

Enterprise Resource Planning (ERP) System Update

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GOBIERNO DE PUERTO RICO

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What is the ERP and Why It Matters

- The Enterprise Resource Planning (ERP) system is a **single, modern platform** that **integrates the Government's core financial and administrative functions**, replacing decades-old, fragmented systems used across approximately 60 government entities. It has been in the works for 10 years, but it's been under Governor Jennifer González's administration that we are making it a reality.

PHASE 1

PRIFAS
SIFDE
Salud PeopleSoft
Hacienda PeopleSoft
FIMAS People Softs

PHASE 2

SIFDE
RHUM
Hacienda HCM
FIMAS HCM
Kronos Policia
911HCM
STAFF

- This is why it **matters** because it will allow the Government to **produce its financial reports within a significantly reduced timeframe**; enhance access to the capital markets; enables **transparent, accurate, and timely appropriate reporting** by government agencies; strengthen internal controls and modern infrastructure for the long-term fiscal management of the Government.



What the New System Will Deliver

- Once in place, the ERP will **produce concrete improvements across the Government's financial reporting, public-spending oversight, procurement, and workforce management**, the practical outcomes that justify this investment.

Finance

General ledger, accounts payable and receivable, cash management, fixed assets, and grants management.

Supply Chain

Purchasing, supplier management, procurement contracts, sourcing, and inventory management.

Human Capital & Payroll

Recruitment, onboarding, payroll, benefits, time and attendance, and performance management.

Budget Integration

Connection to the Government's budget system for end-to-end visibility from appropriation to expenditure.



Project History

- The Government of Puerto Rico has pursued the modernization of its financial management system for nearly a decade, across three distinct implementation rounds.
- **Cumulative Public Investment:**
\$117.8 million across all three rounds (2017 – present)

ROUND 1

2017 – 2020

\$32.3M

Initial re-implementation effort centered on the legacy PeopleSoft platform. Project was halted before completion.

ROUND 2

2021 – 2024

\$73.5M

Project restarted under a new vendor and a single-wave approach. Halted following a comprehensive assessment.

ROUND 3

July 2025 – Present

\$12.0M*

Restructured under Governor Jenniffer González's administration with a new phased approach, defined milestones, and strengthened governance.



*Round 3 figure reflects the contract amendment executed July 2025.

Why Past Efforts Did Not Succeed

- Independent assessments including the Puerto Rico Comptroller's Office and the Financial Oversight and Management Board identified a consistent set of structural challenges across the prior implementation rounds. **The restructured approach taken in 2025 was designed specifically to address each of them.**

Governance and Oversight Gaps

Steering Committee oversight, recurring vendor coordination, and stakeholder communication channels were not consistently in place – leading to delays on critical decisions.

Inadequate Contract Specificity

Per the Comptroller's Office audit (OC-25-02, July 2024), prior contracts lacked detailed task descriptions, defined deliverables, and due dates – making vendor accountability difficult to enforce.

Limited Agency Readiness

Agencies were not consistently provided with dedicated staff, complete data, or contingency planning for key personnel – slowing implementation work at the operational level.

Complexity of Cross-Agency Coordination

Foundational decisions required sustained coordination across approximately 60 government entities, magnified by changes in administration and leadership over an eight-year project span.



New Administration Approach (July 2025)

- In our first months in office, Governor Jennifer González's **administration undertook a comprehensive restructuring of the ERP project** in coordination with the Department of the Treasury, the Office of Management and Budget (OGP), and the Financial Oversight and Management Board (FOMB).

01

Renegotiated Vendor Contract

Contract amendment with clear deliverables, defined due dates, and accountability mechanisms.

02

Phased Implementation Strategy

Two phases executed in parallel, each with a firm go-live date and defined scope.

03

Redesigned Governance

Complete restructure of the project's governance framework and decision-making process.

04

Dedicated ERP Team

New contracting and staffing of dedicated Government resources for the project that work in a daily basis.

05

Weekly Stakeholder Coordination

Standing weekly meetings with Deloitte and lead agencies on tactical and critical matters.

06

Cross-Entity Engagement

Active coordination with public corporations also implementing Oracle Cloud for future integration.



Phased Implementation

- The ERP is being implemented in **two simultaneously executed phases**, each with a **defined scope** and **go-live date**.

PHASE 1		July 2026
Finance & Supply Chain		
FINANCE	SUPPLY CHAIN	
General Ledger	Purchasing	
Accounts Payable	Supplier Portal	
Accounts Receivable	Self-Service	
Cash Management	Procurement	
Fixed Assets	Procurement	
Grants Management	Contracts	
Budgetary Control	Sourcing	
Project Costing	Inventory Management	

PHASE 2		Early 2027
Human Capital & Payroll		
HUMAN RESOURCES WORKFORCE		
Core HR	Absence Management	
Recruitment	Compensation	
Onboarding	Performance Management	
Payroll	Learning Management	
Benefits	Talent	
Time and Labor		

** Phase 1 Supply Chain covers professional services procurement. Non-professional goods and services will launch in Phase 2 (Early 2027). The Department of Education will launch both procurement scopes from Phase 1.*



Overcoming Implementation Challenges

The project depends on multiple stakeholders (public and private) and operates within structural conditions that influence its pace. Three factors in particular have shaped the path to launch. In spite of this, , GPR's implementation has **risen above previously unmatched heights** of challenges with our **projected launch this summer**.

Rebuilding Project Credibility

After two prior implementation rounds did not reach completion, skepticism about whether this project would actually launch was understandable. Re-engaging agencies, staff, and partners — and demonstrating that this round would be different — has been a foundational task requiring sustained leadership and visible progress at every milestone. The Governor had her own doubts and that is why she requested the entire contract be renegotiated.

Third-Party Vendor Readiness

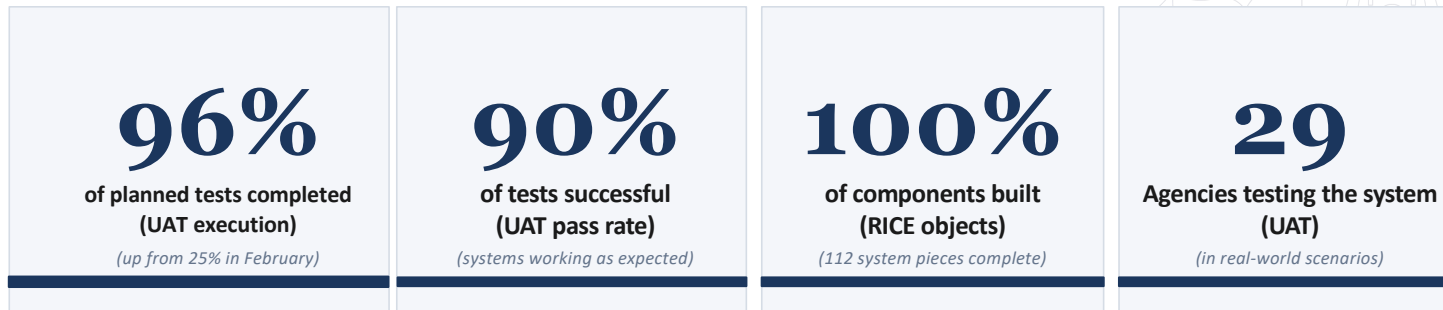
The ERP depends on a system integrator and a network of third-party providers . Underperformance by third parties, among them the ASG – local general services agency, contributed to delays in prior rounds. Holding each party accountable to defined deliverables, milestones, and quality standards is now an active, day-to-day component of project management.

Cross-Initiative Alignment

The ERP intersects with parallel reforms across the Government — procurement consolidation, civil service modernization, and fiscal management improvements. Aligning the ERP's architecture and timing with adjacent initiatives requires ongoing coordination and sequencing decisions.

On Track for the July 2026 Launch

- Government staff across 29 agencies are now testing the new system in real-world scenarios (User Acceptance Testing, or "UAT") the final stage before launch. **Earlier rounds, during the past 10 years, never reached this point.** This Administration, under the direction of Governor Jenniffer González, is truly making the ERP a reality.



PATH TO LAUNCH

- APR 2026** Real-world testing (UAT) now 96% complete, with 90% of tests successful.
- JUN 2026** Switchover to the new system (production cutover) begins (June 1, 2026), ahead of the July 7 launch.
- JUL 1, 2026** Launch day (July 7, 2026 Go-Live): Finance and procurement run on the new system.



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