



Enterprise Resource Planning (ERP)

Joint Information Technology Oversight Committee

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What is ERP

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ERP is a collection of technologies that integrate business functions, such as finance, Human Resources, purchasing, fiscal data information, operational aspects, reporting, and distributing information through tight linkages from operational business transactions to financial records.

How is ERP being used?

There are three distinct components in ERP.

- **Financial:** The financial systems manage, track and report on the State's finances, Budget, and compliance.
- **Human Capital Management:** Human Resource systems that manage employee information, benefits, payroll, learning, and resource recruitment.
- **Grants Management:** Grants Management are tools used by Agencies and Departments for fiscally managing, tracking, and reporting on State grants.

Who uses ERP?

ERP is used by all Agencies and Departments.

Procurement Timeline

2015 Consultant engagement to gather VISION & Stars Requirements

- [Vision RTM.xlsx](#) - 4800 Requirements, 37 Major Business Functions, 200 Subfunctions

2017 KPMG Study contracted to help identify the best ERP operating model

- The best option for the operating model was determined to be a SaaS Cloud-based software and infrastructure. An external vendor would be responsible for the implementation and transition of the key enterprise resource functions to a cloud-based, multi-tenant, same-version-for-all platform – eliminating expensive software upgrade cycles and hosting costs.

2017 & 2018 Current ERP Vendors Meetings – Several meetings with current ERP vendor. Agenda included discussion of our current platform end-of-life, and review of the vendor's cloud platform replacement. Were told by the vendor that: a) there would be no "lift and shift" pathway to their cloud offering. b) their own Cloud ERP was "not yet 100% feature-complete" compared to VTHR/Vision or our cloud ERP requirements.

2017 VTHR RFI & 2018 VTHR RFP

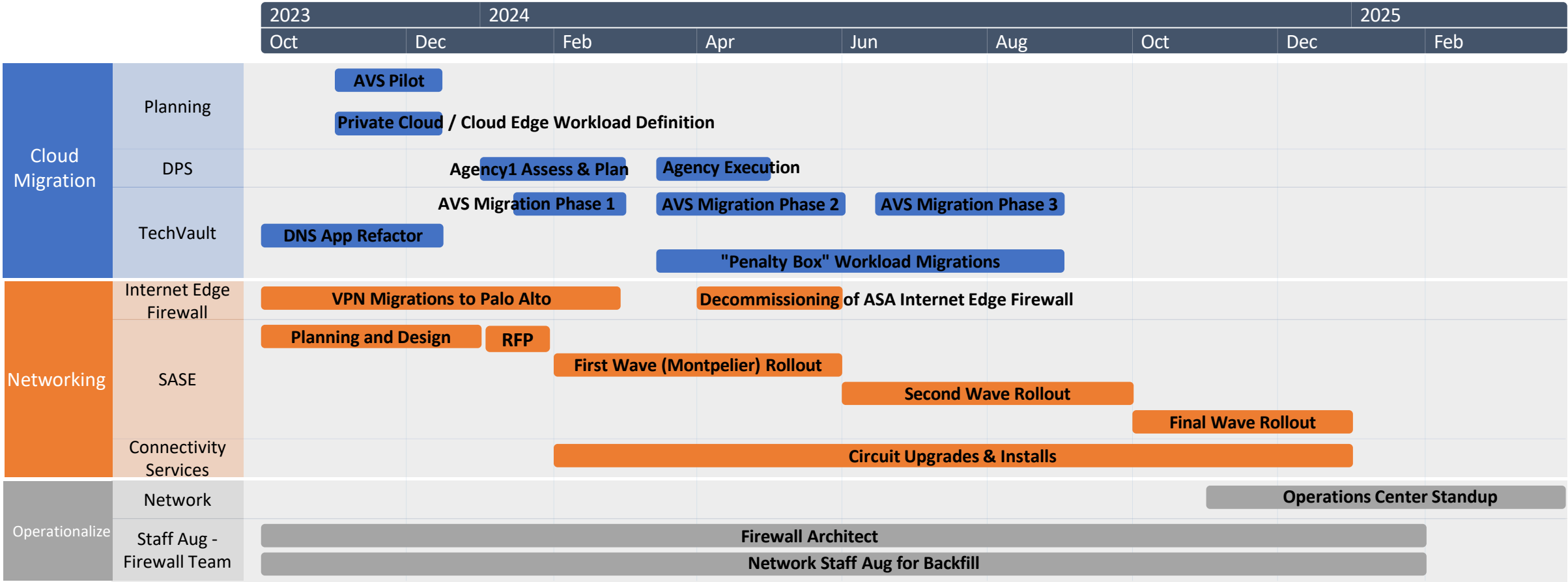
- Solicitations were issued by the State of Vermont on behalf of the Department of Human Resources (DHR) to gather input, information and cost estimates to either maintain/upgrade or replace the current VTHR. (VTHR & Budget replacement project approved last session)
- Six vendors (including current ERP vendor) were considered based on proposals submitted
- Business scoring showed that Workday Solution best met all of VTHR's Stated Objectives in the solicitation.

2020-2022 Legislative Appropriations

- 2021 VTHR & Budget Systems replacement – implementation and initial licensing appropriated.
- 2022 Finance Systems replacement – Implementation and initial licensing appropriated.

Apr-Jun 2022 – RFQ for Workday licenses

Aug-Oct 2022 – RFP for HCM/Budget implementation



Budgetary Costs

- Hardware & Software - \$8.2 million
- Professional Services and Maintenance - \$1.6 million
- Project Support Costs - \$2.5 million

Subtotal - \$12.3M

Use Allocation funding for 2 years on lifecycle replacements for remainder - \$2.34M

Net - \$9.96M