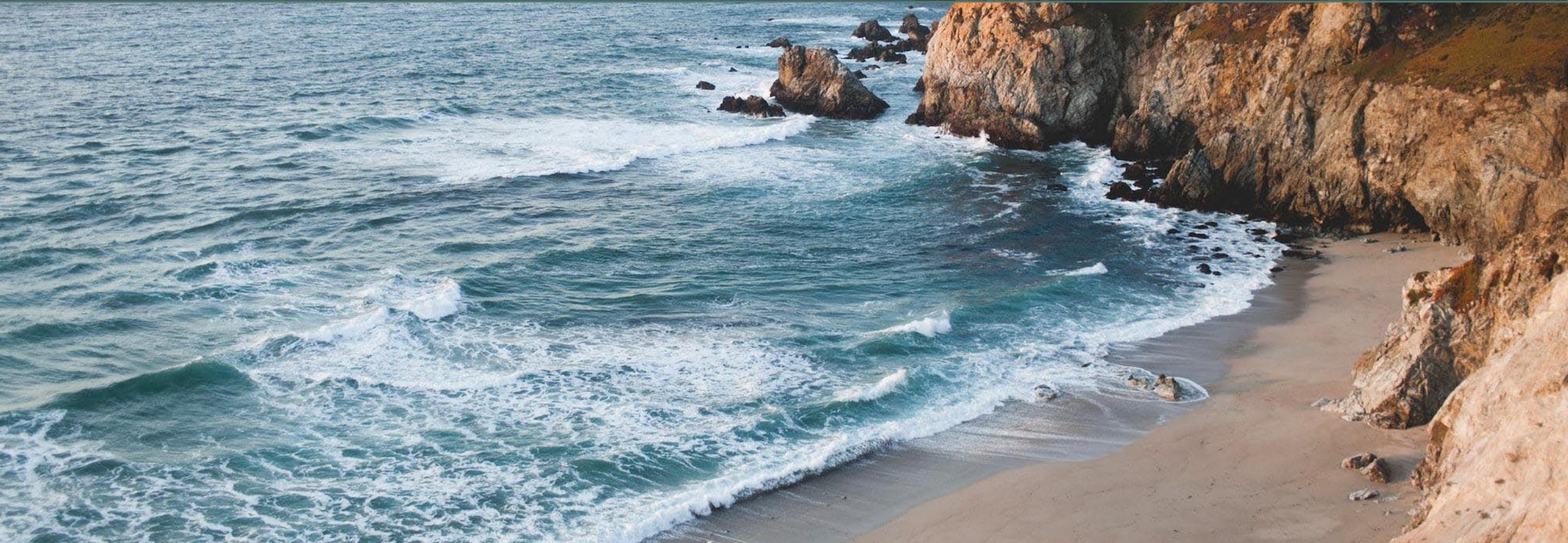


County of Monterey

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
Total Cost	\$ 3,724,671

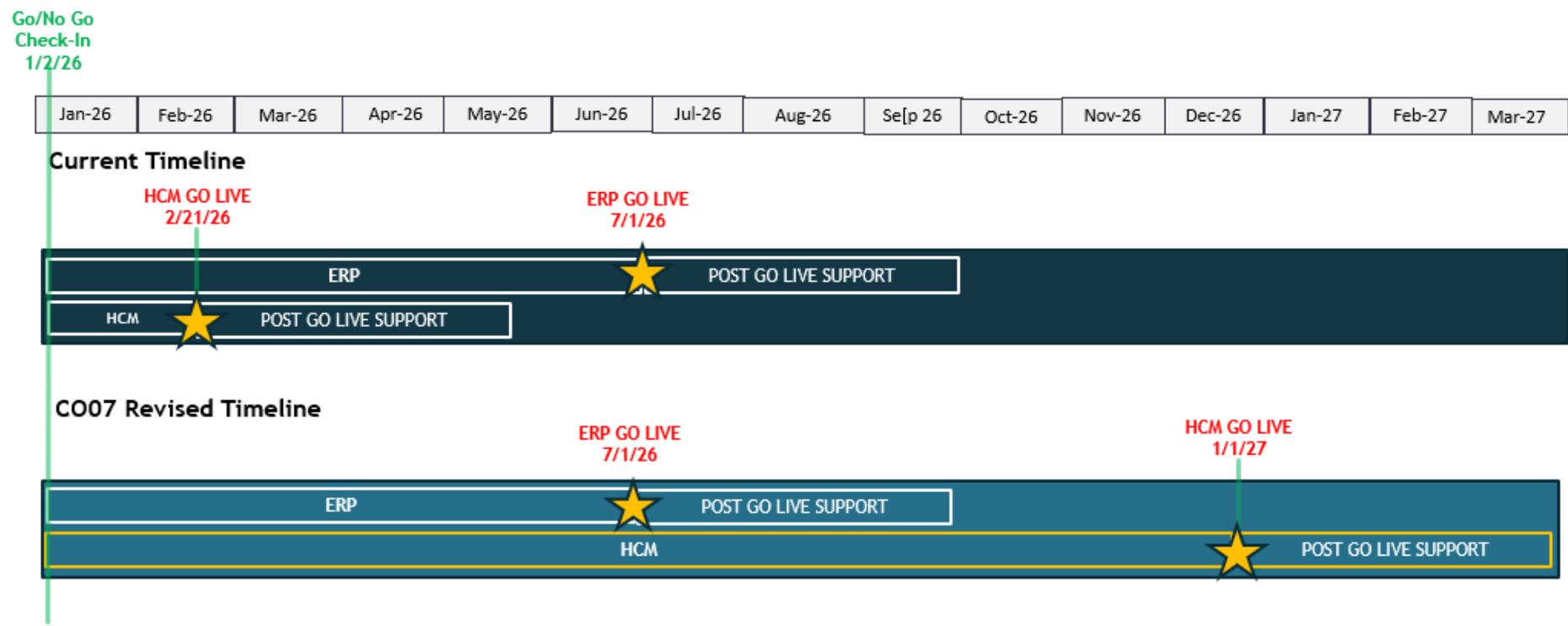
*County resource costs will no longer be charged to the project post Go Live

- ❑ 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 scheduling delays
 - The project team will continue to make progress towards the revised HCM Go Live while preparing for the ERP July 2026 Go Live



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
Total Estimated Project Budget Overrun		\$ -6,223,122

- 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	
Total Vendor Costs	\$3,290,624	\$3,294,716	\$4,239,513	\$4,807,913	\$4,913,057	-\$105,144	\$288,560	\$4,475,634	\$3,292,225	\$1,183,409	\$397,596	\$7,818,698	\$12,971,768	
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	
Total Vendor & County Staffing Costs	\$6,898,352	\$5,767,066	\$8,018,153	\$8,586,552	\$7,775,606	\$810,947	\$500,043	\$9,144,623	\$4,853,441	\$3,870,198	\$4,199,999	\$16,107,094	\$29,520,073	
Contingency Funding	\$1,113,811	\$0	\$1,287,894	\$0	\$0	\$0	\$96,009	\$0	\$0	\$0	\$0	\$2,497,714	\$0	
Total Costs	\$8,012,164	\$5,767,066	\$9,306,047	\$8,586,552	\$7,775,606	\$810,947	\$596,052	\$9,144,623	\$4,853,441	\$4,291,182	\$4,199,999	\$18,604,808	\$29,520,073	
Other County Costs & Reimbursements		\$ 37,461			\$ 7,657	\$ (7,657)			\$ 7,319	\$ (7,319)				
Cost Plan Charges		\$ 18,724			\$ 188,436	\$ (188,436)			\$ -	\$ -				
Totals	\$8,012,164	\$5,823,251	\$9,306,047	\$8,586,552	\$7,971,699	\$614,854	\$596,052	\$9,144,623	\$4,860,760	\$4,283,863	\$4,199,999	\$18,604,808	\$29,520,073	
Surplus/Overage		\$2,188,912				\$ 610,954								
												Total Projected Revised Costs	\$27,090,005	
												Projected FY25-26 Overrun	-\$2,023,123	
												Total Projected Overrun	-\$6,223,122	

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
Totals	\$ 2,276,204	\$ 810,609	\$ 384,201	\$ 829,190	\$ 320,746	\$ 353,013	\$ 434,067	\$ 796,067	\$ 773,075	\$ 734,067	\$ 434,067	\$ 696,067	\$ 8,841,371
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
Totals	\$ 1,953,328	\$ 302,233	\$ 302,233	\$ 545,405	\$ 352,233	\$ 302,233	\$ 112,761	\$ 32,233	\$ 100,921	\$ 2,233	\$ 2,233	\$ 211,233	\$ 4,219,283
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
Total	24.1	14.4

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

- Receive Bi-annual update

