

**Minutes – Standing Policy Committee on Finance and Economic Development –
March 7, 2025**

REPORTS

**Item No. 5 CentrePort South Water and Sewer Servicing,
Project ID: 2004001222, 2004001223, 2004001224, 2037001722,
2037001723, 2037001724,
Quarterly Project Status Report No. 6
For the Period Ended December 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 CentrePort South Water and Sewer Servicing, as contained in this report, as information.

**Minutes – Standing Policy Committee on Finance and Economic Development –
March 7, 2025**

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

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

Carried

ADMINISTRATIVE REPORT

Title: CentrePort South Water and Sewer Servicing,
Project ID: 2004001222, 2004001223, 2004001224, 2037001722,
2037001723, 2037001724,
Quarterly Project Status Report No. 6
For the Period Ended December 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 Department	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

Project On Schedule: Yes ☐ No ☒

Project On Adopted Budget: Yes ☒ No ☐

Percent of Schedule Complete:

Percent of Adopted Budget Spent:

The amended capital budget for the CentrePort South project is \$73.7 million with expenditures to date totaling \$12.1 million. A total of \$7.9 million was spent during this reporting period.

Key project developments:

- The final two major construction tenders, for force main and lift station construction, were awarded.
- Purchase and Sale Agreement with the Province of Manitoba was fully executed. Construction of new wastewater lift station can proceed as planned.
- Enter to Construct agreements were obtained for the force main pipe near the intersection of Inkster and Brookside Boulevard.
- Manitoba Transportation and Infrastructure (MTI) permits were obtained for installing the force main pipe under East Colony Creek and Omand's Creek.
- As part of the Early Construction Commencement Agreement with the Rural Municipality (RM) of Rosser a letter of credit was required. Subsequent to the report period end date, January 30, 2025, the issuance of the letter of credit for CentrePort South force main – Phase 1A Contract 2A was approved from Council.

- The Public Service is working with MTI to secure lands for the future force main pipe.

New risks:

- Higher than expected groundwater levels for the feeder main railway crossing at Saskatchewan Avenue will delay completion of the feeder main construction contract. This may result in a change work order.
- A delay in the issuance of a letter of credit to the RM of Rosser may hinder construction activities related to the installation of the force main pipe beneath East Colony Creek. This work is scheduled to occur during the winter months from December 15, 2024, to March 1, 2025, when the creek is not experiencing flow.

Subsequent to this report, the letter of credit was approved by Council.

- Consultant resident services hours stated in request for proposal could be exceeded as a result of the additional work due to changes in conditions on-site. A consultant change in scope will be required should this occur.

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 CentrePort South Water and Sewer Servicing, 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)

Table 1 below summarizes the contracts for this project. Percent complete is based on actual contract schedule to Total Performance.

RFP 122-2023: KGS, Detailed Design and Contract Administration

KGS continues to perform engineering design services which include, but are not limited to:

- Railway crossing applications: provided ongoing support for the applications and held meeting with stakeholders.
- Hydraulic modeling: revised and updated hydraulic gap analysis, ongoing work on the model for CentrePort South.

Construction

301-2024 Lift Station

- The lift station construction contract was awarded to J-Con Civil Ltd. on October 8, 2024 at a cost of \$12.7 million.
- The contractor mobilized to site on November 14, 2024. Activities have focused on:
 - clearing of trees and scrub brush on-site.
 - site development and initial preparations for construction of the shear key and force main.

427-2027 Force Main

- The force main construction contract was awarded to Tri-Core Projects Ltd. on September 10, 2024, at a cost of \$21.7 million.
- Construction started on October 15, 2024. Activities have focused on:
 - Installation of force main segments along Sturgeon Road within the City of Winnipeg completed up to approximately 1 km north of Sturgeon Access.
 - Telus had installed a new fibre line to accommodate this work. However, the new line didn't work, so extra precautions were necessary to install the force main pipe around the old line along the alignment.

990-2023B Interceptor and Intake Sewers

- On September 9, 2024, the contractor submitted a claim to the City for changes in groundwater elevations. On October 16, 2024, the City approved a portion of the claim and requested further information be provided on the outstanding items.
- The contractor mobilized to site on November 15, 2024. Activities have focused on:
 - clearing of scrub brush along alignment of sewers.
 - traffic control and site layout.
 - construction coordination with other CentrePort south contractors.

220-2024 Feeder Main

- All open cut pipe installations have been completed.
- Ongoing work on offtake structures.
- The feeder main railway crossing at Saskatchewan Avenue is the only outstanding pipe installation remaining; it will be installed by trenchless methods.

- On October 28, 2024, the contractor submitted a dewatering delay claim to the City. The claim is under review.

Table 1 – Contracts

Contracts							
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 Total Completion	Estimated % Complete
122-2023	KGS Group	Professional Engineering Consulting Services for CentrePort South Water and Wastewater Servicing Phase 1A - Detailed Design	\$ 5,779,900	\$ -	23-Jun-23	2-Apr-27	61%
301-2024	J-Con Civil Ltd.	Contract 1A - New Wastewater Lift Station	\$ 12,736,111	\$ -	8-Oct-24	30-Oct-26	0%
427-2024	Tri-Core Projects Ltd.	Contract 2A - 450mm Force Main	\$ 21,657,005		10-Sep-24	30-Oct-26	6%
990-2023B	Bothar Inc.	Contract 3 - Interceptor and Intake Sewers	\$ 11,510,955	-	2-Jul-24	31-Oct-25	4%
220-2024	Tri-Core Projects Ltd.	Contract 4A - 750mm Feeder Main	\$ 10,688,800	\$ -	2-Jul-24	31-Aug-25	29%
Total			\$ 62,372,771	\$ -			

Upcoming Procurements:

Description	Anticipated Award Date

Schedule (Update from last report)

The key schedule milestones for the CentrePort South project have been included in Table 2 below. Percent complete is calculated from start of design to substantial completion.

Table 2 – Milestones

Milestones				
Deliverable	Original Targeted Completion Date	Revised Targeted Completion Date	Actual Completion Date	Estimated % Complete
1 Heritage Resource Impact Assessments	Q4 2023	Q2 2024	Q3 2024	100%
2 Contract 1A - By Pass Lift Station Substantial Completion	Q3 2024	Q3 2026		47%
3 Contract 2A - Force Main Substantial Completion	Q4 2025	Q3 2026		49%
4 Contract 3 - Interceptor and Intake Sewers Substantial Completion	Q2 2025	Q4 2025		65%
5 Contract 4A - Feeder Main Substantial Completion	Q2 2025	Q3 2025		72%

Risk (Update from last report)

New Risks:

- Higher than expected groundwater levels for the feeder main railway crossing at Saskatchewan Avenue will delay completion of the feeder main construction contract. This may result in a change work order. The overall schedule for Phase 1A completion will not be affected.
- A delay in the issuance of a letter of credit to the RM of Rosser may hinder construction activities related to the installation of the force main pipe beneath East Colony Creek. This work was scheduled to occur during the winter months from December 15, 2024, to March 1, 2025, when the creek is not experiencing flow. Impacts of the delay are being assessed.
- Exemplar Developments require land agreements for a segment of the force main pipe located near the intersection of CentrePort Canada Way and Sturgeon Road.
- Consultant hours stated in the proposal may be exceeded as a result of additional work due to changes in site conditions. A change in scope will be required should this occur.

Mitigated Risks

- Force main tender was awarded with a revised substantial completion date to mitigate cost and schedule risks for that contract.
- The lift station tender was awarded with an extended substantial completion date to mitigate commissioning risks.
- A contract change order has been issued to the interceptor sewer contractor to implement secant piles in the shaft design. This decision aims to address design and schedule risks for that contract.

Table 3 – Significant Risks and Mitigations Strategies

Significant Risks and Mitigation Strategies	
Risk Statement and Explanation	Risk Mitigation Management Plan
New:	
Higher than expected groundwater levels for the feeder main railway crossing at Saskatchewan Avenue will delay completion of the feeder main construction contract. This may result in a change work order	The Public Service will continue to work the Contractor to come up with an agreeable solution to minimize cost and schedule impacts
Issuance of the letter of credit to the RM of Rosser will delay construction activities for the force main pipe installation under East Colony Creek. Work within East Colony Creek right of way is intended to occur in winter from December 15, 2024 to March 1, 2025, when the creek is not flowing	The Public Service will continue to work with the RM of Rosser and Contractor to minimize schedule impacts
Consultant resident services hours stated in request for proposal could be exceeded as a result of the additional work due to changes in conditions on-site. A consultant change in scope will be required should this occur	Consultant to provide fee estimate for resident services to complete the construction contracts
Exemplar Developments require land agreements for a segment of the force main pipe located near the intersection of CentrePort Canada Way and Sturgeon Road	The Public Service will pursue Entry to Construct agreements to avoid schedule delays
Ongoing:	
Additional land agreements were identified for the feeder main and force main alignments. This could impact the start of construction activities	Early discussions with stakeholders and advance design activities. The Public Service will pursue <i>Entry to Construct</i> agreements to avoid schedule delays
Negotiations for permanent easements for the interceptor are ongoing	* If permanent easements cannot be secured, consider outright purchase of the required lands. Alternatively, explore expropriation option * Pursue enter to construct agreements to allow construction to start
Mitigated:	
Higher than expected ground water elevations has caused the interceptor sewer contractor to review designs	The Public Service will continue to work the Contractor to come up with an agreeable solution to minimize cost and schedule impacts
The force main tender has unique risks (difficult ground conditions, limited access, restrictive site conditions from private property and right-of-ways, and varying installation technologies necessary to complete various water and rail crossings	Extension to the substantial completion date to allow Contractors to complete the work on schedule
Commissioning of the force main is required to test the performance of the lift station.	Substantial completion date of the lift station has been extended to Q3 2026
Delivery times for some lift station equipment will take approximately a year to come. This has extended the substantial completion date.	Finish the design and post construction tender as quickly as possible. Ensure the contractor orders equipment with long lead times early in the project.
Application for a development permit requires the lift station property to be owned by the City. The purchase agreement has not yet been fully executed between the City and the Province of Manitoba.	The Public Service will continue to work with the Province to finalize the land purchase agreement as quickly as possible.
Higher precipitation this summer has the potential for higher than anticipated groundwater elevations along the force main alignment	Include appropriate allowance in the contract to manage groundwater. Obtain unit rates for pump tests, ground depressurization wells, and daily pumping for dewatering
In order to construct the force main pipe within the RM of Rosser, RM of Rosser approvals are required. Delayed approvals could impact posting of the force main contract resulting construction schedule impacts	Submit 90% design drawings and specifications as soon as ready. Engage the RM's engineer to inquire about preferred specifications for bedding, backfill, and road restorations. Follow up frequently to ensure review and approval process progresses in a timely fashion
Significant construction and consulting escalation has occurred since the 2020 preliminary design cost estimate	The Public Service will continue to monitor scope and cost during the detailed design phase
Land acquisition negotiations for the lift station location are still underway. This could delay detailed design and construction	Obtain Consent of Entry from property owners to proceed with pre-construction activities
Additional engagement with stakeholders is required to communicate impacts on Heritage Resources	The Public service is working with the Province to determine which stakeholders and rightsholders are impacted
Infrastructure alignment from the preliminary design is under review. Discussions with various stakeholders are ongoing and could affect the preferred alignment which may impact project costs	Early discussions with stakeholders and additional survey and design activities to evaluate alternate alignments

Financial (Update from last report)

For further information, refer to Appendix B – Financial Forecast

Funding (Update from last report)

Refer to Table 4 below for funding details.

Table 4 – Project Funding Forecast

Funding Forecast			
Funding Source	Adopted Budget ¹ (in millions)	Amended Budget (in millions)	Committed (in millions)
Class of Estimate	Class 3	Class 3	Class 3
CentrePort South Water and Sewer			
Retained Earnings	25.7	25.7	25.7
External Debt	8.0	8.0	8.0
Province of Manitoba	40.0	40.0	40.0
Total	\$ 73.7	\$ 73.7	\$ 73.7

¹ On March 30, 2023 a funding agreement was signed for the CentrePort South Project between the Government of Manitoba and The City of Winnipeg

Property Acquisition (Update from last report)

Enter to Construct agreements were obtained for the force main pipe near the intersection of Inkster and Brookside Boulevard.

Manitoba Transportation and Infrastructure (MTI) permits were obtained for installing the force main pipe under East Colony Creek and Omand's Creek.

As part of the Early Construction Commencement Agreement with the Rural Municipality (RM) of Rosser a letter of credit is required. Issuance of the Letter of credit is pending council approval.

The Public Service is working with MTI to secure lands for the future force main pipe.

Land agreement discussions are ongoing with stakeholders.

Stakeholder Engagements/Communications (Update from last report)

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

- Manitoba Métis Federation
- RM of Rosser

- Canadian Pacific Kansas City (CPKC)
- Canadian National Railway Company (CNR)
- Manitoba Transportation and Infrastructure
- Private land owners
- Residential and industrial developers

Subsequent Events after Report Period End Date

On January 30, 2025, the issuance of the letter of credit for CentrePort South force main – Phase 1A Contract 2A received approval from Council.

Project cost impacts resulting from potential 25 percent retaliatory tariffs on all imported goods from Canada to the United States. This has the potential to impact items such as steel, process equipment (i.e. centrifuges), and electrical equipment.

FINANCIAL IMPACT

Financial Impact Statement**Date:** January 31, 2025

Project Name:**CentrePort South Water and Sewer Servicing****Project ID: 2004001222, 2004001223, 2004001224, 2037001722, 2037001723 and 2037001724****Quarterley Project Status Report No. 6****For the Period Ended December 31, 2024****Comments:**

Financial Forecast for CentrePortSouth Water and Sewer Servicing can be found in Appendix B.

S. Phanoloung on behalf of

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 with OurWinnipeg 2045, Policy 2.17 Regional Water Resource Management, by protecting local and regional watershed resources from the negative impacts of development, flooding, and pollution.

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

This report aligns OurWinnipeg 2045, Policy 2.18 Potable Water Conservation, by providing safe, reliable and sustainable supply of potable water.

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

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Water and Waste
Division: Engineering Services
Prepared by: Tim Turzak, C.E.T.
Date: February 7, 2025

Appendices

Appendix A – Key Project Facts

Appendix B – Financial Forecast

Appendix C – Key Project Events (History)

Appendix A – Key Project Facts

Appendix A – Key Project Facts	
Project Name	CentrePort South Water and Sewer Servicing
Business Owner (Department)	Water and Waste Department
Project ID	2004001222, 2004001223, 2004001224, 2037001722, 2037001723, 2037001724
Project Sponsor	Stacy Cournoyer
Department Responsible for Project Delivery	Water and Waste Department
Consultant Engineer (Company Name)	KGS Group
Adopted Budget	<p>On March 30, 2023 a Bi-party funding agreement was executed between the Government of Manitoba and The City of Winnipeg.</p> <p>The Adopted Budget for CentrePort South is \$73.7 million.</p> <p>The Provincial funding contribution for this project totals \$40 million.</p>
Class of Estimate (Adopted)	Class 3 cost estimate
Range of Estimate (Adopted)	High +30%, Low -20% (\$95.8 million to \$59.0 million)
Amended Budget	
Class of Estimate (Amended)	
Range of Estimate (Amended)	
Project Scope	
<p>CentrePort Canada is North America's largest trimodal inland port shared between the City of Winnipeg and the RM of Rosser. The goal of this project is to bring regional water and wastewater infrastructure to the southern portions of CentrePort Canada (CentrePort South) located within the City of Winnipeg.</p>	
Major Capital Projects Advisory Committee Membership:	
<p>Matt Dryburgh, Interim Deputy Chief Administrative Officer</p> <p>Tracy Graham, Chief Financial Officer</p> <p>Hazel Borys, Director of Planning Property & Development</p> <p>Jim Berezowsky, Director of Public Works</p> <p>Tim Shanks, Director of Water and Waste</p> <p>Danny Tooth, Acting Manager of Major Project Oversight</p> <p>Cynthia Wiebe, Manager of Engineering Services, Water and Waste</p>	

Appendix B – Financial Forecast

Appendix B - CentrePort South Water and Sewer Servicing Financial Forecast As at Dec 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 Dec 31, 2024	Projected Costs				Total Forecasted Costs				
					2024	2025	2026	2027					
Engineering, Design and Other	\$ 9,941	\$ -	\$ 9,941	\$ 7,015	\$ -	\$ 3,800	\$ 2,230	\$ -	\$ 13,045	\$ (3,104)	\$ (1,000.00)	\$ (2,104)	
Construction	\$ 51,202	\$ -	\$ 51,202	\$ 6,261	\$ -	\$ 36,141	\$ 15,800	\$ -	\$ 58,202	\$ (7,000)	\$ -	\$ (7,000)	
Land Acquisition	\$ 2,453	\$ -	\$ 2,453	\$ 326	\$ -	\$ 2,127	\$ -	\$ -	\$ 2,453	\$ (0)	\$ (1,000.00)	\$ 1,000	
Internal Financing/Overhead Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Contingency	\$ 10,104	\$ -	\$ 10,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,104	\$ 2,000.00	\$ 8,104	
Total Project Budget	\$ 73,700	\$ -	\$ 73,700	\$ 13,602	\$ -	\$ 42,068	\$ 18,030	\$ -	\$ 73,700	\$ (0)			
% of Project Budget Spent (Actual Costs to Date / Adopted & Amended Budget)	18%		18%										

Project ID	Project Year	Adopted Budget	Cost to Date
2004001222	2022	\$5,000	\$2,931
2004001223	2023	\$10,000	\$672
2004001224	2024	\$3,200	\$38
2037001722	2022	\$16,000	\$8,751
2037001723	2023	\$30,000	\$1,153
2037001724	2024	\$9,500	\$58
Total Project Budget		\$73,700	\$13,602

Appendix C – Key Project Events (History)

On June 21, 2019 KGS Group was retained to perform preliminary engineering services for Airport Area West Regional Water and Wastewater Servicing. The preliminary design report can be found here: <https://engage.winnipeg.ca/airport-area-west-water-wastewater-study> (Airport Area West has been renamed to CentrePort South)

On March 30, 2023 a funding agreement was signed for the CentrePort South project between the Government of Manitoba and The City of Winnipeg, with the Provincial contribution totaling \$40 million

On June 23, 2023, Standing Policy Committee on Water, Waste and Environment approved a \$5.8 million award to KGS Group for Professional Consulting Services for CentrePort South Regional Water and Wastewater Servicing – Phase 1A Detailed Design and Contract Administration

On January 23, 2024 the Public Service hosted and information and engagement session with First Nation groups that may have ties to the burial mounds in CentrePort South

On May 13, 2024 the Public Service hosted and information and engagement session with Manitoba Metis Federation (MMF) representatives that have interest on heritage resource findings in CentrePort South

On June 28, 2024, Standing Policy Committee on Water, Waste and Environment approved an award to Bothar Inc. for construction of 1,045 M of 1,200mm interceptor sewer pipe. Tender 990-2023B - Contract No. 3 at an estimated cost of \$11,285,249.67 plus a possible site occupancy bonus of \$225,704.99

On June 28, 2024, Standing Policy Committee on Water, Waste and Environment approved an award to Tri-Core Projects Ltd. for construction of 2,301 M of 750mm feeder main pipe. Tender 220-2024 - Contract No. 4A at an estimated cost of \$10,688,800.00