

# *County of Monterey*

## ERP Replacement Update

February 2026



# Status Summary



- ❑ Human Capital Management (HCM-Human Resources) Go Live extended from January 2026 to January 2027 due to critical dependency on accurate Payroll and other Critical task completion
- ❑ Enterprise Resource Planning (ERP-Financials) Go Live remains July 2026
  - System Integration Testing to complete 2/27
  - County preparing for User Acceptance Testing, Training, and Go Live Cutover
- ❑ Total estimated project funding overrun of **\$6.2M (unbudgeted)** based on Change Order 7 costs to extend HCM Go Live

	HCM Jan Ext Add'l Costs
Graviton Imp Svcs	\$ 790,200
Graviton Managed Svcs	\$ 209,000
County Resources	\$ 1,302,000
Oracle Licensing	\$ 1,423,471
<b>Total Cost</b>	<b>\$ 3,724,671</b>

\*County resource costs will no longer be charged to the project post Go Live

- ❑ Risks:
  - Resource Constraints:
    - ✓ County staff still required to support Operations
    - ✓ Number of project staff has reduced due to staff turnover and Leave of Absences
    - ✓ Department participation due to staffing constraints and operational priorities

# Change Order 7 - Revised HCM Implementation



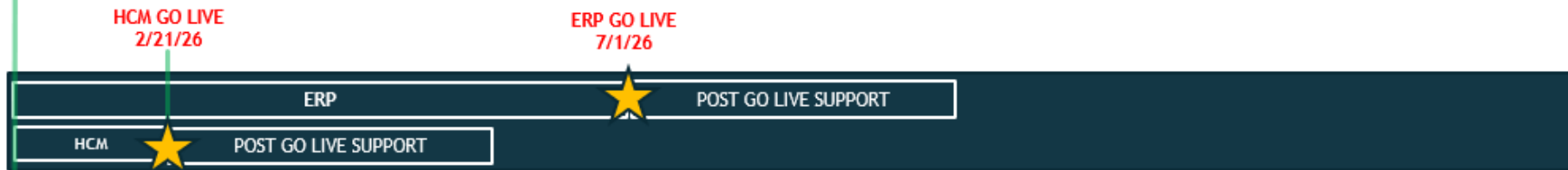
## Timeline

- Decision to extend HCM Go Live from January 2026 to January 2027 due to Go/No Go criteria not being achieved: Parallel Payroll, User Acceptance Testing, Interfaces, and Data Conversion
  - Progress is being made on payroll calculation, however the effort to analyze and resolve payroll variances is taking longer than expected
  - Ongoing resource constraints are contributing to scheduling and task delays
  - The project team will continue to make progress towards the revised HCM Go Live while preparing for the ERP July 2026 Go Live

Go/No Go  
Check-In  
1/2/26



### Current Timeline



### CO07 Revised Timeline



# Budget Planned vs. Actuals



Projected ERP Project Reserve Balance		ERP Fund Balance
Total Estimated Project Reserve Balance	\$ 20,866,883	\$20,866,883
Actual Expenses through FY25	\$ -14,044,735	\$ 6,822,148
FY25/26 Estimated Costs (including CO07)	\$ - 8,845,271	\$ -2,023,123
FY26/27 Estimated Costs (including CO07)	\$ - 4,199,999	\$ -6,223,122
<b>Total Estimated Project Budget Overrun</b>		<b>\$ -6,223,122</b>

- CAO Budget Office has identified funding source for FY 25/26 overrun
- FY26/27 funding for \$4.2M is still needed

Totals														
ERP Replacement Reserve & Interest Income	\$ 20,866,883	<i>*Includes interest earned on Project Reserve Fund</i>												
	FY23-24 Planned Costs	FY23-24 Actual Costs	FY24-25 Planned Costs	FY24-25 Revised Planned Costs	FY24-25 Actual Costs as of May 2025	FY24-25 Remaining Balance	FY25-26 Planned Costs	FY25-26 Revised Planned Costs	FY25-26 Actual Costs	FY25-26 Remaining Balance	FY26-27 Revised Planned Costs	Original Planned Project Costs	Total Revised Planned Project Costs	
Vendor Implementation Services	\$2,035,328	\$1,965,328	\$2,746,432	\$3,314,832	\$3,331,996	-\$17,164	\$288,560	\$3,186,084	\$1,835,445	\$1,350,639	\$397,596	\$5,070,320	\$8,933,840	
Vendor Licensing Costs	\$1,255,296	\$1,329,388	\$1,493,081	\$1,493,081	\$1,581,061	-\$87,980	\$0	\$1,289,550	\$1,456,780	-\$167,230		\$2,748,378	\$4,037,928	
<b>Total Vendor Costs</b>	<b>\$3,290,624</b>	<b>\$3,294,716</b>	<b>\$4,239,513</b>	<b>\$4,807,913</b>	<b>\$4,913,057</b>	<b>-\$105,144</b>	<b>\$288,560</b>	<b>\$4,475,634</b>	<b>\$3,292,225</b>	<b>\$1,183,409</b>	<b>\$397,596</b>	<b>\$7,818,698</b>	<b>\$12,971,768</b>	
County Staffing Costs	\$3,607,728	\$1,714,350	\$3,778,639	\$3,778,639	\$2,862,549	\$916,090	\$211,483	\$4,248,005	\$1,561,217	\$2,686,788	\$298,716	\$8,288,396	\$12,623,634	
ACO FY23-24 Staff Time Adjustment CO06		\$758,000						\$200,000					\$200,000	
CO07								\$220,984			\$3,503,687		\$3,724,671	
<b>Total Vendor &amp; County Staffing Costs</b>	<b>\$6,898,352</b>	<b>\$5,767,066</b>	<b>\$8,018,153</b>	<b>\$8,586,552</b>	<b>\$7,775,606</b>	<b>\$810,947</b>	<b>\$500,043</b>	<b>\$9,144,623</b>	<b>\$4,853,441</b>	<b>\$3,870,198</b>	<b>\$4,199,999</b>	<b>\$16,107,094</b>	<b>\$29,520,073</b>	
Contingency Funding	\$1,113,811	\$0	\$1,287,894	\$0	\$0	\$0	\$96,009	\$0	\$0	\$0	\$0	\$2,497,714	\$0	
<b>Total Costs</b>	<b>\$8,012,164</b>	<b>\$5,767,066</b>	<b>\$9,306,047</b>	<b>\$8,586,552</b>	<b>\$7,775,606</b>	<b>\$810,947</b>	<b>\$596,052</b>	<b>\$9,144,623</b>	<b>\$4,853,441</b>	<b>\$4,291,182</b>	<b>\$4,199,999</b>	<b>\$18,604,808</b>	<b>\$29,520,073</b>	
Other County Costs & Reimbursements		\$ 37,461			\$ 7,657	\$ (7,657)			\$ 7,319	\$ (7,319)				
Cost Plan Charges		\$ 18,724			\$ 188,436	\$ (188,436)			\$ -	\$ -				
<b>Totals</b>	<b>\$8,012,164</b>	<b>\$5,823,251</b>	<b>\$9,306,047</b>	<b>\$8,586,552</b>	<b>\$7,971,699</b>	<b>\$614,854</b>	<b>\$596,052</b>	<b>\$9,144,623</b>	<b>\$4,860,760</b>	<b>\$4,283,863</b>	<b>\$4,199,999</b>	<b>\$18,604,808</b>	<b>\$29,520,073</b>	
<b>Surplus/Overage</b>		<b>\$2,188,912</b>				<b>\$ 610,954</b>								
												<b>Total Projected Revised Costs</b>	<b>\$27,090,005</b>	
												<b>Projected FY25-26 Overrun</b>	<b>-\$2,023,123</b>	
												<b>Total Projected Overrun</b>	<b>-\$6,223,122</b>	

# Funding Burn Down



- FY25/26 funding shortfall is estimated to occur in March 2026
- If County resource cost underruns remain on trend, the estimated FY25/26 shortfall will be less than \$2M

Expense	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Total
ERP/HCM Oracle Licensing	\$ 1,314,303	\$ 2,019	\$ 2,597	\$ 2,037	\$ 1,967	\$ 2,038							\$ 1,324,961
Graviton Consulting	\$ 738,590	\$ 517,750	\$ 120,000	\$ 407,720	\$ 70,000	\$ 70,000	\$ 40,000	\$ 402,000	\$ 40,000	\$ 290,000	\$ 40,000	\$ 302,000	\$ 3,038,060
CO07							\$ 30,000	\$ 30,000	\$ 369,008	\$ 80,000	\$ 30,000	\$ 30,000	\$ 569,008
Graviton Managed Services		\$ 6,975	\$ 6,450	\$ 4,050	\$ 9,150	\$ -	\$ -	\$ -					\$ 26,625
Other County Costs			\$ 7,319										\$ 7,319
CGI Licensing				\$ 129,780									\$ 129,780
County Resources	\$ 223,311	\$ 283,865	\$ 247,835	\$ 285,602	\$ 239,629	\$ 280,975	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 3,745,619
<b>Totals</b>	<b>\$ 2,276,204</b>	<b>\$ 810,609</b>	<b>\$ 384,201</b>	<b>\$ 829,190</b>	<b>\$ 320,746</b>	<b>\$ 353,013</b>	<b>\$ 434,067</b>	<b>\$ 796,067</b>	<b>\$ 773,075</b>	<b>\$ 734,067</b>	<b>\$ 434,067</b>	<b>\$ 696,067</b>	<b>\$ 8,841,371</b>
Cumulative Totals	\$ 2,276,204	\$ 3,086,812	\$ 3,471,013	\$ 4,300,203	\$ 4,620,949	\$ 4,973,961	\$ 5,408,028	\$ 6,204,095	\$ 6,977,170	\$ 7,711,237	\$ 8,145,304	\$ 8,841,371	
Remaining Budget	\$ 4,542,044	\$ 3,731,436	\$ 3,347,235	\$ 2,518,045	\$ 2,197,299	\$ 1,844,287	\$ 1,410,220	\$ 614,153	\$ (158,922)	\$ (892,989)	\$ (1,327,056)	\$ (2,023,123)	

- FY26/27 funding burndown

Expense	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Total
ERP/HCM Oracle Licensing	\$ 1,398,904	\$ 2,233	\$ 2,233	\$ 2,233	\$ 2,233	\$ 2,233	\$ 2,233	\$ 2,233	\$ 2,233	\$ 2,233	\$ 2,233	\$ 2,233	\$ 1,423,471
Graviton Consulting	\$ 284,424	\$ 30,000	\$ 30,000	\$ 273,172	\$ 80,000	\$ 30,000	\$ 110,528	\$ 30,000	\$ 98,688				\$ 966,812
Graviton Managed Services						\$ -	\$ -	\$ -				\$ 209,000	\$ 209,000
Other County Costs													\$ -
County Resources	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000							\$ 1,620,000
<b>Totals</b>	<b>\$ 1,953,328</b>	<b>\$ 302,233</b>	<b>\$ 302,233</b>	<b>\$ 545,405</b>	<b>\$ 352,233</b>	<b>\$ 302,233</b>	<b>\$ 112,761</b>	<b>\$ 32,233</b>	<b>\$ 100,921</b>	<b>\$ 2,233</b>	<b>\$ 2,233</b>	<b>\$ 211,233</b>	<b>\$ 4,219,283</b>
Cumulative Totals	\$ 1,953,328	\$ 2,255,561	\$ 2,557,795	\$ 3,103,200	\$ 3,455,433	\$ 3,757,667	\$ 3,870,428	\$ 3,902,661	\$ 4,003,583	\$ 4,005,816	\$ 4,008,049	\$ 4,219,283	
Remaining Budget	\$ (1,953,328)	\$ (2,255,561)	\$ (2,557,795)	\$ (3,103,200)	\$ (3,455,433)	\$ (3,757,667)	\$ (3,870,428)	\$ (3,902,661)	\$ (4,003,583)	\$ (4,005,816)	\$ (4,008,049)	\$ (4,219,283)	

# County Resources



Below is a summary of average FTE by department based on Actual Hours logged on timesheets

**FY25/26 Planned vs. Actual FTE:**

Dept	FY25/26 Planned FTE	FY 25/26 Actual FTE
ACO	9	3.2
CAO	3.6	1.3
HRD	3	3
ITD	8.5	6.9
<b>Total</b>	<b>24.1</b>	<b>14.4</b>

Key challenges:

- Some key staff are required to support critical operational tasks
- The same resources are required to support multiple workstreams in parallel
- Dependency of a single resource for knowledge and expertise resulting in a single threaded approach
- Key Functional Leads from ACO and CAO Contracts & Purchasing were out on LOA
- The number of ACO staff available to support the project has been significantly reduced due to the need to support critical operations and staff turnover
- Departments are struggling to dedicate time to support the project due to staffing constraints and operational priorities.

# Action Requested

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- Receive Bi-annual update

