

Toronto Community Housing



## Change Order - Lawrence Heights Phase 1 Municipal Infrastructure Design and Contract Administration Services: Dillon

Item 14B

September 11, 2025

Building Investment, Finance and Audit Committee

**Report: BIFAC:2025-85**

**To:** Building Investment, Finance and Audit Committee  
("BIFAC")

**From:** Chief Development Officer

**Date:** August 12, 2025

### PURPOSE:

To seek approval of a change order in relation to Lawrence Heights Phase 1 municipal infrastructure design and contract administration services.

### RECOMMENDATIONS:

It is recommended that the BIFAC:

1. Approve the change order for Dillon Consulting Limited (Dillon) for **\$137,405.00** (exclusive of HST) to address scope adjustments resulting from construction delays, updated City standards, and related requirements.
2. Authorize the Chief Development Officer ("CDO") or designate to take all other necessary actions to give effect to the above recommendation.

### FINANCIAL IMPACT

The change order total identified in this report is in the amount of \$137,405.00 excluding HST, for costs associated with additional contract

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administration required due to construction contract extensions and additional efforts for review of updated City requirements, bringing Dillon's overall contract value to \$3,462,365.17. Attachment 2 provides a summary of approved change orders to date.

As there is a commitment from the City to fund the public infrastructure work for Lawrence Heights Phase 1, required funding have been included in the Toronto Water and Transportation Services 10-Year Capital Plan, and there is little to no risk or impact to TCHC's Development Capital budget.

Funding included in TCHC's 10-Year Capital Plan for Lawrence Heights Phase 1 municipal infrastructure is a flow-through cost, where TCHC pays the costs upfront and then submits an invoice to the City for reimbursement of the incurred construction costs. A Cost of Delivery fee of 20% of total (hard) construction costs is applied to the invoices to the City, which covers the soft costs incurred (design and consultant fees). Table 2 below summarizes the Source and Use of funds for the public infrastructure work.

**Table 2: Phase 1 Infrastructure Funding Summary (2013 – 2027)**

TCHC Approved Capital Plan <sup>1</sup>	\$36,800,000
Spend to date <sup>2</sup>	\$22,835,894
Reimbursements received to date <sup>3</sup>	\$23,234,765
Anticipated Remaining Cost to Complete <sup>4</sup>	\$10,900,000

Notes:

<sup>1</sup> Cashflow included in TCHC Capital plan flow through budget total

<sup>2</sup> Includes hard (construction) and soft (design and consultant) costs spent to August 31, 2025

<sup>3</sup> Includes total monies received from Toronto Water and Transportation Services, as well as TCHC's 20% cost of delivery fee for hard construction costs

<sup>4</sup> Includes remaining hard costs to Assumption of Services and soft costs (design)

Approval of Dillon's change order ensures that TCHC can continue to meet its contractual obligations and avoid unnecessary delays or disputes with Dillon that could affect timely delivery of Phase 1 infrastructure.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## REASONS FOR RECOMMENDATION:

### Background

In November 2011 City Council approved the Lawrence-Allen Secondary Plan that provides the foundation for the revitalization of Lawrence Heights to become a mixed-income, mixed-use community that is well integrated with the broader city through new street networks, parks, schools and community facilities. ([Council Report 41802](#))

In November 2011, City Council also approved the Financial Strategy for the implementation of the Lawrence Allen Secondary Plan that outlined a framework to fund the infrastructure identified in the Secondary Plan, to support the Lawrence Heights revitalization included in the Plan. (Council Report Reference: CC11006SP (AFS #14845) The Financial Strategy was based on phased development over 4 phases and 20 years, and budgets submitted as part of the City's annual 10-Year Capital Plans.

([Council Report: 42514](#))

In April 2014 Development staff issued a public Request for Proposals (RFP) to retain an engineering consultant to complete the municipal infrastructure design and contract administration services for Phase 1 of the Lawrence Heights Revitalization. Dillon Consulting Limited (Dillon) was the successful proponent and were awarded a contract in the amount of \$1.9M. The completion of Phase 1 was anticipated to take approximately 8-10 years, from start of design to complete build out of infrastructure and residential units (Refer to Attachment 1- Phase 1 Plan).

Due to the extensive 10-year timeline in which Dillon was expected to be engaged in the project (for both design and construction oversight), there have been additional change orders relating to the design and contract administration of the Phase 1 infrastructure work. The additional scope changes included changes in City design standards, with the inclusion of the Low Impact Development (LID) and Complete Streets, the City's initiative for environmentally friendly design. This led to revisions to design, and an increased number of subdivision design re-submissions to the City that were not originally contemplated. In addition, the public infrastructure work is dependent on block construction timing, and with the start of the COVID-19 pandemic, the construction of the blocks was impacted, causing schedule delays to construction of the public infrastructure, and extending the

timelines for contract administration services required by Dillon (Refer to Attachment 2 for a summary of the change orders).

### Project Specifics

As the successful proponent of the public RFP process, Dillon is the Engineer on Record (EOR) for Lawrence Heights Phase 1 public infrastructure. The responsibilities of the EOR include:

- Ensuring the engineering design meets, City standards and requirements, safety requirements and all applicable laws
- Overseeing the implementation of the design during construction to ensure the plans, specification and relevant codes are adhered to
- Acting as Cost Consultant on behalf of TCHC and the City

Lawrence Heights Phase 1 public infrastructure is split into three (3) subphases: 1A, 1B and Northeast District (NED). Further, the NED subphase is split into Stages 1 & 2 and Stages 3 & 4. As such, there were three (3) separate Plan of Subdivision applications, and three (3) Subdivision Agreements associated with Phase 1 based on the sub-phasing.

As the civil engineering consultant, Dillon's scope included technical design drawings to be submitted as part of each of the three Plan of Subdivision applications to the City, as well as preparation of construction tender documents, payment certification, through to the road assumption process (ongoing) for each subphase.

Table 1 below provides a timeline of the work performed by Dillon to date and anticipated timing for their remaining scope.

**Table 1 – Dillon Contract Timeline Summary**

Date	Item	Description
Nov 2014 – Feb 2016	1A Subdivision	Six design submission packages prepared to obtain approval of Subdivision and Release of Construction Services
Oct 2015 – Dec 2015	1A RFP for Contractor	Prepared tender packages, provided technical responses for

		questions during tender period.
Jan 2016 – Sept 2016	1A Construction: underground services and base road	Contract Administration and construction observation to ensure conformity and adherence to drawings and specifications. Prepared payment certificates for progress draw payments.
Apr 2019 – Aug 2019	1A Construction: Topworks	Contract Administration and construction observation to ensure conformity and adherence to drawings and specifications. Prepared payment certificates for progress draw payments.
Mar 2016 – Jul 2017	1B Subdivision	Five design submission packages prepared to obtain approval of Subdivision and Release of Construction Services
Nov 2016 – Feb 2017	1B Tender Package	Prepared tender packages, provided technical responses for questions during tender period.
Apr 2017 – Nov 2018	1B Construction: underground services and base road	Contract Administration and construction observation to ensure conformity and adherence to drawings and specifications. Prepared payment certificates for progress draw payments.

May 2021 – Sept 2021	1B Construction - topworks	Contract Administration
Jan 2017 – Feb 2020	NED Subdivision	Nine design submission packages prepared to obtain approval of Subdivision and Release of Construction Services
Mar 2019 – April 2019	NED Stages 1&2 Tender Package	Design
Jul 2019 – Dec 2019	NED Stages 1&2 Construction: underground services and base road	Contract Administration
Jun 2021 – Dec 2021	NED Stages 3&4 Tender Package	Design Tender reposted
Jan 2022 – Dec 2022	NED Stages 3&4 Construction: underground services and base road	Contract Administration
Mar 2024 – Aug 2024	NED Stages 1&2 Topworks Tender Package	Design
Sep 2024 – Aug 2025	NED Stages 1&2 Construction: Topworks	Contract Administration
Apr 2025 – Jun 2025	NED Stages 3&4 Topworks Tender Package	Design
Aug 2025 – Oct 2026	NED Stages 3&4 Top Works Construction	Contract Administration
Aug 2027 – Dec 2027	Road Assumption: 1B, NED	Contract Administration

**CONCLUSION:**

Since the start of Dillon's contract in 2014, there have been a number of factors that have added costs to the design and contract administration of the Phase 1 municipal infrastructure. Several changes in City standards and design guidelines in the last 10 years have resulted in additional time and effort required for updated civil engineering drawings and subdivision resubmissions. As well, the Covid-19 pandemic resulted in delays on both the residential and road construction. These factors have added time to the completion date, and Dillon's contract has been extended to account for the delays and changes in scope, to ensure completion and conformance of the public infrastructure work.

Phase 1 of the Lawrence Heights Revitalization is in the final stages, with completion anticipated in 2027. The remaining scope of Dillon's contract is related to contract administration and construction observation for NED Stages 3 & 4, and engineer's sign off for subphases 1B and NED required for Assumption of Services. At this stage, it would not be practical or cost-effective to retender the contract, as City approvals are tied to Dillon's design drawings. Introducing a new consultant would require significant rework and create unnecessary project risks. Approval of this change order is recommended to maintain continuity, ensure compliance, and support timely completion of Phase 1 infrastructure.

**SIGNATURE:**

*"Yves Cheung"*

Yves Cheung  
Chief Development Officer

**ATTACHMENTS:**

1. Lawrence Heights Phase 1 Plan
2. Change Order Summary

**Confidential**      Summary of Submissions  
**Attachment 3:**

**Reason for  
Confidential  
Attachment:**

Third party commercial information supplied in confidence and commercial information belonging to TCHC that has monetary value or potential monetary value and whose disclosure could reasonably be expected to be injurious to its financial interests.

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# Attachment 1: Lawrence Heights Phase 1 Site Plan



Item 14B - Change Order: Lawrence Heights Phase 1 Municipal  
Infrastructure Design and Contract Administration Services: Dillon  
Public BIFAC Meeting - September 11, 2025 - Report:BIFAC:2025-85

Item 14B - BIFAC:2025-85 - Attachment 2

**Attachment 2: Summary of Dillon Change Orders**

CO #	Date	Description	Amount
1	Jun-15	Downtown Sanitary Alternative Route - Proposed route presented constructability challenges. Further analysis required to determine more cost effective alternative routes. Design changes outside of original scope	\$ 15,295.00
2	Jun-15	Feasibility and analysis of third alternative route for downstream sanitary as requested by the City	\$ 57,300.00
3	Dec-15	Additional request from City for Functional Servicing and Stormwater Management Report for each subphase instead of one report for entire phase. (not included in original Infrastructure Master Plan)	\$ 126,000.00
4	Dec-16	Split phasing plan for infrastructure design to correspond with phased relocation of tenants; resulting in additional meeting and design efforts	\$ 51,692.53
5	May-19	Phase 1B Complete Streets and LID design, complete stormwater re-assessment and new pedestrian signal design	\$ 63,955.00
6	Jun-19	Interim sewer design to accommodate late delivery of City's external downstream sewer upgrades	\$ 352,893.95
7	Jul-19	NED LID design resigning tree layouts, CUP plans and transformer drainage	\$ 104,067.00
8	Oct-19	Discrepancy between actual site grades and City as-built drawings resulting in revision to sewer design	\$ 33,800.00
9	Dec-22	Schedule delays for each subphase and Bioswale manual design	\$ 339,253.00
10	Apr-23	Assistance reviewing and negotiating contractor delay claim	\$ 26,400.00
11	Sep-23	NED 1&2 Topworks contract extension due to schedule delays, new City requirement for As-built MicroStation format and separate As-built drawing sets for base road and topworks	\$ 164,670.00
12	Jan-24	Additional requirements requested from the City for 1A Assumption of Services, NED 1&2 Topworks tendering	\$ 11,025.00
13&14	Dec-24	Construction delays, NED Topworks tender, and new City requirement for wellness reports for 1B and NED	\$ 137,404.55
<b>Total</b>			<b>\$ 1,483,756.03</b>

Original Contract Amount	\$	1,988,593
Cumulative Change Order total	\$	1,483,756
Revised Contract Total	\$	<b>3,472,349</b>