



## HoMES Project Close Out Report

Item 7B

September 8, 2022

Building Investment, Finance and Audit Committee

**Report:** BIFAC:2022-128

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

**From:** Vice President, Information Technology Services ("ITS")

**Date:** August 22, 2022

### **PURPOSE:**

The purpose of this report is to provide to the Building Investment, Finance and Audit Committee ("BIFAC") with a closeout report to mark the official completion of the HoMES Project as per the scope outlined in the HoMES Project Charter.

### **OUT OF SCOPE FOR THIS REPORT:**

*Lessons Learned:* Following each of the individual launches, the HoMES Project Management Office ("PMO") documented lessons learned which were incorporated into the subsequent launches. Lessons learned are out of scope for this report.

*Business Benefits:* A presentation to BIFAC will take place in November. Therefore, a summary of business benefits that were delivered by the project are not in scope for this report.

### **RECOMMENDATION:**

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

**PROJECT OVERVIEW:**

In 2017, TCHC started its journey to implement an integrated housing management solution. A Request for Proposal (“RFP”) was issued and Yardi was the successful proponent. Board approvals for the HoMES (formally IHMS) project budget and the Yardi initial award were received in February 2019. The HoMES Project was officially launched in May 2019.

The project set out to deliver a cloud-based, off-the-shelf, integrated housing management solution to the organization based on an identified list of business processes and reporting requirements. This intent and scope was followed throughout the course of the project.

The HoMES project charter was signed off by the Executive Sponsor and Executive Leadership Team members. HoMES was governed by a HoMES Steering Committee (“SC”) and a Project Management Office (“PMO”). The Chief Executive Officer was the Executive Sponsor of the project.

**Change Control**

Any significant changes to the HoMES project including the adding or removing of significant scope, adjustment of the scheduled milestone dates or overall changes to the HoMES budget required the approval of the HoMES SC. During the course of the project, there were no requests to incorporate new scope and one request to de-scope some planned work. This was approved by the SC. There were five (5) adjustments to the project schedule brought forward and approved by the SC. There were no requests to increase the HoMES project budget brought forward to the SC.

**PROJECT AREA SUMMARIES:**

The following section outlines specific project areas of the HoMES project.

**1. Integration Management**

Integration management involves coordinating all elements of a project, including tasks, resources, stakeholders, and deliverables. The purpose of integration management is to ensure that all individual work streams are coordinated, run efficiently and meet their individual objectives towards the larger project goals. When required, the PMO would review and approve or deny adjustments to individual work stream plans, resources or

deliverables. This was necessary to ensure that the HoMES project scope was maintained and the budget managed.

The HoMES project was broken down into 5 work streams, each with a work stream lead:

- Business Work Stream
- Data Work Stream
- Integration Work Stream
- Change Management, Communications and Training Work Stream
- Technology Work Stream

The multiple work streams were managed by the PMO. The project plans of each of the work streams were combined in an integrated project plan (“IPP”). The HoMES work stream leads met weekly to assess the progress of tasks, discuss any challenges or emerging risks, discuss scope adjustments and adjusted the IPP as needed.

Bi-weekly status meetings were held with the full project team.

At the conclusion of the final phase of the HoMES project in May 2022, all work streams had successfully completed their milestone deliverables.

## **2. Scope Management**

Scope Management is critical to ensure that the overarching project goals are achieved and that “scope creep” does not occur. Large multi-year technology projects anticipate modifications along the way and these changes must be governed closely.

### **Technology Scope Delivered**

Five (5) core systems and more than twenty-five (25) additional smaller legacy business systems and reporting applications were included in scope to be replaced or integrated with the final solution.

The five core systems (JD Edwards, MRI, CMS, HMS, EasyTrac) were replaced as per plan and have been left in read only mode to be fully

retired in the future. Of the remaining 25+ systems, a small number have been kept active after the final Go Live. The business processes (appliance ordering, supply ordering and unit turnover) associated with these smaller applications have come under recent review and discussion will take place to determine next steps.

During the business process design sessions, two business process areas were identified as being in scope for HoMES but a technology solution was not identified in the original RFP response. The HoMES PMO worked with Yardi to determine the appropriate solutions and incorporated two new modules (Inventory and Concierge) to the final solution. Some adjustments to the licensing agreement were required but did not have any impact on the overall approved licensing costs. Yardi, at their cost, also developed a new parking enforcement mobile app to support TCHC's enforcement efforts. This new mobile app will be deployed in late 2022.

The original RFP included technology requirements for an energy management solution. The estimate for licensing and implementation was included in the original HoMES project budget but the agreement with Yardi was still in progress at the time of project launch. In August 2019, the Smart Building and Energy Management (SBEM) sought approval for an enhanced energy management solution which included managed services and a remote metering solution. This contract was approved by BIFAC.

During the solution work for inspections (Annual Unit Inspections etc.), the original module licensed could not meet critical business requirements without extensive customization. This is against the core principle set by the project. Therefore, a change was made to implement another newer product for inspections. A change in the licensing agreement was executed keeping within the original licensing approval dollars.

### Customizations

While every effort is made to use out of the box functionality and standard reports, it is not possible to reflect the needs of the organization without the need to enhance an off-the-shelf product. During the course of the HoMES project, TCHC worked with Yardi to implement a number of enhancements to support the business requirements. These enhancements included custom letters and reports and customization to automate workflows and notifications. Enhancements were developed with

the expressed requirement to allow TCHC to upgrade to future releases without the need to re-develop the enhancements.

### Product Improvement

The HoMES team has made a number of recommendations to Yardi to improve their core product. Formal requests were submitted for evaluation. Yardi goes through a vetting process to determine the benefit of the recommendation to their clients and then prioritizes the work for deployment. For than 45 core product improvements were introduced and implemented over the course of the three-year project.

As of August 2022, all of the technology solutions for the HoMES project has been implemented with some aspects of the solution not yet rollout to the organization.

### **Business Processes in Scope Delivered**

More than 200+ legacy business processes were included in the scope and outlined in the Project Charter. Business Process Redesign, and the gathering and confirming of solution requirements, was a key deliverable of the HoMES project. This work took place over a 24-month period utilizing PriceWaterhouseCooper (“PwC”) as the facilitation lead and incorporating Lean Six Sigma principles.

All redesigned business processes were signed off by key sponsors and the HoMES PMO. This included a sign off from operations in November 2020 for all business processes within the Track 2A and Track 2B deployment.

The HoMES project implemented all business processes as outlined in the project charter.

### **Audit Recommendations incorporated into Scope**

Where possible, recommendations and proposed solutions from past audits, including internal audits and AG audits, were reviewed and incorporated into the HoMES solution.

Of the 26 recommendations reviewed referencing HoMES (IHMS) as part of the solution, 13 recommendations were fully satisfied with 12

recommendations only partly satisfied. One recommendation could not be satisfied due with respect to payroll integration with HoMES. There is work in progress to review the recommendations only partially satisfied and determine next steps.

### **Unanticipated Changes to Scope**

In September 2019, the organization announced a significant operations restructuring. This announcement had a significant impact on the HoMES project. Business Process Redesign sessions had just commenced when the announcement was made and the project was able to absorb this change into the scope of work, however, limited information at the start of the sessions on what the operations restructure meant to roles and business processes resulted in rework of business processes later in the project. During the final launch of Track 2B, the operations team, in collaboration with the HoMES project, made the decision to postpone some changes to the maintenance process as the impact to staff was considerable. Further work on this process will be undertaken at a later date.

In 2021, the transition of the Seniors Housing Unit to a separate and distinct corporation (Toronto Seniors Housing Corporation) was initiated. While the original scope of the HoMES project did not include processes and functionality required to implement the Integrated Service Model, changes to the HoMES live solution were necessary to accommodate the seniors housing unit transition. A separate Yardi Statement of Work was developed and executed independently of the HoMES project for the portion of the solution that was live when the transition work was initiated. This work concluded in June 2022. For the final launch of Track 2B, changes in configuration were required to support the transition and were executed within the HoMES project.

### **3. Schedule Management**

The HoMES Project was initially planned to be rolled out in three phases, or tracks, over the course of 30 months:

- Track 1: Financials, Procurement, Commercial Lease Management and Facilities Management (FM);
- Track 2: All Tenancy Management, Client Care, Maintenance and Inspection functions; and

- Track 3: Third party-managed properties implementation (Dell and Greenwin)

Less than 10 months after the initial project launch, the COVID-19 pandemic was an emerging risk and all project streams moved from onsite collaborative teams to remote work. The COVID-19 pandemic induced several changes to the overall project schedule.

- Track 1 was split into two rollouts (1A and 1B) to allow Facilities Management team to go live as preferred at the beginning of the fiscal year. This was facilitated with no impact to overall budget or timeline.
  - Finance and Procurement (1A) went live in July 2020 as planned as most of the activities were completed before the team went remote.
  - The FM rollout went live in January 2021 as planned.
- Track 2 Go Live was split into 3 rollouts.
  - The tenancy management rollout (Track 2A) remained mostly on track with the original launch date of June 2021.
  - Track 2B was impacted most significantly by COVID-19 and remote work and Go Live was postponed twice before launching in May 2022.
- Track 3 was established as optional from the project onset, and was later de-scoped.

The integrated project plan was updated to reflect each of these changes after approval from the HoMES SC was received.

Given the unique and exceptional situation arising from COVID-19, the typical exercise to measure performance against the original plan was not undertaken, as it is unlikely that any lessons learned would be applied to future projects. The HoMES project completed the final launch 36 months after initiation.

#### **4. Budget Management**

The overall HoMES Project budget approved by the TCHC Board of Directors in 2019 in the amount of \$55.3M. Included in this budget was approximately \$900K to implement the HoMES solution for contract-

managed (third party) service providers. TCHC later decided to bring the contract-managed properties back in house as direct-managed properties, so this work was de-scoped with the vendor, and the overall approved budget was reduced to \$54.4M.

The budget was reviewed and updated throughout the course of the project by a dedicated PMO resource, working with the overall HoMES PM. Any changes to the budget were documented. After each month end close, TCHC Finance reviewed general ledger actuals with the HoMES PMO. The HoMES project reported quarterly to BIFAC and provided a detailed report of the budget including procurements and change orders.

The final costs of the HoMES project captured all expenses, internal resources, procurements and approved change orders.

As of August 2022, the overall project spend (excluding COVID expenses) was approximately \$1M favorable against the approved \$54.4M budget with a projected estimated spend at completion to be \$52.8M as outlined in the Q2 2022 Quarterly Financial Report brought forward to the BIFAC in the in-camera session of its September 8, 2022 meeting. The HoMES project will retain a small team of HoMES project resources to roll out any remaining business processes. This cost is captured in the overall spend.

## **5. Quality Management**

### **Quality Control**

The HoMES PMO established and/or approved templates for all key project deliverables and project assets. Templates were reviewed with the appropriate document owners. Project resources periodically reviewed and requested changes to deliverable outputs, and version tracking of any documentation was maintained in the project collaboration site.

### **Quality Assurance**

KPMG was contracted to provide independent Quality Assurance oversight for the HoMES Program. A comprehensive project deliverables RACI was created early in the project, which KPMG then incorporated into the Quality Assurance Plan. KPMG issued a total of 32 monthly reports to the



Executive Sponsor, which included more than 180 recommendations for improvements during the course of the project.

All deliverables were reviewed by KPMG to ensure that the standards outlined in the Quality Assurance Plan were adhered to. A dedicated Project Control Officer in the PMO was assigned to make sure each of the deliverables were reviewed, feedback received and implemented where appropriate, and signoffs were tracked.

KPMG will deliver a final report to BIFAC on September 8, 2022.

## **6. Resource Management**

The HoMES Project engaged a number of internal, vendor and independent contractor resources throughout the three-year implementation. Resources were ramped up and down depending on the needs of each phase of the project. TCHC internal resources (permanent and temporary employees) were onboarded under contracts issued through TCHC HR. Permanent employees were backfilled where required. Contracts were extended when changes to rollout schedules were approved.

Yardi was contracted to provide consultant support for two months after each HoMES Go Live. Since the final rollout affected the largest group of users and involved complex processes, three full-time equivalent Yardi resources were contracted for an extra month to provide extended support, given the magnitude of the final rollout.

As of August 2022, most project resources, including vendors, have rolled off the project. A small team of business and data resources have been extended beyond August 2022.

## **7. Change Management and Communications**

Communications and Change Management had a dedicated project lead, and a formal communications and change management strategy was developed, approved and executed. This team was responsible for building the short term post launch support plans.

As part of the PwC deliverable, a thorough review and report of the future state through the lens of roles and responsibilities was delivered. This critical report was used to build the Change Management, Training and Communications Plan. The plan ensured that there was a considerable amount of communication to affected users prior to each rollout to explain the change taking place and any readiness steps that were required.

Each launch required a tailored change, communications and support plan since each one had a unique set of users with unique needs, however, similar approaches were reused for each launch where appropriate i.e. Webex support. For all launches within Track 2, regular meetings were held between HoMES business project leads and managers to surface the larger issues that users were facing, to address them and communicate path to resolution immediately following launch. In parallel, the core team held daily reviews of open IT tickets for several weeks after each rollout so that all priority issues were reviewed and addressed and project team members communicated status and resolution.

At the conclusion of each support period, IT support was transitioned from the project team to Applications Support and into the sustainment stage. On the business side, plans to transition to sustainment are still in process.

As of August 2022, all change management and communications tasks were fully executed.

## **8. Training Management**

The COVID19 situation required a shift in the mode and approach of training delivery relative to the approved pre-COVID training plan. Resource turnover and a lack of skilled expertise in house to develop materials and delivery training plans for a large Enterprise Resource Planning (“ERP”) technology rollout led to challenges rolling out effective training for Track 1A users (Finance). Shortly after the Track 1A Go Live, a new and experienced ERP training lead and two experienced training developers were contracted through a formal procurement process, and the effectiveness and quality of training improved exponentially after this changed was implemented. The project continued to see some changes to this team throughout the project, but only experienced ERP content and training resources were brought on.

### Final Training Delivery:

- Track 1A was completed remotely with all sessions being conducted virtually over WebEx, and with no in person training.
- Track 1B was also completed remotely and saw a significant improvement in content quality and training delivery once the new team came onboard.
- Track 2A was completed remotely, applying lessons learned from Track 1A and 1B. Additional training resources were added and Yardi played a significantly more active role in Track 2A training. Online learning was still not optimal for this group of users. The HoMES project team with operations has been delivering refreshers training in several key process areas over the past year.
- Track 2B training was a hybrid of remote learning and in person sessions. This rollout involved many field users whose job is to be out serving tenants vs. performing back office functions on a computer, as was the case with most users in prior rollouts. In person training was considered a necessity for this group, and the Go Live was postponed until in person training was permitted.

As of August 2022, the HoMES project continues to provide planned refresher training and execute training that was intentionally deferred for the final Track 2B launch.

## 9. Risk Management

The HoMES Project tracked key risks, issues, actions and decisions in the project collaboration site. In total, 237 items were created and tracked.

Weekly meetings were held with all project leads to review escalated items and action plans, and the log was updated with any progress-related comments. High impact items were discussed monthly with the HoMES Steering Committee to engage sponsors when required.

A final weekly team call was held in mid-May to review any remaining open items. A total of ten lower priority items were still active as of the end of the final launch in May, and they will be closed out before the end of 2022.

## 10. Deferred Rollout of Planned Scope

While every effort is made to deliver the full scope for each launch, in order to maintain the project schedule and budget, a project must make decisions to proceed with Go Live without the entire scope deployed.

Prior to each launch, the Steering Committee was informed of any outstanding issues and the plan to address post Go Live and a Go/No Go Decision was made by the SC based on the recommendations of the PMO.

As of August 2022, there are some outstanding reports and letters remaining for Tracks 1A, 1B and 2A to be delivered. These items were not critical to the initial launches and were deferred to the end of the project. This work is being led by the Information Technology Services team. Yardi is still required to deliver as per project scope and is providing resources to complete this work. We do not anticipate any issues related to full delivery of the project.

For the final launch of Track 2B, business decisions were made to defer the launch of four processes pending further clarification of requirements.

- Annual Unit Inspections – Refinement of Inspection Templates were needed based on updated business requirements. This work is nearing completion.
- Move Out (Unit Turn Over) – Decision to defer the elimination of Maintenance Dispatch and revert to current state for building staff has impacted this solution. It is not configured for a centralized model. Work is in progress to review and re-assess the Yardi solution and the end to end vacancy process.
- Inventory Management – Minimal work on this module has been completed to date. No data conversion needed. The HoMES business team is working with Finance and Operations to refine the scope before continuing with the implementation of this module.
- Appliance Order –Appliance ordering was to be transitioned from BIR (Custom built legacy application) to a Yardi vendor solution. There are gaps between the proposed solution and business requirements of our vendors which had come to light in the final stages of the

project. Additional work is required to determine if the proposed solution is viable for our appliance vendors.

## 11. Business Process and Solution Refinement

While a significant amount of work was undertaken to understand, develop and implement the 200+ business processes into the HoMES solution, there were some processes, and the corresponding technology solution, that proved more difficult for users to adopt to. This is understandable given the changes to structure and the workload in Operations over the past three years. The HoMES project team and operations are currently assessing the user and tenant impact of some key processes before proceeding to make any further changes to HoMES solution or business processes.

Because this is an integrated solution with a considerable amount of enhancements build into the technology, the requests of one area may have an upstream or downstream impact on other areas.

### **SUMMARY:**

The HoMES Project was a multi-year enterprise-wide transformational project. The project scope, as outlined in the HoMES Project Charter, was executed successfully within budget. Although COVID-19 induced unavoidable delays the project was completed 36 months after launch. In addition, considerable key learnings that were gleaned throughout the project that will be helpful to TCHC as we embark on major projects like this in the future.

### **SIGNATURE:**

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