

## Supplemental Item – Enterprise Resource Planning RFP Selection

### Background and Purpose

Durham County Government's current ERP (Enterprise Resource Planning) system was implemented in 2005. As the main infrastructure supporting organizational operations, this system handles human capital management, financial management, and budgeting functions. However, the County faces a critical deadline: technical support for the existing SAP solution ends in 2027, after which continued support will incur additional costs.

A new ERP will provide an integrated software solution with improved business practices, streamlined workflow processes, and enhanced information for management and elected officials to support decision-making. The replacement of this critical infrastructure represents one of the most significant technology investments the County will make in the coming years, with implications that will shape operations for the next decade or more.

### RFP Process and Vendor Evaluation

Durham County employed an intensive, data-driven methodology to evaluate potential ERP vendors. The comprehensive scoring framework incorporated input from all key departments. There was a total of nine responses received, including multiple reseller responses and deployment options. Six vendors advanced through the initial evaluation, with three finalists invited to demonstrations. Oracle (DLT Solutions LLC, reseller), SAP Public Services, Inc, and Workday, Inc., were invited to conduct demonstrations. Demonstrations were held for a three-to-four-day period for each vendor. Table 1 reflects the listing of vendors that responded to the RFP.

**Table 1: Durham County Enterprise Resource Planning RFP Respondents**

	Vendor	Software	Vendors Invited to Conduct Demo
1	<b>SAP Public Services, Inc.</b>	<b>SAP</b>	<b>Yes</b>
2	Tyler Technologies Inc.	MUNIS	No
3	OnActuate Consulting US Inc.	Dayforce	No
4	Phoenix Business Consulting	SAP	No
5	<b>DLT Solutions, LLC</b>	<b>Oracle</b>	<b>Yes</b>
6	Global Point Inc.	SAP	No
7	<b>Workday, Inc.</b>	<b>Workday</b>	<b>Yes</b>
8	Infor Public Sector, Inc.	Infor	No
9	Mythics, LLC	Oracle	No

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The rigorous assessment for vendors invited to conduct demonstrations included a review of written RFP responses, in-person vendor demonstrations, follow-up discussions, and structured 60 to 90-minute Microsoft Teams reference calls with local governments that currently run Oracle, Workday, or SAP. These reference calls focused on practical implementation considerations and lessons learned, including governance and decision rights, change management and adoption, data readiness and conversion, standardization versus customization, and post-go-live stabilization and support. This competitive procurement approach follows public-sector best practices and established oversight standards.

Each department evaluated the three vendors based on weighted criteria specific to their operational needs and priorities. This approach ensured that the final recommendation reflected not just the technical capabilities of each system but also how well each solution aligned with the diverse functional requirements across the organization.

The weighted scoring methodology allowed departments with more complex ERP dependencies or larger user bases to have proportionally greater influence on the final outcome, ensuring the selected vendor could meet the County's most critical business needs. This structured evaluation process provided an objective, quantifiable basis for the vendor recommendation, supporting a decision that will guide the County's operations for the next decade or more.

### **Evaluation Methodology for Vendors Invited to Conduct Demonstrations**

The County's vendor evaluation framework was built on five weighted criteria, each designed to assess different dimensions of the vendor partnership and solution capability. Recognizing that an ERP system represents a long-term commitment requiring ongoing collaboration and support, the evaluation team prioritized factors that would ensure sustainable success beyond the initial implementation. The factors included the following categories: Maintenance & Support (37%), Functional Fit (30%), Technical Requirements (20%), Vendor Strength & Viability (8%), and Pricing (5%).

Maintenance and Support emerged as the most critical factor, receiving a 37% weight in the overall scoring. This emphasis reflects the reality that the County's relationship with the chosen vendor will extend well beyond the implementation phase. The ability to provide responsive technical support, deliver regular system updates, maintain security patches, and offer proactive guidance on system optimization will be essential to the

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County's operations for years to come. This criterion evaluated each vendor's support infrastructure, service level agreements, and track record of customer satisfaction.

Functional Fit, weighted at 30%, assessed how well each solution aligned with the specific operational needs of Durham County's departments. This criterion examined whether the system could accommodate the County's unique workflows, reporting requirements, and business processes without requiring extensive customization. The evaluation considered the depth and breadth of functionality for human capital management, financial management, and budgeting operations across all departments.

Technical Fit, weighted at 20%, examined each system's underlying architecture, integration capabilities, and security framework. Given the County's need to connect the ERP with existing systems and future technologies, the evaluation assessed each vendor's API infrastructure, data migration tools, and ability to integrate with third-party applications. Security features, including data encryption, access controls, and compliance with government cybersecurity standards, were also critical components of this criterion.

Vendor Strength and Viability, weighted at 8%, looked beyond the current product offering to evaluate each company's financial stability and strategic direction. This criterion considered factors such as the vendor's market position, research and development investments, product roadmap, and commitment to the government sector. A financially healthy vendor with a clear vision for future innovation provides assurance that the County's investment will remain viable and competitive throughout the system's lifecycle.

Pricing, weighted at 5%, evaluated the total cost of ownership and overall value proposition. This criterion encompasses not just the initial licensing and implementation costs, but also ongoing maintenance fees, training expenses, and potential costs for future upgrades or additional modules. The evaluation team assessed whether each vendor's pricing structure aligned with the County's budget constraints while delivering appropriate value for the investment.

Through this structured, multi-dimensional approach, the County ensured that the final vendor recommendation would be based on a comprehensive assessment of both immediate capabilities and long-term partnership potential.

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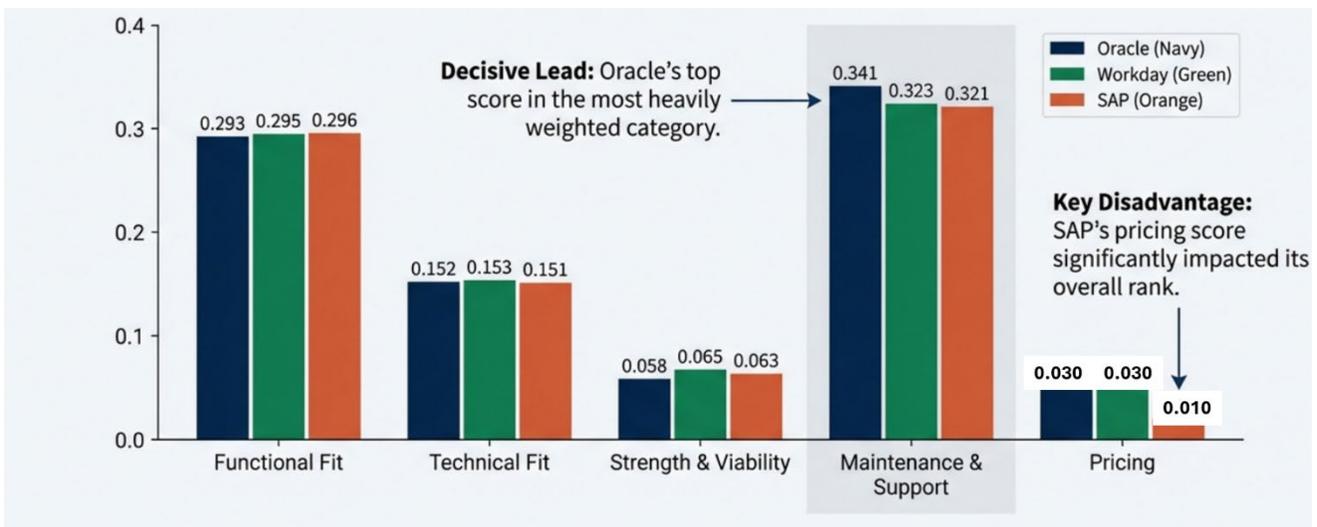
### Maintenance and Support

The scoring analysis reveals a remarkably competitive field across most evaluation criteria, with Oracle ultimately emerging as the leading candidate due to its scoring in the category that mattered most: Maintenance and Support.

In three of the five evaluation categories, the scoring was exceptionally close. For Functional Fit, all three vendors demonstrated nearly identical capabilities, with scores clustered between 0.293 and 0.296. This indicates that Oracle, Workday, and SAP each offered robust solutions capable of meeting Durham County's departmental needs. Similarly, Technical Fit scores were virtually indistinguishable, ranging from 0.151 to 0.153, suggesting that all three vendors possess comparable architectural frameworks, integration capabilities, and security features. Vendor Strength and Viability also showed minimal differentiation, with scores between 0.058 and 0.065, indicating that each company demonstrated solid financial health and viable long-term roadmaps.

The decisive factor proved to be Maintenance and Support, which carried the heaviest weight at 37% of the total evaluation. Here, Oracle distinguished itself with a score of 0.341, outpacing Workday's 0.323 and SAP's 0.321. While the numerical gap may appear modest in absolute terms, it represents a meaningful advantage in the context of this weighted evaluation. This score reflects Oracle's demonstrated strengths in support infrastructure, responsiveness, service level commitments, and customer satisfaction-factors that will directly impact the County's ability to maintain smooth operations throughout the life of the system.

**Table 2: Component Average Scores by Vendor**



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### **Pricing Analysis**

While Oracle's composite score in maintenance and support secured its position as the recommended vendor, the pricing analysis revealed another significant factor that shaped the final rankings. Oracle and Workday demonstrated similar pricing competitiveness. SAP's Public Cloud pricing totaled approximately \$13.1 million over five years, resulting in a score of just 0.010 in the pricing category—a threefold disadvantage compared to its competitors. This substantial gap meant that SAP's proposal was more than double the cost of either Oracle or Workday, representing an additional expenditure of approximately \$7.1 million to \$7.4 million over the five-year period. Whether driven by higher upfront licensing costs, more expensive implementation services, elevated annual maintenance fees, or a combination of these factors, SAP's pricing structure positioned it as the least economically viable option among the three finalists.

### **Implementation Timeline and Next Steps**

In March 2026, the County will issue a separate RFP to select an implementation partner, with selection anticipated by July 2026. The ERP implementation is expected to span 36 to 48 months and will encompass phased rollout, system integration, and staff training. This extended timeline reflects the complexity of replacing the County's core operational infrastructure and ensures sufficient time for testing, data migration, and workforce preparation. An additional preliminary framework for the project is captured in the attached document.

To prepare for this transition, the County is conducting an operational assessment to determine the staffing resources needed to support the new ERP while maintaining current operations. At the February 2, 2026, Board of County Commissioners meeting, a contract was awarded to Baker Tilly Advisory Group, LP, to lead this effort. Baker Tilly brings specialized expertise in public sector operations and is the 10th largest accounting firm in the United States, with over 90 years of experience. The firm will provide critical insights into the organizational capacity and change management requirements necessary for successful ERP implementation.

The assessment will examine operational workflows and workforce capacity to support a seamless transition to the new ERP infrastructure. It will also identify opportunities for process optimization and improved coordination, with a particular focus on the Finance and Information Services & Technology Departments. Baker Tilly will review daily

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operations, service delivery models, and organizational structure in relation to current demands and planned technology enhancements.

Upon completion, Baker Tilly will deliver formal reports covering organizational and operational alignment observations, ERP readiness considerations, implementation sequencing, and process improvement opportunities. The reports will also include a phased roadmap to support operational stability and guide future modernization efforts. This proactive work is projected for completion by Fall 2026 and will position Durham County to make well-informed decisions as it undertakes this significant technological transition. A link to the contract and information from the February 2, 2026 BOCC follows: [Baker Tilly contract award](#).

### **County Manager’s Recommendation**

The County Manager recommends that the Board receive the update and approve the staff move forward with contract negotiations with DLT Solutions, to implement Oracle for the County’s ERP system. The software will total \$5,189,321 and has been budgeted in the capital improvement plan.

# DURHAM COUNTY GOVERNMENT

## DRAFT - ERP MIGRATION FRAMEWORK

SAP On-Premise → Oracle Cloud ERP, March 2026

### OVERVIEW

This framework provides a structured, enterprise-grade methodology for migrating Durham County from SAP on-premise to Oracle Cloud ERP. The project is to commence on August 1, 2026, with a projected completion window of 36 to 48 months, depending on scope confirmation, resource availability, and organizational readiness across all impacted departments. The range reflects real-world variance in large public-sector ERP programs — 36 months represents an optimistic but achievable timeline under ideal conditions; 48 months accounts for change management complexity, procurement cycles, and the iterative nature of public-sector decision-making.

The migration employs a phased hybrid rollout — sequencing Finance, Procurement, HR, Budget, and other areas. This approach is deliberately conservative: it concentrates organizational disruption into manageable increments, allows lessons learned in early modules to inform later ones, and ensures that critical financial operations are stabilized before broader departmental transitions begin. Throughout the entire transition period, SAP and Oracle will operate in parallel, supported by a robust integration layer that maintains data consistency across both platforms and prevents reconciliation gaps that could compromise financial reporting or audit integrity.

<b>Migration Type</b>	Phased Hybrid Rollout — Finance → Procurement → HR → Budget
<b>Transition Model</b>	Parallel operation of SAP and Oracle with integration layer for data consistency
<b>Program Horizon</b>	August 1, 2026 through July 2030 (36-48 months)
<b>Methodology</b>	Oracle AIM (Application Implementation Method) aligned with enterprise best practices

### IMPLEMENTATION TIMELINE

The program spans 36 to 48 months beginning August 1, 2026. The timeline below reflects the structured sequencing of all eight phases across the program horizon, with quarters aligned to the August start date. Phases overlap intentionally — data migration begins while configuration is underway, and testing runs in parallel with final build activities. This concurrency compresses the overall schedule without sacrificing quality or introducing avoidable risk.

The critical path runs through Phases 4 through 7. Delays in the Configuration & Build will compress the Testing window, and a compressed Testing window directly increases go-live risk. The project implementation timeline has some buffer built in to help mitigate against a compressed Testing window. Phase 7, Go-Live period, is the SAP freeze date and must be treated as a hard stop; it must be approved no later than eight weeks before execution. The following draft implementation reflects a 36-month implementation period.

Phase	Year 1 — H1 Aug '26–Jan '27	Year 1 — H2 Feb '27–Jul '27	Year 2 — H1 Aug '27–Jan '28	Year 2 — H2 Feb '28–Jul '28	Year 3 — H1 Aug '28–Jan '29	Year 3 — H2 Feb '29–Jul '29
1. Strategy & Discovery	•					
2. Planning & Architecture	•	•				
3. Fit-Gap Analysis	•	•				
4. Configuration & Build		•	•	•		
5. Data Migration		•	•	•	•	
6. Testing			•	•	•	
7. Cutover & Go-Live					•	
8. Post-Go-Live					•	•

## GOVERNANCE STRUCTURE

Effective governance is consistently cited as the single most important non-technical determinant of ERP migration success. In a county government context, this is especially true: cross-departmental priorities compete, procurement timelines are constrained by statute, and decision authority is often distributed across elected officials, appointed directors, and administrative leads. Without clear escalation paths and defined decision rights, even well-resourced programs stall.

Durham County's three-tier model ensures that strategic decisions stay at the executive level, operational decisions are resolved quickly at the working level, and the Program Management Board serves as the connective tissue between the two. Issues with budget, timeline, or cross-departmental impact that remain unresolved after one Board cycle escalate to the Executive Steering Committee. No tier should hold a decision longer than its defined cadence allows.

Body	Members	Responsibilities & Cadence
Executive Steering Committee	County Manager, CFO, CIO, HR Director, Budget Director, Oracle Partner	Strategic direction, budget approval, escalation resolution — Monthly
ERP Program Management Team	Program Director, PMO Lead, Oracle PM	Status reporting, milestone tracking, risk management — Bi-weekly
Operational Working Groups	Functional leads, IT leads, business analysts, Oracle consultants	Day-to-day delivery, issue resolution, technical decisions — Weekly

## MIGRATION PHASES

The migration follows Oracle's AIM (Application Implementation Method) across eight sequential but intentionally overlapping phases. The early phases are foundational: decisions made during Strategy & Discovery, Planning & Architecture, and Fit-Gap Analysis directly constrain every downstream phase and cannot be cost-effectively revisited once Configuration & Build is underway. Investing fully in Phases 1 through 3 is not overhead — it is risk mitigation.

Fit-Gap Analysis (Phase 3) is the single most consequential analytical exercise in the program. It surfaces the delta between Durham County's current SAP-supported business processes and Oracle Cloud's standard functionality. Every gap identified becomes a decision point: adopt Oracle's standard process (preferred), configure within Oracle's flexibility, or build a custom extension (costly, and should be reserved for genuine business-critical requirements). The output of Phase 3 directly determines the scope and duration of Phase 4.

Configuration & Build (Phase 4) is the longest and most resource-intensive phase, at up to 36 weeks. It requires sustained, concurrent effort across functional configuration, custom extension development, integration build, and data mapping — all of which must be coordinated without blocking one another. Phase 5 (Data Migration) overlaps with this phase deliberately, so that data quality issues are discovered and resolved while configuration is still in progress, not after. Phase 7 (Cutover) is irreversible: once the SAP freeze is initiated and the final data load begins, the cost and complexity of reverting is prohibitive. A formal go/no-go decision framework with pre-defined rollback criteria must be approved by the Executive Steering Committee before Phase 7 execution begins.

Phase	Key Activities	Deliverables	Duration	Owner
1. Strategy & Discovery	Business case, sponsor alignment, landscape assessment	Migration Charter, Business Case, Landscape Inventory	6–8 wks	PMO / Exec Sponsor
2. Planning & Architecture	Solution design, integration architecture, data governance	Solution Blueprint, Integration Design, Project Plan	8–10 wks	Solution Architect / PMO
3. Fit-Gap Analysis	Process workshops, gap identification, customization inventory	Fit-Gap Report, Customization Register	8–12 wks	Functional Leads
4. Configuration & Build	Oracle config, extension development, integration build	Configured System, Integration Layer, Data Maps	16–24 wks	Tech Team / Oracle SI
5. Data Migration	Data extraction from SAP, cleansing, transformation, load	Migrated Data, Reconciliation Reports	12–16 wks	Data Migration Lead
6. Testing	Unit, SIT, UAT, performance testing, parallel run validation	Test Reports, Defect Register, Sign-off	10–14 wks	QA Lead / Business
7. Cutover & Go-Live	Final data load, SAP freeze, cutover execution, hypercare	Go-Live Confirmation, Hypercare Plan	4–6 wks	PMO / All Workstreams
8. Post-Go-Live	Stabilization, performance monitoring, SAP decommission planning	Stabilization Report, Decommission Plan	Ongoing	Support Team / COE

## DATA MIGRATION CATEGORIES

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Poor data quality is the leading cause of ERP go-live delays and post-launch operational failures in both public and private sector implementations. Data issues discovered during cutover — rather than during the migration and testing phases — compress timelines, erode stakeholder confidence, and can force costly go-live deferrals. Durham County must treat data readiness as a program-critical workstream, not a technical sub-task, beginning no later than Phase 3.

All county ERP data falls into three categories, each with a distinct risk profile, migration method, and quality standard. Master Data is the highest-stakes category: errors in the chart of accounts, vendor records, or employee data will corrupt every transaction processed after go-live and are difficult to remediate retroactively. Each master data record must be validated against Oracle's data model before it is loaded, and a formal data steward should be assigned ownership of each domain. Open and active transactional data — purchase orders, AR/AP balances, and inventory — must reconcile exactly to SAP as of the cutover timestamp; any variance must be investigated and resolved before go-live sign-off is granted. Historical data presents a different challenge: it should not be loaded into Oracle's transactional tables (which would inflate system size and degrade performance), but it must remain accessible for audit, legal, and reporting purposes. Archiving this data in Oracle Analytics Cloud or the Autonomous Data Warehouse ensures compliance without burdening the production system.

Category	Examples	Migration Approach
Master Data	Chart of accounts, vendors, and employees	Full migration with cleansing; validate all records against Oracle data model before load
Open / Active Transactional	Open POs, AR/AP balances, inventory	Migrate as of cutover date; reconcile balances with SAP; use Oracle FBFI templates
Historical Data	Closed transactions, archived documents, reporting history	Archive in data warehouse (OAC/ADW); do not load into Oracle transactional tables; maintain SAP in read-only mode

## KEY PERFORMANCE INDICATORS

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Program KPIs serve two functions: they provide Executive Leadership with an objective basis for status reporting, and they function as early warning indicators that allow leadership to intervene before emerging issues become timeline-threatening problems. A KPI that trends toward its

threshold for two consecutive reporting periods is not a reporting problem — it is a program risk that requires a formal corrective action plan, assigned ownership, and a resolution deadline.

The seven KPIs below are reported monthly to the Program Management Board and summarized quarterly for the Executive Steering Committee. Targets will be assigned as the final KPIs are determined.

The Schedule Performance Index is the leading indicator for overall project implementation health; a sustained SPI below 0.95 signals that the program is consuming more time than planned and that downstream phases are at risk. The Data Quality Score and Integration Test Pass Rate are the primary technical health indicators — both must reach their targets before a go/no-go recommendation can be made for Phase 7. Training Completion Rate and Change Readiness Score are the leading indicators for user adoption; a fully configured system that county staff cannot or will not use effectively represents a failed implementation regardless of technical quality.

KPI	Description
Schedule Performance Index (SPI)	Ratio of earned value to planned value
Defect Density	Number of defects per test script in UAT
Data Quality Score	Percentage of migrated records passing quality checks
Training Completion Rate	Percentage of users trained before go-live
Integration Test Pass Rate	Percentage of integration test cases passing
Change Readiness Score	Quarterly business readiness survey score
Budget Utilization	Actual vs. planned spend by phase