
MEMORANDUM

TO: JOINT INFORMATION TECHNOLOGY OVERSIGHT COMMITTEE
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REP. MONIQUE PRIESTLEY, VICE CHAIR
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FROM: LISA M GAUVIN, IT CONSULTANT FOR THE JOINT FISCAL OFFICE

SUBJECT: ERP PROJECT: ANALYSIS OF INFORMATION COLLECTED FOR OVERSIGHT

DATE: OCTOBER 21, 2025

This memo contains an analysis of the status of the implementation of the State's ERP project for the Joint Information Technology Oversight Committee. This update is based on the recommendations in Section D, "Recommended Oversight Activities" of the JFO ERP Review, which was published on November 21, 2024¹. Information for this analysis was obtained from project documents, conversations with State staff, and State responses to questions.

EXECUTIVE SUMMARY

The ERP Project includes two central contracts. The Guidehouse contract covers the implementation of WorkDay ERP. The Attain Partners contract covers the business process transformation.

The State project team completed the initial requirements (Base Camp phase) for both the Human Capital Management (HCM) and Adaptive Planning (AP) modules.² The State launched the AP module at the minimal viable product (MVP) level, and it is currently in use.³

The State has made progress in project implementation, but the risks identified in the original JFO review of the ERP project persist. The ERP Team maintains a list of potential gaps discovered during the project. This analysis highlights the potential gaps in this list that appear to be most consequential, but there are several overarching concerns that may pose a risk to project success.

The focus of the State's business case for the ERP project was the replacement of legacy systems. (These systems are named in the Key Findings section of this document.) The business leaders appear to expect that required functions in these systems will be included as part of this project. The contracts, however, are focused on implementing WorkDay ERP. I see no deliverables related to reviewing business requirements delivered by legacy systems for functions that are not supported by WorkDay and developing a plan for filling the gaps for **required** functions. The State is justifiably focused on not replicating outdated processes, but understanding and meeting current requirements is business-centric. A summer 2025 article in Government Technology about state ERP projects noted the following: "Don't discount the discovery of the legacy system or the tentacles tied to it."⁴

Another concern is the timeline for confirming gaps. The State has indicated the gaps will not be confirmed until the Design stage of the project, which could last into the Testing phases. This raises the question of whether there would be enough time to address the gaps outside of WorkDay, without delaying the project.

¹ https://jfo.vermont.gov/assets/Subjects/Independent-Review-of-AOA-ERP-Expansion-Project/W_Lisa-Gauvin_ERP-Independent-Review-JFO-Consultant_11-25-2024.pdf

² Human Capital Management is the name of the WorkDay ERP module that will replace the VTHR system. Adaptive Planning refers to the WorkDay module that will replace the State's budgeting application.

³ The AP minimal viable product covers the legacy budget application's functions, but new features will be made available at a later date.

⁴ [States Update Decades-Old ERP Systems, Streamline Work](#)

BACKGROUND

The findings of the original JFO Independent Review are centered on the following concerns:

- Because of an atypical procurement process, there is a risk that functional gaps between WorkDay ERP and business needs will be identified during the implementation. The gaps could result in excess change orders and require unanticipated integrations or third-party software solutions. Both scenarios could increase the project costs and timeline.
- The lack of documentation contributes to risks related to unclear project definition and technical approach. Specifically, the lack of clarity surrounding the plan for archiving data and how it will be accessible to business staff in the future.
- The lack of adherence to WorkDay recommendations for post-go-live testing was noted.

STATUS OF ERP PROJECT

1. Current ERP Implementation Status:

- The WorkDay ERP implementation contract is a fixed price contract with Guidehouse.
- The Base Camp (requirements) phase for both Adaptive Planning (AP) and Human Capital Management (HCM) modules is complete. The Base Camp for the FM is scheduled to begin in October 2026.
- The AP MVP was defined, designed, and launched. The AP MVP will collect the budget information for FY 2027. The State will add more features that will become available later. The timeline for this work is unknown.
- The Base Camp phase identified potential gaps between the State's needs and the core Workday and HCM functionality.
- The project teams will confirm these potential gaps in the upcoming HCM Design Phase, which can extend through testing, which is scheduled for January 2026 through August 2026.
- The State has indicated there is only one change order in process. It is related to the change of a go-live date for the AP, and there is no cost associated with this change.

2. Current Business Process Transformation Status:

- This work was started by IJA Strategies, which was paid \$346,288 of the maximum contract amount of \$2,361,320. This was a time and materials contract. This contract was terminated because the contractor could no longer perform the work.
- The new vendor is Attain Partners. The maximum contract amount on this contract is \$2,731,610. This is a time and materials contract. The contract ends on September 30, 2028.
- The planning for Phase 1 (AP and HCM) of the project was completed by IJA Strategies.
- The current state analysis is not complete.
- Design sessions led by Guidehouse and breakout sessions/workshops led by Attain Partners are underway.
- The original IJA Strategies contract scope of work was not analyzed in the original JFO review because the contract was described as business process transformation work overseen by the Agency of Administration and it was not available until after the review was completed.
- In addition to Business Process Transformation, the statement of work includes a current state analysis of existing processes and requirements, as well as the identification of gaps between requirements and WorkDay functionality.

KEY FINDINGS

1. The concerns identified in the original JFO review have not been fully mitigated.
2. The State's business case for the ERP project emphasized the need to replace the following legacy systems:
 1. Human Resource System (VTHR)
 2. Budget system (Vantage)
 3. Statewide accounting and financial system (VISION)
 4. Department of Labor Finance System (FARS)
 5. Department of Transportation Finance System (STARS)

However, the work of the contract appears to focus on the implementation of WorkDay. As the contractors facilitate sessions needed to understand Vermont-specific needs for implementing the HCM, potential gaps are identified. If the legacy systems include unique, but required business functions that are not part of WorkDay HCM or Adaptive Planning, they could be overlooked. The same applies to the upcoming work on the Finance Management (FM) module.

State business leaders should consider how they may mitigate the risk that required business functions unique to legacy systems may be overlooked.

3. The Base Camp phase of the implementation contract identified potential gaps between State needs, the HCM module, and the core functions of WorkDay. The Project Team will confirm potential gaps during the design phase. The design phase for the HCM is scheduled to be completed during testing of the HCM. This means gaps that could require changes to systems may not be confirmed until just before the Go-Live event.

All 118 potential gaps are categorized using the risk levels of low, medium, high (21), and critical (11).

The most concerning of potential gaps noted by the State project team include the following:

- WorkDay ERP typically works with third-party payroll processors. In Vermont, the State Treasurer's Office is responsible for check printing and issuance. It is unknown how the system in Vermont aligns with processes previously used in WorkDay ERP in other implementations or if changes will be required for the State system.
- Potential Gaps Impacting Replacement of STARS
 - The Vermont Agency of Transportation has not confirmed that the WorkDay ERP functionality can replace the MATS timesheet system that is integrated to their legacy STARS system. There are questions whether time can be allocated at the appropriate granularity needed to meet federal reporting requirements.
- There were other potential gaps related to time tracking systems currently in use by state entities, including the Department of Mental Health/State Hospital, Department of Public Safety, Department of Corrections, Veterans' Home, and Department of State's Attorneys and Sheriffs. When asked about this, the State responded:

"The State's goal is to have a single unified time management system for state government. Assessment of discovered tools, the use, and business processes associated with them are ongoing throughout the project."

- The State plans to use the Prism tool to link to data not migrated into WorkDay. Prism enforces a maximum row count in published data sets. This will need to be considered when determining if Prism will allow staff to meet business needs for analysis, reporting, and audit purposes. When asked if Prism limits would affect reporting and whether there was an alternative strategy, this was the State's response:

"The approach the state is taking in allowing non-current data to reside outside of the ERP application and in a connected datalake will allow for greater extensibility and access to historic data, while also using a two-tiered approach as part of the security controls of access to non-active, sensitive data."

It is important to note that the time tracking used for VDOL's FARS was not listed in State's list of potential gaps. However, this system ensures that VDOL can meet federal reporting requirements, much like STARS, and should be listed as a potential gap because it also requires tracking at a lower granularity. It appears that the legacy time tracking function, currently integrated into the VTHR timesheet system, was overlooked initially during this phase of the analysis. This is an example of how key functions can be missed when the documentation of legacy systems is incomplete.

If the requirements for the legacy timesheet systems at AOT and VSOL cannot be met, it casts doubt on the ability to replace STARS and FARS with WorkDay ERP. The replacement of these legacy systems was integral to the State's business case for this project. The CIO's Independent Review noted that states that have replaced STARS and FARS independently have paid between 25-35 million for each system.⁵

When asked if they had contacted Rhode Island or any other states to see if they have been able to replace legacy finance systems at their Labor and Transportation departments/agencies with WorkDay, the State responded:

"Yes. Other states, municipalities, and counties have implemented Workday as their ERP platform. Like any strategic partnership, we maintain regular communications with peer organizations as well as industry experts to ensure Vermont's needs are met. Workday has been a supportive partner throughout this project effort. I would encourage members of this committee or the JFO IT Consultant to meet with Workday to better understand their commitment to state government across the US."

This was not a clear answer to the question, but it is possible WorkDay could extend functionality for States to meet these requirements.

4. Additional concerns:

- The current schedule does not confirm the existence of gaps until the design phase of the project, which the State indicated could extend into the testing phase. This lag increases the likelihood that gaps will not be identified and addressed in time for the planned Go-Live.
- The State plans to Go Live with the WorkDay HCM module before the WorkDay Financial Management (FM) is implemented. This will require the new HCM to be integrated with VISION and then integrated with WorkDay FM when it comes online. This launch will occur before the reconciliation of gaps in FM, increasing the risk of rework.
- Implementing WorkDay FM could necessitate unforeseen changes to the chart of accounts or other areas, potentially requiring rework of the Adaptive Planning and HCM modules.
- The project team identified potential gaps between WorkDay ERP and current systems related to how fields like location are used and how the systems manage security and access through hierarchies. The issue is not whether Vermont can implement new ways of doing things, but the complexity of making these changes in terms of data integrity and change management. In addition, this complicates the data transformation that must occur when loading data into WorkDay. There are limits on the load attempts stipulated in the Guidehouse contract. The risk of change orders related to the complexities is high.
- The State has hired a vendor to replace the Willis system, which is a position management tool for job evaluation and classification. It is unclear how this may impact this project.

NEXT STEPS

Oversight activities should continue to monitor gaps and change orders and examine plans for the use of tenants for Go-Live, Ongoing Development, and Updates. In addition, plans for minimal viable product launches and corresponding full product launches should be tracked. Fully developed plans for reporting and access to historical data should be reviewed and discussed. Any changes required for systems that are currently integrated with State systems should be tracked in order to understand the impact on Stakeholders. Lastly, future oversight should include a follow-up on how the replacement of the Willis System will impact the HCM project.

⁵ Reference item 4 page 39 of CIO's Independent Review (<https://digitalservices.vermont.gov/sites/digitalservices/files/documents/ERP%20-%20SOV%20Independent%20Review%20FINAL%20EXECUTED.pdf>)