



Change Order: Project Management Services for the HoMES Project

Item 4

July 20, 2021

Building Investment, Finance and Audit Committee

Report: BIFAC:2021-63

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

From: Vice President, Information Technology Services

Date: June 29, 2021

PURPOSE:

The purpose of this report is to seek the BIFAC's approval for a change order for project management services provided by 2431933 Ontario Inc. for TCHC's Business Transformation project now known as the HoMES project.

BIFAC approval is required for the recommended change order, as the cumulative amount of all change orders exceeds the \$2.5 million financial approval limit of Toronto Community Housing's ("TCHC") Procurement Award Committee ("PAC").

RECOMMENDATIONS:

It is recommended that BIFAC approve the following recommendations:

1. Approve a change order to 2431933 Ontario Inc. for \$171,600.00 (exclusive of taxes) for project management services for the Integrated Housing Management Solution project now known as the HoMES

project;

and

2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

REASONS FOR RECOMMENDATIONS:

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 (HoMES) over the next two years. This system is anticipated to replace 30% of TCHC's existing legacy operating systems and provide TCHC with an all-encompassing enterprise solution that provides operations and tenancy management, general ledger accounting, and procure-to-pay functionality. Current systems are fragmented with no integrated workflows. This initiative will take place concurrent with operational process improvements, organizational transformation, change management and technology transformation, and must be delivered on time, in scope and on budget.

Consulting and project management services from a project manager with subject matter expertise is required to oversee the implementation of an integrated housing management system ("IHMS"). The project manager requires experience in the area of project management for complex, large scale, multi-dimensional enterprise system implementation, and the ability to leverage existing best practices in research and resources.

During the fourth quarter of 2020, the HoMES Project Management Office met to review the status of the project and to determine the feasibility of launching the entire Track 2 scope as planned in May 2021.

Upon completion of this review and after discussions with key project resources, Yardi, KPMG, and the HoMES Project Management Office ("PMO") brought forward a proposal to the HoMES Steering Committee to consider decoupling the Track 2 launch to go live in two phases.

- Phase 1: The core tenancy management solution was recommended to go live as planned in late May 2021 and involved a smaller number of users. All activities such as testing and training for this portion of Track 2 remained on schedule.
- Phase 2: Complete all system configuration, enhancements and testing by early September 2021 for the remaining modules. Delay go

live of the remaining Yardi modules to the September-November timeframe to allow for training to be conducted outside of summer months

The proposal was approved by the HoMES Steering Committee and brought to the BIFAC for information in February 2021. As the current agreement for project management services expires prior to the end of the HoMES project, a change order is necessary to retain these services until the completion of the project.

PROCUREMENT PROCESS:

This change order is recommended under the following justification under section 4.3(a) of TCHC's Procurement Policy:

- v. To ensure compatibility with goods and services previously acquired where there are no reasonable alternatives or substitutes.

IMPLICATIONS AND RISKS:

2431933 Ontario Inc. has been providing project management services for the past 38 months and has developed an in-depth knowledge and understanding of TCHC's business operations, project plan, project risks and the organization's culture. This knowledge is critical to provide effective project management services in the final months of the project.

Additionally, for TCHC to issue a new procurement document to secure the additional services that are required would create delays in project timelines, and could potentially introduce a new project management team to the HoMES project, with whom TCHC, Yardi, PwC and KPMG would then have to work. This would, in itself, likely create communication/planning/scheduling complications and project delays.

The Vice-President, Information Technology Services has reviewed the pricing for this additional work and has determined it to be reasonable and acceptable. The hourly rates of the project management services for this change order are marginally below industry standards for an enterprise-wide transformational project.

SIGNATURE:

"Luisa Andrews"

Luisa Andrews
Vice President, Information Technology Services

STAFF CONTACT:

Luisa Andrews, Vice President, Information Technology Services
416-981-5012
Luisa.Andrews@torontohousing.ca

Confidential Attachment 1: 2431933 Ontario Inc. Change Order Details

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.