

ERP Project Update

Presented to the Joint Meeting of the
House Energy and Digital Infrastructure Committee
and Senate Institutions Committee

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Agenda

- Project Description and Background
- Current Status
 - Changes in Implementation Approach
 - Financials
- JFO Assessment of Change
- Questions/Comments

Project Description

Replace the following legacy systems with WorkDay ERP:

- Budget system (Vantage)
- Human Resource System (VTHR)
- Statewide accounting and financial system (VISION)
- Department of Labor Finance System (FARS)
- Department of Transportation Finance System (STARS)

Current ERP Status: Implementation

- Adaptive Planning (Budget -formerly Vantage) was replaced and went live last fall.
- The HR module was next in the implementation sequence, to be followed by the Finance module.
- The Administration recently announced a plan to consolidate the HR and Finance Module launches for the following reasons:
 - More interdependencies existed than originally anticipated.
 - Continuing with a phased rollout would add complexity and likely require rework.

Current Status: Financials

Total Funds Appropriated: **\$24,600,000**

- \$12,800,000 – FY2022 Big Bill (HR and Budget Replacement)
- \$11,800,000 – FY2023 BAA (Financial Management)

Current Status: Financials (Implementation)

Total Approved Budget: **\$36,217,657**

Total Invoiced (Approved): **\$11,971,635** (details on next slide)

Outstanding Invoices (Not Approved): **\$1,616,140** (Guidehouse)

Total Budget Remaining: **\$22,522,953**

Source: ERP_Budget_Analysis.xlsx provided by ADS on 4/15/2026

Current Status: Financials (Implementation)

Total Invoiced (Approved): **\$11,971,634.50**

Includes:

\$ 4,904,621 – Implementation Vendor (Guidehouse)

\$ 647,612 – Business Process Reengineering Vendors (IJA & Attain)

\$ 50,000 – CIO's Independent Review (Plante Moran)

\$ 771,830 - Contracted PM (BerryDunn)

\$ 532,576 - ADS Staff

\$ 106,929 – AOA Staff

Outstanding Invoices (Not Approved): **\$1,616,140** (Guidehouse)

Source: ERP_Budget_Analysis.xlsx provided by ADS on 4/15/2026

Current Status: Financials (Implementation)

The information provided by ADS also includes the following:

- Guidehouse payment schedule, including:
 - Deliverables paid
 - Deliverables under consideration
 - Deliverables pending
- Monthly actual and projected payment schedule

JFO Assessment of Change

The concerns identified in the original JFO IT Review (Nov 2024) of the ERP project remain unresolved.

1. Risk of Functional Gaps Between WorkDay ERP and Business Needs
2. Risks Related to Unclear Project Definition
3. Lack of Adherence to WorkDay Recommendations for Post Go-Live

JFO believes the change in implementation plan is directly linked to risks 1 and 2, which remain active. We will reassess upon receipt of the contract amendment(s).

JFO Assessment: Unresolved Challenges

Conflicting Goals and Misalignment Between Contracts

Contract 1: Implementation of WorkDay (Guidehouse)

Contract 2: Supporting Business Transformation via

- Documentation of Current State
- Identifying and Documenting Gaps
- Change Management

Contract 1 assumes requirements are known and stable, while Contract 2 is still identifying and documenting them through current-state analysis.

Neither contract is responsible for resolving functional gaps. The cost, timeline, and ultimate cost-effectiveness of gap remediation remain unknown.

JFO Assessment: Unresolved Challenges

- No Plan to Address Functional Gaps Between Legacy Systems and Workday
- It is unclear whether STARS or FARS can be replaced by Workday. The CIO's Independent Review estimated standalone replacement costs at \$25–35 million each.
- Other than a mention of a data lake, we have seen no plan to provide access to historical data.
- No assessment of whether the project will require changes to the hundreds of systems integrated with VISION.
- No determination of whether changes will be required in the Treasurer's payment issuance system.
- Others?

Questions/Discussion