

To: Council in Committee of the Whole

From: Tracy Adams, Commissioner,
Corporate Services Department

Report Number: CNCL-20-47

Date of Report: May 20, 2020

Date of Meeting: May 25, 2020

Subject: KPMG CityView Land Management and Maximo Work Order
Milestone 1 Assessments

File: C-3100

1.0 Purpose

The purpose of this report is to present the KPMG CityView Land Management and Maximo Work Order Milestone 1 Assessments.

Attachment 1 is the KPMG CityView Land Management Milestone 1 Assessment.

Attachment 2 is the KPMG Maximo Work Order Milestone 1 Assessment.

2.0 Recommendation

It is recommended to City Council:

1. That Report CNCL-20-47, dated May 19, 2020, and Attachment 1 being the KPMG CityView Land Management Milestone 1 Assessment, and Attachment 2 being the KPMG Maximo Work Order Milestone 1 Assessment, be received for information and that the recommendations and management responses in the KPMG assessments be endorsed as the general basis for implementing information technology projects improvements; and,
2. That the CityView Project and Maximo Project Milestone 2 Assessments in the 2019 Annual Audit Plan, as set out in Attachment 1 to Report FIN-19-04, not proceed for reasons outlined in this report.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

The CityView Land Management and Maximo Work Order Milestone 1 Assessments by KPMG were conducted with the involvement of the appropriate City employees including the Commissioner of Finance Services and representatives from Harris (the integrator of CityView) and Createch (the integrator of Maximo).

5.0 Analysis

5.1 KPMG Milestone 1 Assessments

The KPMG Audit Plan included the CityView Land Management and Maximo Work Order Milestone 1 Assessments. These assessments were performed between March 27 and May 10, 2019 as a point in time assessment. The results of the assessments are identified below.

The CityView Land Management Milestone 1 Assessment includes three recommendations related to the following aspects:

1. CityView project plan not in place
2. Accountability for data migration is not clearly defined
3. Interdependencies between projects not defined

The Maximo Work Order Milestone 1 Assessment includes six recommendations related to the following aspects:

1. No finalized project plan for Maximo
2. Payment terms are time-based rather than milestone-based
3. Impact of new Createch approach not reassessed
4. No budget contingency
5. The City's project staff not trained on new approach
6. Interdependencies between projects not defined

5.2 Management Responses

Management Responses for the CityView Land Management Milestone 1 Assessment (Attachment 1) include responses from both City staff and representatives from Harris (the integrator of CityView). Management Responses for the Maximo Work Order Milestone 1 Assessment (Attachment 2) include responses from both City staff and Createch (the integrator of Maximo). In addition to the Management Responses found in the Attachments, below are additional Management Responses.

Through the on-going implementation of the two projects, many of the areas for improvement identified by KPMG have been either addressed or are being proactively monitored and appropriate actions are underway. Therefore, some of the recommendations, as noted in Attachments 1 and 2, and above, are irrelevant and out-of-date, as noted below.

CityView

1. CityView project plan provided by Createch not in place.
 - Currently the project is on hold until sufficient City data has been converted and ready to transfer properly to CityView. At that time, the project plan will be finalized.
2. Accountability for data migration is not clearly defined.
 - Through the data collection sessions by CityView representatives and City business units, it was determined that all legacy data should be migrated to CityView to retain a complete history of property related information in one system to maintain the integrity of the City's business processes. On September 18, 2019, City staff met with Avenu Insight and Analytics and determined that based on the complexity of the data migration and the requirement to deliver the legacy data to CityView, it was agreed to engage Avenu as they are the experts. On October 15, 2019, Council approved the contract with Avenu Insights and Analytics (FIN-19-74).

Maximo

1. No finalized project plan for Maximo.
 - Initially there was not a finalized project plan for Maximo. However, since the KPMG assessment was performed, the project plan was finalized in May 2019 and the project is approximately 50 per cent complete with a targeted launch January 2021.
2. Payment terms are time-based rather than milestone-based.
 - The payment terms were agreed to at the start of the project and are not able to reassess the payment terms as the project is well underway. Additionally, there is a 10 per cent hold back that will be released when the project is complete. Further, the City's Project Manager meets with Createch's Project Manager weekly to ensure the project is on schedule against progress milestones.

CityView and Maximo

1. Interdependencies between projects not defined.
 - The contract award for the CityView Land Management Software project was in 2017 (FIN-17-107) and the Maximo Work Management Software project was in 2018 (CNCL-18-54). However, the CityView project did not start until 2018 and therefore both projects overlapped for a short period. Since then, the CityView project is on hold until the legacy data conversion is completed by Avenu Insights and Maximo is over 50 per cent complete. Therefore, the interdependencies between projects not being defined is no longer applicable as the implementation schedules of the two projects no longer run parallel.

Although some of the recommendations raised by KPMG have been addressed through the implementation of the projects, there are items such as no budget contingency that are still relevant and need to be considered when implementing future information technology projects.

5.3 Project Contingencies

Contingencies are an estimated amount added to a project base budget to cover unknown projects risks and to prevent cost overrun. Contingencies can be a lump sum amount against the total project or allocated for identified risks, which are accepted and for which mitigation responses are developed. Project contingencies should be in the 15 to 20 per cent range for enterprise transformation implementations like CityView and Maximo.

Project risks may include but are not limited to scope change requiring additional integrations, data conversion by third party companies to mitigate potential error risks due to the complexity of the existing data structure, additional end user training and hiring external resources to complete work due to limited availability of internal resources.

5.4 Milestone 2 Assessments

On February 8, 2019, Council endorsed the 2019 Internal Audit Plan and Directional Plan 2020-2023 in Report FIN-19-04. Milestone 2 Assessments for CityView and Maximo were included in the proposed five audits to be undertaken in 2019. Through Council deliberations, the funding for the CityView and Maximo Milestone 2 Assessments were amended and removed from the 2019 internal audit program funding and instead were funded from the CityView and Maximo Project contingencies as per the following Council direction:

- “That the \$45,000 be funded from the project contingency with respect to the CityView Milestone Assessment;
- That the \$45,000 be funded from the project contingency with respect to the Maximo Milestone Assessment.”

Staff are recommending that the Milestone 2 assessments not commence, as the funds allocated for the Milestone Assessments are required to complete the CityView and Maximo projects. In addition:

- Maximo implementation is over 50 per cent complete and will be transitioning to the training phase in the summer.
- The CityView project is on hold until legacy data conversion is complete by Avenu Insights as outlined in Report FIN-19-74. The project will begin once sufficient data has been converted and is ready to transfer properly with minimal human error into the new system.
- Contingency in both projects is underfunded and the contingency funds that have been allocated to the KPMG Milestone 2 Assessments are better utilized for required technology capabilities.

6.0 Financial Implications

The cost for Milestone 1 Assessments for CityView and Maximo was \$50,400. The budget for Milestone 2 Assessments for CityView and Maximo was \$90,000, which is required for the completion of the two projects.

7.0 Relationship to the Oshawa Strategic Plan

The report responds to the goal of Accountable Leadership by ensuring respect, responsiveness and transparency.

A handwritten signature in black ink that reads "Tracy Adams". The signature is written in a cursive style and is enclosed within a thin black rectangular border.

Tracy Adams, Commissioner,
Corporate Services Department

Attachments



City of Oshawa



Report

Milestone Assessment 1:
CityView

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Executive Summary



Objectives	<p>KPMG has been engaged by the City of Oshawa to conduct two independent assessments of both the Maximo Work Order Management and CityView Land Management Implementation projects. The objectives of each of these assessments were to:</p> <ul style="list-style-type: none"> - Utilize better practice risk management frameworks that serve as the basis for managing ongoing risks throughout the entire lifecycle of the Project; - Provide a basis for independent review of the implementation of the Maximo Work Order Management project, CityView Land Management System project and the associated process and organizational changes; - Establish the necessary risk management processes that will provide assurance to management, the Steering Committee and CLT that the implementation risks are being identified and managed in a timely manner; and - Provide observations and recommendation on the overall complexity, timescale and scope of the project. - Identify opportunities for improvement which can be applied to future projects beyond those reviewed as part of this assessment.
Key Activities	<p>Key activities performed for each project included reviewing and assessing whether:</p> <ul style="list-style-type: none"> • The project is progressing on track in context of its overall objectives; • Expectations of key stakeholders are understood and addressed; • A project resource plan is in place; • A program scope is in place to ensure that it is clear and agreed upon; • Project governance, organization, project management and controls are agreed and in place; • Technical infrastructure and integration requirements are defined; • Risks, issues, assumptions and dependencies are being catalogued; • Change management and stakeholder engagement is in place; • Program priorities are identified; • Accountabilities and responsibilities are documented; and • Project specific deliverables are complete as per schedule
Deliverables	<p>The following key deliverables were issued during this engagement:</p> <ul style="list-style-type: none"> - Issues log brought to the attention of the project team as identified throughout the assessment - Final report highlighting gaps identified along with the list of remediation actions and the vulnerabilities identified during our assessment

Our assessment was performed based on the key activities, as agreed within the Statement of Work (SoW). We have identified various opportunities to mitigate risks in relation to the projects and these are incorporated into this report. Please refer to Appendix 1 for more details. The audit was performed between March 27 and May 10, 2019 for a point in time assessment. Following the completion of our fieldwork we had several meetings with management where we were informed that many of our observations had been addressed, however internal audit has not validated the remediation efforts discussed.



Key positive trends observed during our review

The following is a list of positive trends that we observed during our assessment:

- The City has augmented a cross functional team representing the leadership, Business and IT to drive change throughout the organization.
- The City and implementer CityView are starting up project activities and have defined the project charter, communication strategy and risk log.
- The audit was a point in time assessment performed between March 27 and May 10, 2019. Since the date of our assessment a number of observations have been addressed by management, however these changes have not been validated.
- Observations have been used by management to enhance to the overall project management processes.

Summary of key risk observations

The following is a list of key risk observations that we identified during our assessment:

- The project plan, milestones and timelines have not been defined, finalized or approved. As such, plans and approaches for addressing project activities are still pending, including the development approach and testing approach.
- Accountabilities, roles and responsibilities relating to the upcoming data conversions have not been clearly defined, allocated and approved.

Summary of the assessment findings

The project plan has not been developed and a target completion date has not been defined

Accountabilities for the significant data migration activities have not been defined and allocated

Affected business processes overlap in the Maximo and CityView projects and dependencies need to be managed



CityView Assessment Details



CityView Project Plan not in place

Observation	At the time of the initial assessment and based on our discussions with the City's Project Manager for the CityView project, we were unable to find evidence of a developed and finalized project plan for the CityView implementation. A completion date for the project plan has not yet been defined. Management has worked with CityView to create the detailed project plan which has not been assessed by internal audit.
Impact	Without a project plan, the City is not locked in on deliverables, resource requirements, and schedule. Accordingly, progress relating to milestones, budgets and other critical areas cannot be effectively monitored.
Remediation	We recommend that the City develop the project plan with identified milestone deliverables, resource requirements and schedule, among other things. In addition, the City should monitor the budget, schedule and milestones throughout the project.
Management Responses	<p>City: The project plan is a deliverable of the selected company through the RFP process. The City works with the selected vendor to develop an agreed project plan and schedule based on the vendors recommendations, best practice, delivery model or industry standard.</p> <p>The budget is monitored against the Contractual Services Agreement provided by the vendor and signed by the City. This Agreement provides a payment schedule and is monitored against project deliverables and schedule.</p> <p>The Project Plan has been provided by the vendor, is monitored through weekly status calls with the vendors PM. The plan will be baselined following scope document and budget validation sign off. The completion date will be defined at that time. The Project Charter identifies resource requirements of the City. City resources are made available based on business unit requirements and demands.</p> <p>CityView: Email from CityView attached for full context of their responses. CityView comments provided in this document are general excerpts of the email. CityView have not had any conversation with KPMG (written or verbal) in order for KPMG to understand the Implementation model purchased and the steps (in order) that need to happen in order to meet the specific deliverables (ie: pre-work for data collection/process mapping and then the actual sessions, baselining schedule after scope sign off, etc). This would be necessary to ensure proper reporting of what has/should have happened based off the model.</p>



2 Accountability for data migration is not clearly defined

Observation	Following our discussions with the City’s Project Manager for the CityView project and inspection of the project charter of December 2018, we noted that the accountabilities and roles & responsibilities relating to the data migration activities are not clearly defined, allocated and approved.
Impact	Without a data conversion plan that clearly defines accountabilities, roles and responsibilities, the City risks having different interpretations of scope and underlying efforts between the City and vendor. This could result in inefficient or incorrect migration activities.
Remediation	<p>We recommend that:</p> <ul style="list-style-type: none"> ▪ The City assess the minimum viable data that must be migrated to CityView to support operations ▪ The City develop a data migration plan, including a clearly defined scope and RACI matrix to define accountabilities, roles and responsibilities on the team ▪ The City re-baseline the project cost to include data migration efforts ▪ It is also our understanding, confirmed with management responses below that efforts have been undertaken and progress has been made with respect to data migration. These activities have not been assessed by internal audit.
Management Responses	<p>City: Data migration from the OLI system to CityView is being discussed with the third party vendor who has expertise to complete. This is based on City requirement to bring forward approximately 20 years of data. Additional funding has been approved by Council to complete the legacy data conversion and migration to CityView. The third party vendor is currently completing the data conversion.</p> <p>City to identify all data sources that need to be migrated to CityView in a format consistent with the Statement of Work. Data migration plan, accountabilities, roles and responsibilities to be defined.</p> <p>CityView: Data Conversion – CityView is pending Oshawa decisions with the 3rd party vendor to continue with this. NOTE: delays with this does affect the project schedule. CityView has looked into a couple options to help mitigate it and continue with the remainder of the project items. This was discussed high level with Oshawa. Until it is determined the outcome of the discussions with the vendor, CityView will keep the options open with Oshawa and update when appropriate.</p>

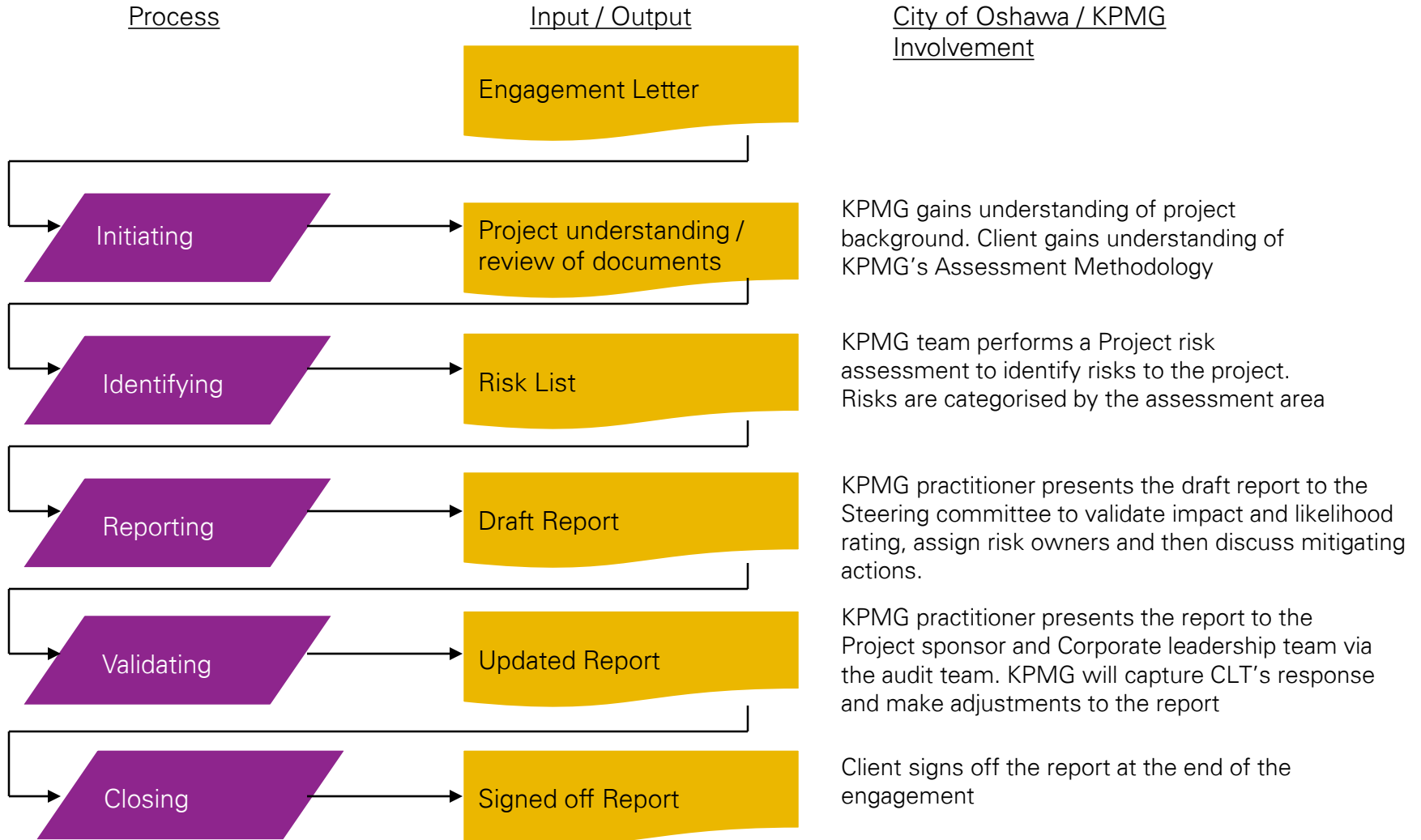


3 Interdependencies between projects not defined

Observation	Based on our discussions with the City's Project Manager for both CityView and Maximo and inspection of the Maximo and CityView project charters, we noted that both projects affect the same business process activities. Dependencies between projects in terms of project timelines and design of the business processes have not been defined.
Impact	Not defining the dependencies between projects and integration approach of the affected business processes, could impact the objectives, implementation timelines and functionality of both solutions.
Remediation	<p>We recommend that the City identify the dependencies between the projects and accordingly define a process integration approach for the overlapping business processes. In addition, the City should introduce portfolio management reporting to track dependencies between projects.</p> <p>Beyond the CityView project, for projects in general, the City should consider identifying and mapping all related project dependencies prior initiation of these projects.</p>
Management Responses	City: Resource dependencies between the two projects will be mapped to determine overlaps, risks and resource dependencies.



Appendix I - Assessment Process





Project Assessment tool

Our approach in reviewing both Maximo and CityView projects is based on KPMG's Global Enterprise Transformation Tool (GETT) framework. The framework is based on our significant experience and knowledge of project risk management. GETT enables an overall assessment of the risk profile of a program based on a set of 49 criteria covering 7 critical areas of the programme.

For the initial high level health-check and risk assessment, we focused on high level aspects of all areas of the framework. After the projects have progressed further and more project artefacts are in place, detailed assessments should be performed in these areas.

Programme Governance	Project Management	Change Management	Performance Management	People	Process	Technology
Business Imperative	Scope, and change control	Change Approach & Strategy	Goals & Objectives	People Strategy & Approach	Target Operating Model	Enterprise Architecture
Leadership	Dependencies/ Assumptions	Change Leadership	Business Case	Organizational Design	Process Design	System design
Set Policy And Direction	Risk/Issue Management	Change Impact Assessment	Benefit Management	Role Design	Requirements management	Data conversion/ management
Accountability And Responsibility	Resource & Cost Management	Stakeholder Engagement	Independent Assurance	Skills & Competencies	Data Management & Reporting	Interfaces & Legacy systems
Programme Structure	Vendor Management	Engagement & Communication	KPIS/Metrics	Behaviour And Culture	Business Process Controls & BCP	System Build
Monitoring & Controls for transparency	Quality standards & management	Organisation & Capability	Incentives To Deliver	Training & Development	Functional Testing	Non functional testing
Portfolio Management	Lifecycle Management	Transition Readiness	Realisation & Sustainability	People Performance management	Security And Controls	Transition & Support



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Item: CNCL-20-47
Attachment 2

City of Oshawa



Report

Milestone Assessment 1:
Maximo

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Executive Summary



Objectives	<p>KPMG was been engaged by the City of Oshawa to conduct two independent assessments of both the Maximo Work Order Management and CityView Land Management Implementation projects. The objectives of each of these assessments were to:</p> <ul style="list-style-type: none"> - Utilize better practice risk management frameworks that serve as the basis for managing ongoing risks throughout the entire lifecycle of the Project; - Provide a basis for independent review of the implementation of the Maximo Work Order Management project, CityView Land Management System project and the associated process and organizational changes; - Establish the necessary risk management processes that will provide assurance to management, the Steering Committee and CLT that the implementation risks are being identified and managed in a timely manner; - Provide observations and recommendation on the overall complexity, timescale and scope of the project; and - Identify opportunities for improvement which can be applied to future projects beyond those reviewed as part of this assessment.
Key Activities	<p>Key activities performed for each project included reviewing and assessing whether:</p> <ul style="list-style-type: none"> • The project is progressing on track in context of its overall objectives; • Expectations of key stakeholders are understood and addressed; • A project resource plan is in place; • A program scope is in place to ensure that it is clear and agreed upon; • Project governance, organization, project management and controls are agreed and in place; • Technical infrastructure and integration requirements are defined; • Risks, issues, assumptions and dependencies are being catalogued; • Change management and stakeholder engagement is in place; • Program priorities are identified; • Accountabilities and responsibilities are documented; and • Project specific deliverables are complete as per schedule
Deliverables	<p>The following key deliverables were issued during this engagement:</p> <ul style="list-style-type: none"> - Issues log brought to the attention of the project team as identified throughout the assessment - Final report highlighting gaps identified along with the list of remediation actions and the vulnerabilities identified during our assessment

Our assessment was performed based on the key activities, as agreed within the Statement of Work (SoW). We have identified various opportunities to mitigate risks in relation to the projects and these are incorporated into this report. Please refer to Appendix I for more details. The audit was performed between March 27 and May 10, 2019 for a point in time assessment. Following the completion of our fieldwork we had several meetings with management where we were informed that many of our observations had been addressed, however internal audit has not validated the remediation efforts discussed.



Key positive trends observed during our review

The following is a list of positive trends that we observed during our assessment:

- The City has augmented a cross functional team representing the leadership, Business and IT to drive change throughout the organization.
- Overall the relationship with the integrator (Createch) has been positive to date and both organizations are committed to deliver the business objectives.
- The audit was a point in time assessment performed between March 27 and May 10, 2019. Since the date of our assessment a number of observations have been addressed by management, however these changes have not been validated.
- Observations have been used by management to enhance to the overall project management processes.

Summary of key risk observations

The following is a list of key risk observations that we identified during our assessment:

- During KPMG's assessment, we observed that the initial project plan with a go live date of August 2022 was modified and that the City is not locked in on resource requirements, deliverables and no completion or approval date was set to identify when the new project plan would be done.
- Payment terms with the integrator are time based as opposed to having payments aligned to deliverables and milestones.
- While Createch has introduced a new Agile methodology to meet the new go live timeline of January 4, 2021, we did not see any evidence that the City had reassessed the impact of this change to ensure that the new hybrid Agile approach does not cause any unforeseen project delays.

Summary of the assessment findings

The project plan for Maximo has not been finalized and needs to be updated

Createch payment terms are time based, as opposed to milestone and deliverable based

Createch is taking a new approach to executing the project, but the monitoring activities from the City have not been reassessed

There is no formal budget contingency included in the project plan and no process to approve any contingency requirements

No additional training provided to the City's project team, on the new approach provided by Createch

Affected business processes overlap in the Maximo and CityView projects and dependencies need to be managed



IBM Maximo Assessment Details



1 No finalized Project Plan for Maximo

<p>Observation</p>	<p>At the time of the initial assessment and discussions with the City’s Project Manager for the Maximo project we noted that the Maximo project plan had not been finalized and no completion or approval date was set to identify when it would be done. While an initial plan was provided to us for review, however, we were informed that Createch was asked, by the City, to update the plan and resubmit it.</p> <p>As per our discussions with the City, we were informed that the new project plan was planned to be completed, by Createch, sometime in the summer of 2019, with a new expected go live date of end of 2020, rather than the initial go-live date of August 2022. Since the completion of our fieldwork, management has worked with Createch to create updated plans, which were shared with internal audit but have not been reviewed in detail.</p>
<p>Impact</p>	<p>Lack of a formalized and approved project plan increases the risk of the City missing deadlines and perhaps affecting various aspects of the project such as, but not limited to:</p> <ul style="list-style-type: none"> - Resource requirements, - Schedule management, and - Inadequate monitoring measures of project milestones and deliverables
<p>Remediation</p>	<p>As the project continues to develop while the formal project plan is being finalized, we recommend that the City consider developing an interim high level project plan with identified milestone deliverables, resource requirements and schedule to track project progress until a complete project plan is finalized, in the summer of 2019. This will ensure that all critical project milestones and tasks are continuously monitored and addressed.</p>
<p>Management Responses</p>	<p>City: At the time of the audit it was agreed between the City and Createch that the project plan, following a hybrid Agile deliver method, would be updated during the summer recess. The initial project plan has been updated twice since the version provided to KPMG. The revised plan includes % complete, the tasks align with the agreed Statement of Work and incorporate milestone deliverables identified as Walk-throughs. The City agrees there is a risk associated with the project plan being developed while the project is underway and will monitor project progress using the last version of the project plan provided by Createch.</p> <p>Createch: The project plan was approved in May 2019, with the go-live date of January 4th, 2021.</p>



2 Payment terms are time-based rather than milestone-based

Observation	<p>Createch has been engaged by the City to develop and implement Maximo. Based on our discussions with the City's Project Manager for the Maximo project and inspection of the contract with Createch, we noted that the payment schedule has been set up as time based rather than the industry leading practice of milestone and deliverable based.</p> <p>Any delays, issues or risks that arise during the project are not equally shared between the service provider and the City, as the service provider will get paid regardless of progress and milestones/ deliverables achieved.</p>
Impact	<p>Inadequate commercial and payment terms exposes the City to a less than favorable position when trying to negotiate payments, with the service provider, in the unfortunate event that project overruns or delays do occur.</p>
Remediation	<p>We recommend that the City evaluate the risks related to the current payment terms with Createch and implement mitigating measures to ensure that there is a clear correlation between tasks & deliverables and monthly/ milestone payments. In addition, the City should track project completion against project budget burn rate on a more frequent basis (suggested weekly or bi-weekly) and discuss project process during weekly status calls to identify and proactively address any risks and impact on costs.</p> <p>In future, the City should consider negotiating milestone based contracts to ensure the City is protected and in a favorable position as it relates to payments. In case this is not feasible, mitigating measures should be identified and implemented to address the risk of underperformance in case of delays.</p>
Management Responses	<p>City: The payment terms were agreed at the start of the project and are working with Createch to ensure the project plan represents a completion date for the end of Q4 2020. The City will not reassess the payment terms as they were agreed to in good faith. There is a 10% hold-back that will be released only when the project is complete. The City and Createch discuss project process during our weekly status calls to identify any risks. The project deliverables are tracked and align with the monthly payment values.</p> <p>Createch: There is 10% hold-back after the 24th payment to ensure the completion of the project's task. The project plan review is added to the weekly agenda.</p>



Impact of new Createch approach not reassessed

Observation	<p>Following our discussions with the City's Project Manager for the Maximo project, we noted that while Createch has introduced a new approach for managing and delivering the project, we did not see any evidence that the City had reassessed the impact of this change to ensure that the new hybrid Agile approach does not cause any unforeseen project delays.</p>
Impact	<p>Not reassessing the impact of the change in approach could result in unforeseen project delays and budget overruns.</p>
Remediation	<p>We recommend that the City assess the impact of the change in approach to track areas such as project team feedback, resource commitments and milestone achievability based on the new approach. This will enable the City to determine effectiveness of the new methodology and whether adjustments are needed.</p> <p>Beyond the Maximo project, the City should consider taking a pro-active approach which includes identifying mitigating measures or risk acceptances that need to be approved by the appropriate level of management, whenever a significant change in a project has occurred (e.g. timelines, approach, scope).</p>
Management Responses	<p>City: City Project Manager meets with the Super User Team weekly to review the status of the work shops, obtain their feedback, issues, concerns. Part of the new project delivery methodology includes a retrospective that the team provides input. Feedback from both parties is well received and has been implemented to ensure project success.</p> <p>The new hybrid Agile approach improved the overall schedule, shortening it 19 months, from the original approach.</p> <p>Createch: Each time the Createch completes a work on the logical unit of work, Createch executes the Retrospective workshop with the Super Users. This is done to acknowledge teams' successes and highlight the areas for improvement. The Kanban in the project room, provides visual as where the team is at with the scheduled and completed activities.</p> <p>The new methodology is intended to improve the visibility and closer alignment and interaction with the city. The tasks and activities from the original proposed plan have not been deviated from and the project plan calls for an enhanced timeline reducing or eliminating the impact of potential project delays.</p>



4 No budget contingency

Observation	<p>Based on our discussions with the City’s Project Manager for the Maximo project and inspection of the project charter of February 2019, we noted that a contingency based on tasks and milestones has not been incorporated in the project budget. It was noted that proper contingency budgeting is not consistently practiced when initiating a project at the City.</p>
Impact	<p>Lack of a task or milestone based contingency could lead to significant delays as separate approvals need to be obtained for these unforeseen costs.</p>
Remediation	<p>We recommend that the City re-evaluate the project plan and introduce a budget contingency that aligns to the various tasks and milestones. Furthermore, Management should establish a process to approve the release of contingency funds that does not create bottlenecks in the project delivery. In addition, the City should develop a process to monitor and report on the use of these contingencies.</p> <p>Beyond the Maximo project, for projects in general, the City’s budgeting process should be evaluated to ensure that sufficient contingencies can be included in the budgeting approach.</p>
Management Responses	<p>City: The contingency for this project is a lump sum and not assigned to milestones or tasks. The project has four phases and the available contingency could be split and assigned accordingly. The process for approving and releasing contingency funds is based on the Purchasing By-law. The Project Charter provides authority for use of contingencies.</p> <p>The City will look to improve contingency development, approval process and monitoring for this and future projects.</p>



5 The City's project staff not trained on new approach

Observation	Based on our discussions with the City's Project Manager for the Maximo project, we noted that while a new hybrid Agile approach was introduced to the project, there was insufficient training and guidance offered to the involved project staff from the City to ensure that any challenges related to adoption are addressed and that no delays occur throughout the project. It was noted that the Project Manager involved in these projects, has experience and understanding of Waterfall, Hybrid and Agile approaches.
Impact	Without the appropriate guidance around the new approach, there is a risk that City staff might incur additional hours getting up to speed on the new approach, causing project delays as well as impacting day-to-day activities. In addition, the original estimates of hours and availability of staff might be affected by the introduction of the new approach.
Remediation	We recommend that the City engage Createch or external specialists to ensure that the involved City project staff are well aware of the Agile concepts relevant to their roles and responsibilities and that their expectations are clearly defined. In addition, the City should ensure that a resource schedule is finalized to include all Agile trained staff and that they remain available throughout the project. Progress to-date to have staff trained on Agile and PM skills should continue and will enhance the teams capability to successfully contribute to the project.

Management Responses

City: The City SU team for this project were provided minimal training or an understanding of the Agile approach from Createch. The SU team are 100% dedicated to the project.

The City will investigate, through staff training budgets, having Agile trained staff for future projects.

Recently 35 TEAMS leaders (Supervisors, Managers, Directors and a Commissioner) successfully complete the Schulich project management training. This 2-day course qualifies for 14 professional development units from the PMI.

Createch: If it was the waterfall methodology or the Agile methodology, the city will follow the project plan and the process for implementation.

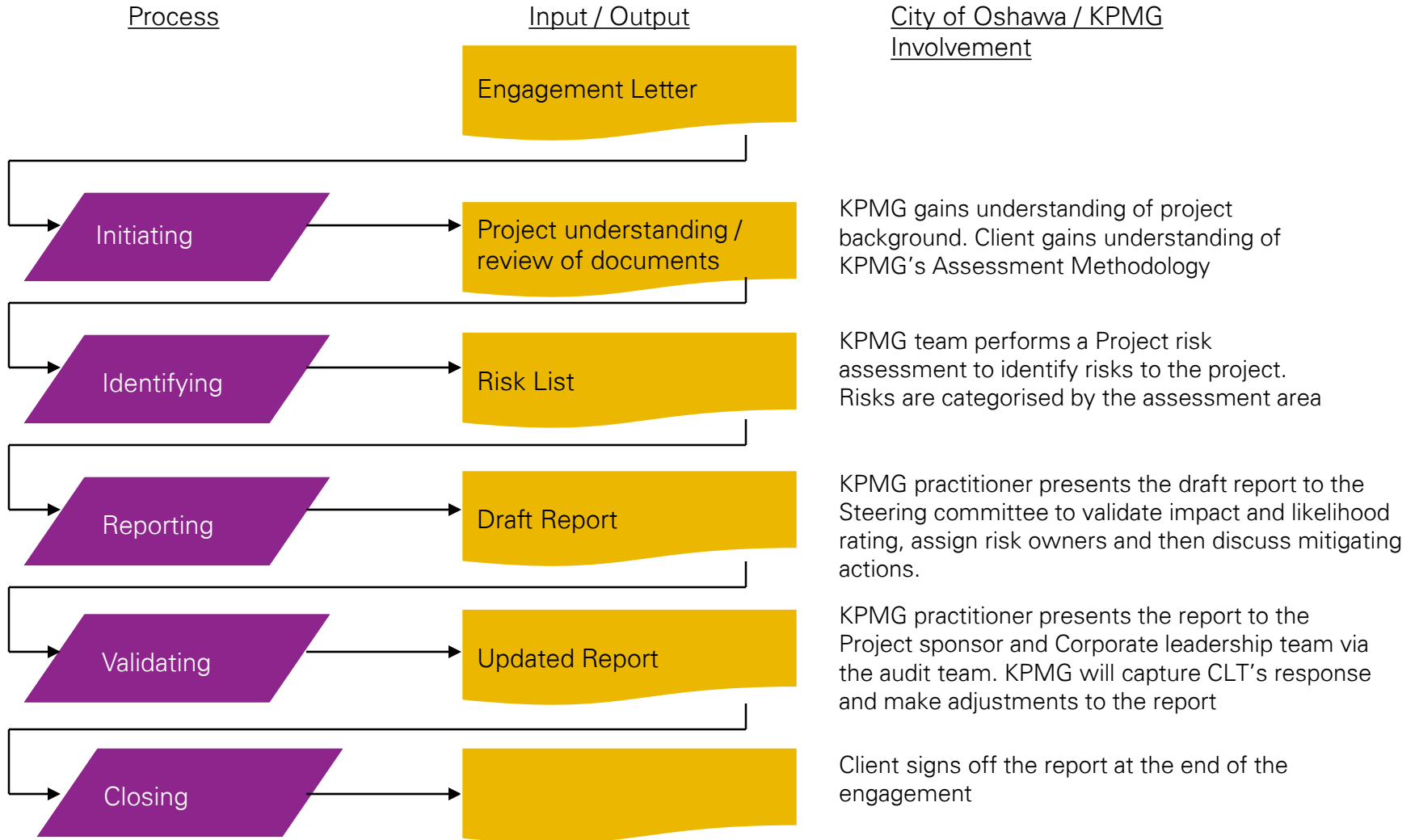


6 Interdependencies between projects not defined

Observation	<p>Based on our discussions with the City’s Project Manager for the Maximo project and inspection of the Maximo and CityView project charters, we noted that both projects affect the same business process activities. Dependencies between projects in terms of project timelines and design of the business processes have not been defined.</p>
Impact	<p>Not defining the dependencies between projects and integration approach of the affected business processes, could impact the objectives, implementation timelines and functionality of both solutions.</p>
Remediation	<p>We recommend that the City identify the dependencies between the projects and accordingly defining a process integration approach for the overlapping business processes. In addition, the City should introduce portfolio management reporting to track dependencies between projects.</p> <p>Beyond the Maximo project, for projects in general, the City should consider identifying and mapping all related project dependencies prior initiation of these projects.</p>
Management Responses	<p>City: Resource dependencies between the two projects will be mapped to determine overlaps, risks and resource dependencies.</p>



Appendix I - Assessment Process





Project Assessment tool

Our approach in reviewing both Maximo and CityView projects is based on KPMG's Global Enterprise Transformation Tool (GETT) framework. The framework is based on our significant experience and knowledge of project risk management. GETT enables an overall assessment of the risk profile of a program based on a set of 49 criteria covering 7 critical areas of the programme.

For the initial high level health-check and risk assessment, we focused on high level aspects of all areas of the framework. After the projects have progressed further and more project artefacts are in place, detailed assessments should be performed in these areas.

Programme Governance	Project Management	Change Management	Performance Management	People	Process	Technology
Business Imperative	Scope, and change control	Change Approach & Strategy	Goals & Objectives	People Strategy & Approach	Target Operating Model	Enterprise Architecture
Leadership	Dependencies/ Assumptions	Change Leadership	Business Case	Organizational Design	Process Design	System design
Set Policy And Direction	Risk/Issue Management	Change Impact Assessment	Benefit Management	Role Design	Requirements management	Data conversion/ management
Accountability And Responsibility	Resource & Cost Management	Stakeholder Engagement	Independent Assurance	Skills & Competencies	Data Management & Reporting	Interfaces & Legacy systems
Programme Structure	Vendor Management	Engagement & Communication	KPIS/Metrics	Behaviour And Culture	Business Process Controls & BCP	System Build
Monitoring & Controls for transparency	Quality standards & management	Organisation & Capability	Incentives To Deliver	Training & Development	Functional Testing	Non functional testing
Portfolio Management	Lifecycle Management	Transition Readiness	Realisation & Sustainability	People Performance management	Security And Controls	Transition & Support



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