



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

Item 8

May 25, 2026

Building Investment, Finance and Audit Committee

Report: BIFAC:2026-51

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

From: Chief Development Officer

Date: April 28, 2026

PURPOSE:

The purpose of this report is to seek the Building Investment, Finance and Audit Committee's ("BIFAC") 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 Building Investment, Finance and Audit Committee:

1. Approve a change order for Dillon Consulting Limited for up to the upset limit identified in Confidential Attachment 1 to this report to extend contract administration services resulting from extensions to the site servicing construction schedule, updated City of Toronto standards, and related requirements to bring the project to completion; and
2. Authorize the Chief Development Officer or designate to take all other necessary actions to give effect to the above recommendation.

FINANCIAL IMPACT STATEMENT:

As there is a commitment from the City to fund the public infrastructure work for Lawrence Heights Phase 1, required funding has 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.

Approval of this change order to Dillon ensures that TCHC can continue to meet its contractual obligations and avoid unnecessary delays 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 ([City 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 four phases and 20 years, and budgets were submitted as part of the City's annual 10-Year Capital Plans ([City 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 was the successful proponent and was awarded the design and engineering 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 (see Attachment 1).

Due to the 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 were related to 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 (see Confidential Attachment 1 for a summary of 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 subphases: 1A, 1B and Northeast District (“NED”). Further, the NED subphase is split into Stages 1 and 2 and Stages 3 and 4. As such, there were three separate Plan of Subdivision applications, and three 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 (ongoing) road assumption process 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 and Milestone Summary

#	Milestone	Start Date	End Date	Phase	Status
1	<ul style="list-style-type: none"> Subdivision Design Phase 1A Tender and Rate Bid Form Phase 1A Base Construction Contract Administration Phase 1A Top works construction contract admin 	Sept 2014	July 2019	Design and Execution	Complete
2	<ul style="list-style-type: none"> Subdivision Design Phase 1B Tender and Rate Bid Form Phase 1B Base Construction Contract Administration Phase 1B Top works construction contract admin 	Jan 2015	Sept 2021	Design and Execution	Complete
3	<ul style="list-style-type: none"> Subdivision Design Phase 1 NED Stages 1–2 Tender and Rate Bid Form NED 1-2 Base Construction Contract Administration NED 1-2 Top works construction contract admin 	Jan 2017	Sept 2025	Design and Execution	Complete
4	<ul style="list-style-type: none"> Subdivision Design NED Stages 3–4 Tender and Rate Bid Form NED Stages 3-4 Base Construction Contract Administration 	Jan 2017	Dec 2024	Design and Execution	Complete
5	<ul style="list-style-type: none"> NED Stages 3-4 Top works Tender and Rate Bid Form NED Stages 3-4 Top works Construction Contract Administration and Observation 	May 2025	Dec 2026	Execution	In Progress
6	Assumption of Services (Phase 1B & NED Stages 1-4)	Jan 2026	Jun 2029	Closeout	Partially Started

Total project span: Sep 2014 – Jun 2029 (non-continuous seasonal work)

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 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 2029. The remaining scope of Dillon’s contract is related to contract administration and construction observation for NED Stages 3 and 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

PUBLIC ATTACHMENT:

- 1. Lawrence Heights Phase 1 Plan

CONFIDENTIAL ATTACHMENT:

Confidential Attachment 1: Change Order Summary

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.

STAFF CONTACTS:

Cristina Raviele, Senior Director, Development
416-797-5205
Cristina.Raviele@torontohousing.ca

Pritha Josiah, Senior Construction Manager
416-906-3167
Pritha.Josiah@torontohousing.ca

Attachment 1: Lawrence Heights Phase 1 Site Plan

