

County of Monterey

ERP Replacement Update

January 29, 2025



Status Summary



- ❑ Enterprise Performance Management (EPM) went Live as of 12/10/24
- ❑ NEW Change Order 4 required to extend the ERP Go Live from July 2025 to July 2026 due to critical tasks remaining and County resource constraints
- ❑ HCM Go Live currently remains January 2026
- ❑ Total estimated project funding overrun of \$75,000 based on Change Order 4 and ACO project staffing adjustment of \$750K for FY23-24
- ❑ Risks:
 - County resource constraints
 - County adoption of Business Process changes
 - Functional Gaps

Scope



RFP Requirements – 1,414 Total

General - 75 | HR - 509 | Financial – 671 | Technical – 118 | Interfaces - 41

- ERP:
 - Significant progress was made in resolving some of the functional gaps in the last Conference Room Pilot 3
- HCM
 - The project team has identified some potential gaps and concerns based on the second Conference Room Pilot session
- Graviton continues to work with the County on delivering solutions
- Gaps In Progress:
 - Enterprise Contract Not To Exceed Amount
 - AR Workflow
 - Cash Receipt Reconciliation
 - HCM Payroll Element Entry Workflow
 - HCM Timesheet Adjustment Audit
- **RISK:** Additional gaps may be identified as the project continues to move forward

Gap Summary Status:

Row Labels	In				Pending	Grand
	Open	Progress	New	Completed	Complete	Total
1.All ERP		1		2	3	6
1.AP Accounts Payable		1		3	6	10
1.AR Accounts Receivable		7		14	1	22
1.BI Customer Billing		1				1
1.CM Cash Management		1				1
1.CO Contracts		3		3		6
1.GL General Ledger			1	2		3
1.PC Projects		1				1
1.PO Purchasing		1		2		3
2.BN Benefits	1			2		3
2.PY Payroll		2				2
2.TA Time & Absence		1				1
3.NR Narrative Reporting					1	1
(blank)		1				1
Grand Total	1	20	1	28	11	61

Resources



- Human Resources Department has 3 full time dedicated staff CAO Contracts and Purchasing has 2 full time dedicated staff
- ITD has 3 full-time 8 part-time dedicated staff to the project
- ACO:
 - Has had 5 full-time dedicated staff supporting the project in addition to an equivalent of 2.3 FTEs supporting the project on a part-time basis.
 - Key ACO staff is having to support multiple project phases (ERP/HCM/EPM) in addition to critical operational activities which has resulted in scheduling conflicts and constraints. (i.e, some key ACO staff are not available to support the project for the month of January due to Calendar Year-End activities)
 - Beginning in February, ACO will have 4 full-time dedicated staff and an equivalent of more than 6 FTE's supporting the project on a part-time basis going forward.
- There has been some transition of key staff for both the Graviton and County teams which has also resulted in some delays due to loss of history and knowledge. (To Date: County - 10, Graviton 5)
- Departments are struggling to support the project due to operational priorities and bandwidth issues. Department input and feedback is critical

Change Order 4 Go Live Options



The below Go Live options were considered for Change Order 4

Option 1 - \$1,809,790

- Total Change Orders \$3,795,560 (\$1,985,770+\$1,809,790)

6 Month Delay for both ERP and HCM

- ERP Go-Live Push from July 2025 to January 2026
- HCM Go-Live Push from January 2026 to July 2026

ACO Bandwidth

- Given six months extra, but will need to keep up with both ERP and payroll

Project Costing

- Departments are given 6 months extra to get projects requirements, and data extracts to us

Interface Design

- ERP Team given 6 months extra to get back on track

Enterprise Contracts

- Procurement will need to accept the out of the box product with some minimal customization

Data Conversion

- Introduces Higher Risk Mid-Fiscal year conversion approach for ERP
- Introduces Higher Risk Mid-Calendar year conversion approach for HCM

Recommendation

Option 2 - \$1,967,750

- Total Change Orders \$3,953,520 (\$1,985,770+\$1,967,750)

12 Month Delay for ERP, and No Change for HCM

- ERP Go-Live Push From July 2025 to July 2026
- HCM Go-Live Remains January 2026

ACO Bandwidth

- Removing conflicts across ACO Business Team on ERP side
- **Payroll is critical to making January 2026 Go Live – ACO priority**

Project Costing

- Departments will have additional time to pin down design (3-4 months)

Interface Design

- Graviton, ACO, and ITD team have six months to complete interfaces before CRP4

Enterprise Contracts

- Includes custom extension to replace Oracle Enterprise Contracts
- Estimated cost \$400-500k

Data Conversion

- Continue with Lower Risk Fiscal year conversion approach for ERP
- Continue with Lower Risk Calendar year conversion approach for HCM

Change Order Budget Impacts



Projected ERP Project Reserve Balance	
Total Estimated Project Reserve Balance	\$ 20,866,883
Total Revised Project Costs including CO03 & CO04	\$ -23,286,454
FY23-24 Budget Surplus	\$ 2,344,820
Total Estimated Project Budget Overrun	*(\$74,750)

*Projected overrun assumes County resource costs will remain within budget going forward

- CO03 to Extend ERP & HCM Go Lives Total Cost \$1.9M
 - ERP Go Live – Change from April 2025 to July 2025
 - HCM Go Live – Change from July 2025 to January 2026
 - Implementation Services Cost Increase only
- CO04 to Extend ERP Go Live Total Cost \$5.6M
 - ERP Go Live – Change from July 2025 to July 2026
 - HCM Go Live – Remains January 2026 ***At Risk**
 - Implementation Services Cost Increase \$1.9M
 - Estimated County Resources Cost Increase \$2.4M
 - Oracle Licensing \$1.3M
 - CGI Contract Extension \$1M *Operational Expense

CO04 Revised Schedule



- HCM Go Live remains unchanged for CO04, however is at risk

Current Timeline

Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 25	Jul 25
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Proposed Revised Timeline

Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26
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↑
1 month behind
schedule due to
County resource
constraints

↑
SIT schedule must
be met to make
January Go Live

Budget Planned vs. Actuals



Projected ERP Project Reserve Balance	
Total Estimated Project Reserve Balance	\$ 20,866,883
Total Revised Project Costs including CO03 & CO04	\$ -23,286,454
FY23-24 Budget Surplus	\$ 2,344,820
Total Estimated Project Budget Overrun	*(\$74,750)

- FY23-24 budget surplus reduced by \$760K due to ACO staff time entry adjustment
- Highlighted areas represent Change Order impacts

	FY23-24 Planned Costs	FY23-24 Actual Costs	FY24-25 Planned Costs	FY24-25 Actual Costs	FY25-26 Planned Costs	Total Planned Project Costs	*Total Expenses to Date	Remaining Balances
Vendor Implementation Services	\$2,035,328	\$1,826,144	\$2,746,432	\$1,438,792	\$288,560	\$5,070,320	\$ 3,264,936	\$1,805,384
CR03 & CR04			\$1,985,770		\$1,967,750	\$3,953,520	\$ -	\$3,953,520
Vendor Licensing Costs	\$1,255,296	\$1,329,388	\$1,493,081	\$1,553,730	\$1,262,750	\$4,011,127	\$ 2,883,118	\$1,128,010
Total Vendor Costs	\$3,290,624	\$3,155,532	\$6,225,283	\$2,992,522	\$3,230,500	\$12,766,407	\$ 6,148,054	\$6,618,354
County Staffing Costs	\$3,607,728	\$1,714,350	\$3,778,639	\$1,208,308	\$211,483	\$8,288,396	\$ 3,401,194	\$4,127,202
ACO FY23-24 Staff Time Adjustment		\$760,000					\$ 760,000	
CR04					\$2,231,650	\$2,231,650		\$2,231,650
Total Vendor & County Staffing Costs	\$6,898,352	\$5,629,882	\$10,003,923	\$4,200,830	\$5,673,632	\$23,286,454	\$ 10,309,248	\$12,977,205
Other County Costs & Reimbursements		\$ 37,461		\$ 6,639			\$44,717	
Totals	\$8,012,164	\$5,667,343	\$10,003,923	\$4,207,469	\$5,673,632	\$23,286,454	\$10,353,965	\$12,932,488
Surplus/Overage		\$2,344,820			Projected Overrun	-\$74,750		

* Yellow highlight = Change Order costs

Next Steps

- Finalize Change Order 4
- Extend Graviton Consulting agreement and increase dollar amount to include Change Order 4 cost
- Execute against revised plan
- BOS Update - February

