agreement on September 5, 2024. The Development Phase Agreement was fully executed on September 23, 2024. The Start-Up Phase for the Development Phase Agreement has begun. The Preliminary Design Phase is anticipated to begin in Q1 2025.
- Tender 447-2024 NEWPCC Piping Installation, Soil Remediation, and Site Compound Development closed on September 6, 2024. Pre-award meetings occurred in September 2024 and a social procurement plan and targets have been received. An award report is currently being routed for CFO approval. Construction is anticipated to be complete by Q4 2025.

<b>FINANCIAL IMPACT</b>
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**Financial Impact Statement**

**Date:** [October 31, 2024](#)

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**Project Name:**

**North End Sewage Treatment Plant (NEWPCC) Upgrade: Biosolids  
Facilities,**

**Project ID: 203110028B**

**Quarterly Project Status Report No. 7  
For the Period Ended August 31, 2024**

**COMMENTS:**

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

Lucy Szkwarek, CPA, CGA

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., MASc., PMP  
**Date:** October 31, 2024

## **Appendices**

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix D – Funding

## Appendix A – Key Project Facts

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>Owner's Advisor</b> (Company Name)	AECOM Canada Ltd.
<b>Adopted Budget</b>	\$ 552,712,000
<b>Class of Estimate (Adopted)</b>	3
<b>Range of Estimate (Adopted)</b>	-20% to 30%
<b>Amended Budget</b>	\$ 1,035,000,061
<b>Class of Estimate (Amended)</b>	3
<b>Range of Estimate (Amended)</b>	-20% to 30%
<b><u>Project Scope</u></b>	
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.	
<b>Major Capital Projects Advisory Committee Membership:</b>	
<ul style="list-style-type: none"> <li>- Sherwood Armbruster, Interim Chief Administrative Officer</li> <li>- Moira Geer, Deputy Chief Administrative Officer</li> <li>- Tracy Graham, Chief Financial Officer</li> <li>- Geoffrey Patton, Director of Assets and Project Management</li> <li>- Danny Tooth, Acting Manager of Major Projects Oversight</li> <li>- Tim Shanks, Director of Water and Waste</li> <li>- Lucy Szkwarek, Manager of Finance and Administration, Water and Waste</li> <li>- Linda McCusker, 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 Aug 31, 2024

Project Component Deliverables	Budget (in 000's)			Expenditure Forecast (in 000's)													Surplus (Deficit) From Amended Budget	Variance Last Report	Change in Variance
	Adopted Budget	Council Approved Change	Amended Budget	Actual Costs To Aug 31, 2024											Total Forecasted Costs				
					Remaining 2024	2025	2026	2027	2028	2029	2030	2031	2032						
Engineering, Design and Other	\$ 30,967	\$ 38,303	\$ 69,270	\$ 7,632	\$ 924	\$ 10,105	\$ 16,563	\$ 6,467	\$ 5,623	\$ 5,704	\$ 5,893	\$ 5,539	\$ 4,820	\$ 69,270	\$ -	\$ -	\$ -		
Construction	\$ 377,967	\$ 300,721	\$ 678,688	\$ -	\$ 5,320	\$ 50,454	\$ 156,835	\$ 174,625	\$ 152,367	\$ 80,296	\$ 46,388	\$ 6,110	\$ 6,293	\$ 678,688	\$ -	\$ -	\$ -		
Land Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Internal Financing/Overhead Costs	\$ 43,161	\$ 89,656	\$ 132,817	\$ 117	\$ 120	\$ 1,997	\$ 5,305	\$ 6,790	\$ 15,623	\$ 22,193	\$ 26,395	\$ 27,276	\$ 27,001	\$ 132,817	\$ -	\$ -	\$ -		
Contingency	\$ 100,617	\$ 53,608	\$ 154,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,225	\$ 154,225	\$ -	\$ -	\$ -		
Total Project Budget	\$ 552,712	\$ 482,288	\$ 1,035,000	\$ 7,749	\$ 6,364	\$ 62,556	\$ 178,703	\$ 187,882	\$ 173,613	\$ 108,193	\$ 78,676	\$ 38,925	\$ 192,339	\$ 1,035,000	\$ -				
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)			0.75%																

## **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 WWPCC. 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 million 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 ICIP, based on the current approved budget of \$552 million.

On February 23, 2023, the CFO approved a budget of \$552.71 million based upon written confirmation of government funding.

On March 23, 2023 City Council concurred in the Public Service's recommendation for:

- The use of escalation clauses as a negotiation option in the NEWPCC Upgrade: Biosolids Facilities project; and
- 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.

On April 27, 2023 City Council concurred in the Public Service's recommendation 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 Upgrade: Biosolids Facilities project.

On July 13, 2023 City Council approved:

- That the NEWPCC Upgrade: Biosolids Facilities project be delivered using a Progressive Design Build (PDB) procurement model
- Delegated authority to the Chief Administrative Officer for awarding Early Works Contracts to the design builder up to a cumulative amount of \$50 million, and
- By-Law No. 67/2023 to close part of the Public Road (Chief Peguis Trail) East of Ferrier Street under Development Application No. DAC 5/2022

On September 29, 2023 City Council approved an increase of \$482 million to the previously adopted budget of \$552 million, for a total budget of \$1.035 billion.

On March 26, 2024, the NEWPCC Upgrade: Biosolids Facilities Contribution Agreement under the ICIP was executed. Federal contributions will be up to \$200.87 million and Provincial contributions will be up to \$167.38 million.

On July 18, 2024, the Standing Policy Committee on Water, Waste and Environment approved that Red River Biosolids Partners, an Aecon Water Infrastructure Inc. and Oscar Renda Contracting of Canada Inc. and MWH Constructors Canada Ltd. Joint Venture, be selected as the Preferred Proponent for the Development Phase Agreement for the NEWPCC Upgrade: Biosolids Facilities Project, in the amount of \$95,000,000.00 including MRST, GST extra, as applicable.

## **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 Progressive 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 Progressive Design Build 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.

## 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 Upgrade (in \$millions)	Total Cost	Funded to Date		Funding Pending		Total Funding		City Share of Costs
		Canada	Manitoba	Canada	Manitoba	Canada	Manitoba	
Funding by Project								
Power Supply and Headworks Facilities	\$ 517.85							
Power Supply and Other Ineligible	52.28	-	-	-	-	-	-	\$ 52.28
Headworks Facilities	421.10	\$ 63.63	\$ 53.05	\$ 52.48	\$ 43.70	\$ 116.11	\$ 96.75	\$ 208.24
Headworks Facilities - NWI Failure*	44.47	-	-	-	-	-	-	44.47
Biosolids Facilities	1,035.00	-	-	200.87	\$ 167.38	200.87	167.38	666.75
Funding Dependent								
Nutrient Removal Facilities	828.06	-	-	-	-	-	-	-
<b>Estimated Program Costs</b>	<b>\$ 2,380.91</b>	<b>\$ 63.63</b>	<b>\$ 53.05</b>	<b>\$ 253.35</b>	<b>\$ 211.08</b>	<b>\$ 316.98</b>	<b>\$ 264.13</b>	<b>\$ 971.74</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 <sup>4</sup>	Canada	Manitoba	
WEWPCC 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
SEWPCC 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>	517.85	63.63	53.05	\$ 52.48	\$ 43.70	116.11	96.75	304.99
NEWPCC Biosolids <sup>3</sup>	1,035.00	-	-	200.87	167.38	200.87	167.38	666.75
NEWPCC Nutrient Removal <sup>4</sup>	828.06	-	-	-	-	-	-	-
<b>Estimated Program Costs</b>	<b>\$ 2,841.82</b>	<b>\$ 111.33</b>	<b>\$ 91.76</b>	<b>\$ 258.65</b>	<b>\$ 212.18</b>	<b>\$ 369.98</b>	<b>\$ 303.94</b>	<b>\$ 1,339.84</b>

<sup>1</sup> WEWPCC 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. Committing a total of \$581.11 million in funding to the NEWPCC Upgrade.

<sup>4</sup> NEWPCC Upgrade Nutrient Removal project has not been approved.

\* Northwest Interceptor (NWI)