



Q3 2021 HoMES Project Update

Item 5

November 3, 2021

Building Investment, Finance and Audit Committee

Report: BIFAC:2021-105

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

From: Vice President, Information Technology Services

Date: October 19, 2021

PURPOSE:

The purpose of this report is to provide the BIFAC with an update on the status of the HoMES Project.

RECOMMENDATION:

It is recommended that the BIFAC receive this report for information.

REASONS FOR RECOMMENDATIONS:

TCHC has committed to continuing to provide the following level of reporting to the BIFAC and the Board of Directors:

- Quarterly project updates to BIFAC; and
- Yearly, and as required, project updates to the Board.

STATUS:

This report covers the period of July 1 to September 30, 2021.

The HoMES Project Management Office ("PMO") completed a review of the impact to staff for the final phase of the project to determine the appropriate training and rollout schedule and feasibility for a final October 2021 Go

Live. It was determined that it was not feasible to implement the full final phase in October. A portion of the original Track 2B implementation, Exclusive and Non-Exclusive Use of Space, will Go Live in October 2021. The remainder of Track 2B of the HoMES project is now scheduled to Go Live by the end of Q1 2022.

In September 2021, TCHC announced that properties under contract management would revert to direct management in 2022. The HoMES project original scope of work included 6 months of effort to onboard contract managed providers onto the HoMES solution. This decision results in the need to revise the project plan, resource plan and budget.

The HoMES project budget remains with the board approved amount.

TRACK 2B DELAY:

The HoMES project was approved on February 27, 2019 by TCHC's Board of Directors and was launched in May 2019 to replace 30+ legacy applications with one integrated housing management solution. The first and second rollouts under Track 1 were completed in July 2020 and January 2021 respectively. Track 2 was split into two rollouts, with 2A planned for June 2021 and 2B planned for October 2021. The 2A rollout was completed in June 2021 as planned, leaving the largest rollout, 2B, remaining. Track 2B contains the space bookings and maintenance and tenant support business functions.

During the third quarter of 2021, the HoMES Project Management Office met to review the status of the project and to determine the feasibility to launch the full Track 2B scope as planned in October 2021.

The following details were taken into consideration during this review:

- The results of the project's second test cycle confirmed that the space booking solutions meet business requirements. This HoMES solution provide the ability of the organization to book exclusive and non-exclusive spaces within TCHC buildings.
- Modules which support maintenance and tenant support functions such as Demand Maintenance and Client Care do not adequately meet

business requirements and require further solution refinement. This functionality supports the superintendents and building staff. Yardi has committed to delivering TCHC-specific enhancements to their core product, which requires additional time to ensure the necessary quality is achieved.

- The COVID situation was not factored in at the time the project schedule was developed in early 2019, and is not expected to improve in the near future to allow the project team to return to being co-located. This has impacted all project activities (testing, training, change management etc.). The impact to the project is more pronounced for Track 2B as greater organizational participation is required, and this is a challenge to coordinate while still obtaining the necessary level of quality.
- The HoMES project understood that there would be significant impact to Track 2B roles. The functions of Demand Maintenance/Client Care will face a greater degree of change in their roles thus requiring greater change management effort.
- Lessons learned from the Track 2A rollout have indicated that Track 2B requires sufficient runway after User Acceptance Testing has been completed to make corrections to business process documentation and training content. Furthermore, a minimum of 8 weeks of end user training is required. If the solution is not fully developed, training materials cannot be completed in time to start training.
- While a small part of Track 2B training will be conducted virtually, training for the majority of impacted employees needs to be conducted in person.

Upon completion of this review and after discussions with key project resources, Yardi and KPMG LLP (“KPMG”), the HoMES Project Management Office (“PMO”) brought forward a proposal to the HoMES Steering Committee to consider postponing the final Track 2B launch to go live by the end of Q1 2022.

The space bookings solution is recommended to go live as planned in October 2021. This will involve a smaller number of users. All activities such as testing and training for this portion of Track 2 will remain on schedule.

The maintenance and tenant support areas will complete User Acceptance Testing along with testing of the majority of new Yardi solution enhancements by end of October 2021. Delaying the Go Live of the remaining Yardi modules to the February timeframe allows for additional focus to be placed on change management and training activities, to ensure a robust and comprehensive transition for this large group of users.

The proposal to postpone the final rollout was endorsed by the HoMES Steering Committee and approved by the Executive Sponsor.

PROGRESS UPDATE:

Track 2B (Demand Maintenance and Call Centre):

The HoMES project continues to move forward towards completion of the final phase, now scheduled for Q1 2022

Activities completed in Q3 include:

- Launch of User Acceptance Testing for Track 2B on September 20, continuing until October 22
- Preparation for the Go Live of Space Booking scheduled for October 25, 2021
- Continued development of Training materials
- The Change Management Working Group continued to work with Subject Matter Experts to build a plan for user adoption for building staff impacted by Track 2B; and
- Continued working with the HoMES team and Yardi on solution development for Move Outs, Unit Turnover, Inspections, and Inventory.

Track 3 (Onboarding Contract Managed Providers):

This track has been descoped. Track 3 reporting will be removed from subsequent BIFAC quarterly updates, and the overall HoMES budget has been updated to reflect this change.

Stage of Completion:

The HoMES project had been in progress for twenty-nine months, with five months remaining in the revised schedule. The percentage of project activities completed for each Track are shown in Table 1.

Table 1: Percentage of Project Activities Completed

Track	% of Project Activities Completed
Track 1A	100
Track 1B	100
Track 2A	100
Track 2B	75
Overall Project	90

Budget Status Update:

The overall HoMES project forecast was revised to factor in two significant decisions made in Q3 2021.

1. Postponing rollout of Track 2B to employees Q1 2022; and
2. Descoping Track 3 due to TCHC's decision to revert contract managed properties to direct management along with reducing the overall HoMES budget from \$55.3M to \$54.4M

The total budget impact of these two decisions has resulted in an overall increase of approximately \$695K on the Estimated Spend to Completion for the HoMES project.

Some of the more significant factors impacting the HoMES Estimated Spend to Completion are:

- Increase of Yardi implementation costs to accommodate the delayed roll out was significantly offset by the descoping of Track 3;
- Additional budget required to retain internal business and external technical resources for three to four months;
- Reduction in overall travel and expenses due to continued remote working for the remainder of 2021;
- Increased budget required for Quality Assurance, internal Project Management and testing resources; and
- Increase costs in training resources partially offset by reduction in Yardi eLearning content required for Track 2B.

The difference between the Estimated Spend to Completion reported in Q3 as compared to Q2 is shown in Table 2.

Table 2: Comparison of Estimated Spend to Completion Q3 vs Q2

(Amounts in \$000s)	Revised Q3 Est Spend to Completion	Previous Q2 Est Spend to Completion	Difference
Yardi Software Subscription	5,603	5,603	
Yardi Implementation Services	19,487	19,840	(353)
External Consultants/Vendors	10,597	10,010	587
Internal Resources/Expenses	16,728	16,267	461
Total HoMES	52,415	51,720	695

The total spend to date on the HoMES project is shown in Table 3.

Table 3: Total Project Budget Spend Summary as of September, 2021

Total Spend as of September 30, 2021 (Amounts in \$000s)	
External Contracts	25,773
Internal Resources/Expenses	11,062
Total HoMES spend as of September 30, 2021	36,835

Detailed budget information, including contract awards and change orders, is provided in Confidential Attachment 1. The HoMES estimated spend at completion remains within the reduced approved budget amount of \$54.4M and is provided in Confidential Attachment 2.

BUSINESS BENEFIT REALIZATION REPORT:

The HoMES project has committed to delivering a detailed report to BIFAC on the business benefits that will be realized from the HoMES project. The delivery of this report has been delayed to allow for:

- Continued work with Yardi to improve efficiency of some solution components to be delivered for Track 2B; and

- Further engagement with business and IT stakeholders to capture all benefits and measures.

The HoMES project will deliver the report on the first committee meeting scheduled in 2022.

IMPLICATIONS AND RISKS:

The HoMES project continues to monitor and mitigate the risks due to the COVID-19 pandemic.

The HoMES project management office and QA advisor KPMG continue to monitor the project closely in this final phase. The final phase onboards the greatest number of employees onto the HoMES solution and ensuring that employees can adapt to the change is paramount to the success of this phase.

SIGNATURE:

“Luisa Andrews”

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CONFIDENTIAL ATTACHMENTS:

Confidential Attachment 1: HoMES Detailed Budget Information

Reason for Confidential Attachment: Matters that are not required to be disclosed under the *Municipal Freedom of Information and Protection of Privacy Act*,

including financial information belonging to TCHC that has monetary or potential monetary value.

Attachment 2:

HoMES Summary Budget Information

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Attachment 2

Confidential Attachment 2: HoMES Summary Budget Information

9/30/2021

(Amounts in \$000s)	Actuals 2021	Total Spend Sep-21	Forecast 2021	Budget 2022	Est. Spend at Completion	Approved Budget	Variance to Budget	Remaining \$	% Spent of Budget
Yardi Software Subscription	796	3,678	2,721	-	5,603	7,700	2,097	4,022	48%
Yardi Implementation Services	2,433	12,177	5,295	4,447	19,487	18,710	(777)	6,532	65%
External Consultants/ Vendors	2,301	9,919	2,535	445	10,597	12,460	1,863	2,541	80%
Internal Resources & Other Expenses	2,935	11,062	6,656	1,945	16,728	13,545	(3,183)	2,483	82%
Total Homes	8,465	36,836	17,207	6,837	52,415	52,415	0	15,579	
Implementation Contingency			-	1,993		1,993		1,993	
Total	8,465	36,836	17,207	8,830	52,415	54,408	1,993	17,572	68%

**Overall budget decreased due to Track 3 descope