

County of Monterey

ERP Replacement Update

August 2025



Status Summary



- ❑ Enterprise Performance Management (EPM-Budgeting) went Live as of 12/10/24 – Utilized for FY 2025-26 Budget Development and Budget Book
- ❑ Human Capital Management (HCM-Human Resources) Go Live currently remains January 2026 – At Risk; Critical dependency on accurate Payroll and other Critical task completion
- ❑ Enterprise Resource Planning (ERP-Financials) Go Live July 2026 – County completing fourth round of system validations
- ❑ FY24-25 Budget Actuals (through June 2025)

Planned	Actuals	Variance
\$8,736,552	\$8,125,599	\$610,954

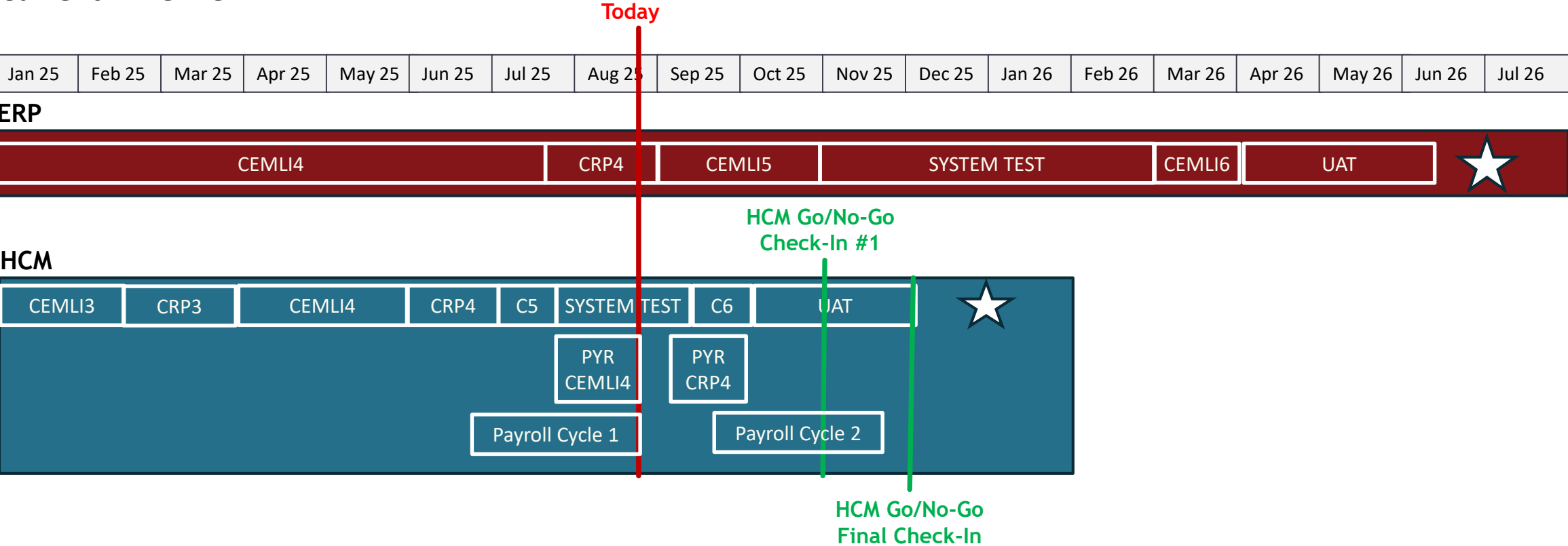
- ❑ Total estimated project funding overrun of **\$2.6M (unbudgeted)** based on Change Order 4
- ❑ Risks:
 - HCM Go Live January 2026
 - Resource Constraints:
 - ✓ Vendor staff attrition
 - ✓ County staff still required to support Operations

Implementation Timeline



- HCM Go Live January 2026 is dependent on the following: Successful Parallel Payroll, System Integration Testing, User Acceptance Testing, and Data Conversion
- Extending the HCM Go Live beyond January 2026 may impact the ERP July 2026 Go Live which will have additional budget implications

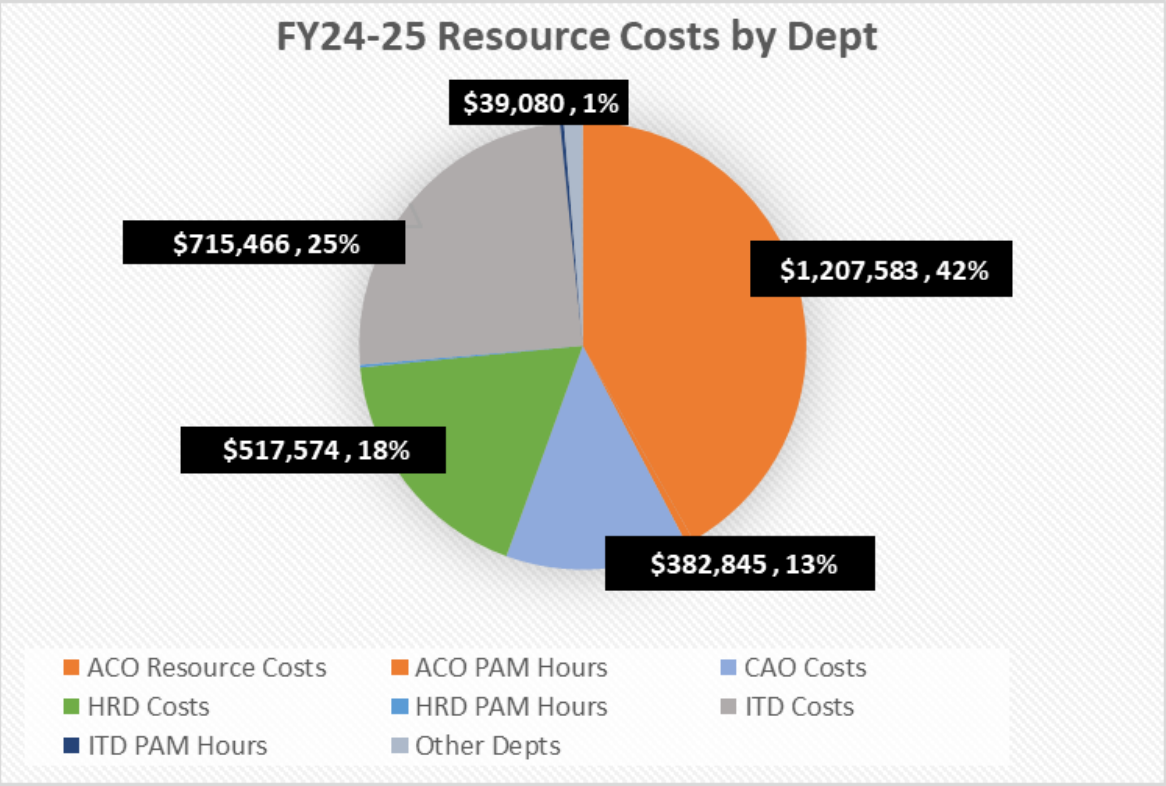
Current Timeline



Resources



- County dedicated resources reporting to co-location site to foster more real-time collaboration and communications
- Some key staff are still be required to support critical operations
- System Implementor experiencing attrition with key project staff which results in loss of project and County Business Process knowledge continuity



Planned FY25-26 County Resource Costs:

Dept	FY 25-26 Avg FTE	FY25-26 Planned Cost
ACO	10.72	\$ 1,966,752
CAO	3.75	\$ 623,834
HRD	3.00	\$ 516,704
ITD	5.50	\$ 1,140,715
	22.97	\$ 4,248,005

Budget Planned vs. Actuals



Projected ERP Project Reserve Balance		ERP Fund Balance
Total Estimated Project Reserve Balance	\$ 20,866,883	\$20,866,883
Planned Expenses through FY25	\$ -14,198,635	\$ 6,668,248
FY26 Planned Costs	\$ - 8,573,639	\$ -1,905,391
FY27 Planned Costs	\$ - 696,312	\$ -2,601,073
Total Estimated Project Budget Overrun		\$ -2,601,073

- Major Contributors to FY25-26 Cost Increase due to 1 year extension:
 - Vendor Implementation Services increased by \$2,747,524
 - Oracle Licensing increased by \$1,289,550
 - County Resources \$211,483 to \$4,157,319
- FY26-27 costs for ERP Post Go Live support \$696,312

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	FY26-27 Revised Planned Costs	Original Planned Project Costs	Total Revised Planned Project Costs	Total Expenses to Date
Vendor Implementation Services	\$2,035,328	\$1,965,328	\$2,746,432	\$3,464,832	\$3,220,820	\$244,012	\$288,560	\$3,036,084	\$397,596	\$5,070,320	\$8,933,840	\$ 5,186,148
Vendor Licensing Costs	\$1,255,296	\$1,329,388	\$1,493,081	\$1,493,081	\$1,581,061	-\$87,980	\$0	\$1,289,550		\$2,748,378	\$4,037,928	\$ 2,910,449
Total Vendor Costs	\$3,290,624	\$3,294,716	\$4,239,513	\$4,957,913	\$4,801,881	\$156,032	\$288,560	\$4,325,634	\$397,596	\$7,818,698	\$12,971,768	\$ 8,096,597
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	\$298,716	\$8,288,396	\$12,623,634	\$ 5,055,435
ACO FY23-24 Staff Time Adjustment		\$758,000										\$ 758,000
Total Vendor & County Staffing Costs	\$6,898,352	\$5,767,066	\$8,018,153	\$8,736,552	\$7,664,430	\$1,072,123	\$500,043	\$8,573,639	\$696,312	\$16,107,094	\$25,595,402	\$ 13,910,032
Contingency Funding	\$1,113,811	\$0	\$1,287,894	\$0	\$0		\$96,009	\$0	\$0	\$2,497,714	\$0	\$ -
Total Costs	\$8,012,164	\$5,767,066	\$9,306,047	\$8,736,552	\$7,664,430	\$1,072,123	\$596,052	\$8,573,639	\$696,312	\$18,604,808	\$25,595,402	\$ 13,910,032
Other County Costs & Reimbursements		\$ 37,461			\$ 7,657	\$ (7,657)						\$45,735
Cost Plan Charges		\$ 18,724			\$ 188,436	\$ (188,436)						-\$22,208
Totals	\$8,012,164	\$5,823,251	\$9,306,047	\$8,736,552	\$7,860,523	\$876,030	\$596,052	\$8,573,639	\$696,312	\$18,604,808	\$25,595,402	\$13,933,559
Surplus/Overage		\$2,188,912				\$ 610,954						
											Total Projected Revised Costs	\$23,468,586
											Projected FY25-26 Overrun	-\$1,905,391
											Total Projected Overrun	-\$2,601,703

Funding Burn Down



- Budget shortfall is estimated to occur in March 2026; Need funding approval by January 2026

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	\$ 1,289,550												\$ 1,289,550
Graviton Consulting	\$ 638,590	\$ 467,750	\$ 200,240	\$ 302,480	\$ 143,808	\$ 70,000	\$ 70,528	\$ 402,000	\$ 108,688	\$ 290,000	\$ 40,000	\$ 302,000	\$ 3,036,084
County Resources	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 364,067	\$ 4,368,804
Totals	\$ 2,292,207	\$ 831,817	\$ 564,307	\$ 666,547	\$ 507,875	\$ 434,067	\$ 434,595	\$ 766,067	\$ 472,755	\$ 654,067	\$ 404,067	\$ 666,067	\$ 8,694,438
Cumulative Totals	\$ 2,292,207	\$ 3,124,024	\$ 3,688,331	\$ 4,354,878	\$ 4,862,753	\$ 5,296,820	\$ 5,731,415	\$ 6,497,482	\$ 6,970,237	\$ 7,624,304	\$ 8,028,371	\$ 8,694,438	
Remaining Budget	\$ 4,386,573	\$ 3,554,756	\$ 2,990,449	\$ 2,323,902	\$ 1,816,027	\$ 1,381,960	\$ 947,365	\$ 181,298	\$ (291,457)	\$ (945,524)	\$ (1,349,591)	\$ (2,015,658)	

Action Requested

- ☐ Receive Bi-annual update
- ☐ Need funding approved by January 2026

