HR LINE OF BUSINESS

HR LOB FREQUENTLY ASKED QUESTIONS

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E·GOV

HR LOB Frequently Asked Questions

Overview of HR LOB

1. What was the origin of the HR LOB?

In the spring of 2004, the Office of Management and Budget (OMB) convened taskforces to analyze opportunities for common solutions in five lines of business. The purpose was to identify approaches to improve service and reduce costs associated with information technology systems and supporting processes. OMB selected OPM as the Human Resources Line of Business (HR LOB) managing partner, due to alignment with its core mission and prior experience managing five E-Government initiatives. OPM's Office of the Human Resources Line of Business provides support in the areas of strategy, policy, planning, and oversight.

2. What are the vision and goals of the HR LOB?

The vision of the Human Resources Line of Business (HR LOB) is governmentwide, modern, cost-effective, standardized, and interoperable HR solutions providing common, core functionality to support the strategic management of human capital and addressing duplicative HR systems and processes across the Federal Government.

The HR LOB goals include:

> **1) Improved Management -** Improve the governmentwide strategic management of human capital *(faster decision making, more informed policy making, more effective workforce management, improved resource alignment with agency missions.)*

> **2) Operational Efficiencies -** Achieve or increase operational efficiencies in the acquisition, development, implementation and operation of human resources management and supporting systems *(improved servicing ratio / response times, reduced cycle times, improved automated reporting.)*

> **3) Cost Savings/Avoidance -** Achieve or increase cost savings/avoidance from HR solution activities *(reduced duplicative software / hardware / operations / labor resources, increased competitive environment.)*

> **4) Improved Customer Service -** Improve customer service *(increased accessibility to client and value, improved communication and responsiveness, enhanced quality, timeliness, accuracy and consistency.)*

3. Who are the customers and other stakeholders participating in the HR LOB?

The HR LOB customers include Executive Branch agencies, their HR personnel, and the 1.8 million Federal civilian employees. Other HR LOB stakeholders include Congress, citizens, governmentwide councils, including the Chief Human Capital Officers Council (CHCOC), Chief Information Officers Council (CIOC), Payroll Advisory Council, President's Management Council (PMC), Shared Service Center Advisory Council, Small Agency Council, Federal Acquisition Council, Chief Financial Officers Council (CFOC), and the Budget Officers Advisory Council, and the service providers.

4. What is OMB's role in the HR LOB?

OMB serves as the executive sponsor of the HR LOB and co-chair of the Multi-Agency Executive Strategy Committee (MAESC). OMB provides planning and implementation guidance and has actively participated in the HR LOB activities and efforts since the initiative's inception in March 2004.

5. What is the level of support from agencies and OMB?

There is strong executive endorsement of the HR LOB from Executive Branch agencies, including the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB). The Chief Human Capital Officers Council's (CHCOC's) HR LOB subcommittee advises the HR LOB on issues pertaining to the strategic management of human capital. More information about the CHCOC can be obtained at http://www.chcoc.gov/.

6. What are the expected impacts of the HR LOB on the Federal workforce?

The vision of the HR LOB is governmentwide, modern, cost-effective, standardized, and interoperable HR solutions providing common, core functionality to support the strategic management of human capital and addressing duplicative HR systems and processes across the Federal Government. Under the HR LOB Concept of Operations (CONOPS), the services that agencies must obtain from Shared Service Centers (SSCs) are those relating to Human Resources Information Systems (HRIS) and payroll operations. Customer agencies are not mandated to seek non-HRIS services from an SSC in the near-term, but the migration of more transactional processes to an SSC may help an agency achieve operational efficiencies and increase its focus on the strategic management of human capital.

7. What is the Concept of Operations (CONOPS) of the HR LOB?

The HR LOB CONOPS states that the Shared Service Centers will take a phased approach to delivering HR services. At a minimum, all SSCs will offer the same common, core functionalities.

The solutions that operate at these SSCs will be evaluated and recommended by a multi-agency steering committee that stresses scalability, interoperability, and portability. Shared Service Center solutions can be COTS or GOTS and will be selected on a competitive basis. Agencies will have choices: they can shop around for the SSCs that best meet their needs. The Shared Service Centers will leverage "plug and play" architecture concepts.

8. **What is the scope of the services that will be provided by the Federal Shared Service Centers?**

Under the HR LOB Concept of Operations (CONOPS), the services that SSCs will provide relate to Human Resources Information Systems (HRIS) and payroll operations. Other non-HRIS services are not mandated, but customer agencies have expressed a desire for these services. SSCs providing these services will have a competitive advantage in the marketplace. The *Target Requirements for Shared Service Centers v2.0* report identifies requirements for non-HRIS services so SSCs choosing to provide such services have expectations clearly outlined.

9. **How will you communicate the work of the HR LOB and the ensuing transformation?**

OPM, as the managing partner, has employed continuous outreach and communication mechanisms and channels to share progress and planning information with HR LOB stakeholders. These include articles in government periodicals, updates to OPM's website, press interviews by the HR LOB Director, Norm Enger, and formal and informal information sharing with the members of the HR LOB MAESC.

The HR LOB has involved hundreds of Federal human resources subject matter experts in developing the architecture and functional requirements for the SSCs. The HR LOB communicates its vision, goals, and strategic documents through the OPM internet site at http://www.opm.gov/egov/.

10. **Have you developed a business case for the HR LOB?**

OPM submits a business case to OMB annually. The business cases are reviewed and approved by the MAESC and OMB as part of the Federal budget formulation process.

11. **Has the HR LOB developed a 3-5 Year Strategic Plan?**

The HR LOB milestones are included in the OPM Strategic Plan for FY 2006-2010. More information on the OPM Strategic Plan and the HR LOB future milestones is available at http://www.opm.gov/strategicplan/ and http://www.opm.gov/egov/HR_LOB/milestones/, respectively.

12. Where can I find out more about the HR LOB?

Information about the HR LOB is available at the HR LOB website at http://www.opm.gov/egov/. You can also send an email to OPM's HR LOB public email address, HRLOB-PMO@opm.gov.

HR LOB Structure and Governance

13. What is the governance structure of the HR LOB?

The HR LOB is led by Norm Enger, who in turn reports to the Director of OPM, Linda Springer. The HR LOB is advised by a Multi-Agency Executive Strategy Committee (MAESC) consisting of members from 24 agencies, including OPM. The MAESC is co-chaired by the OPM HR LOB Director and the OMB Internal Efficiency & Effectiveness (IEE) Portfolio Manager. A MAESC Charter has been developed, approved by the member agencies, and signed by the OPM Director.

The following 24 agencies are represented on the MAESC: Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, Treasury, and Veterans Affairs; Environmental Protection Agency, General Services Administration, Director of National Intelligence, National Aeronautics and Space Administration, National Science Foundation, Office of Management and Budget, Office of Personnel Management, Social Security Administration, and the U.S. Agency for International Development.

The Requirements Board, which supports the HR LOB, oversees and approves the policy requirements for Shared Service Centers (SSCs). The agencies represented on the Requirements Board are: the Departments of Defense, Homeland Security, Justice, and Labor; the General Services Administration, National Aeronautics and Space Administration, and the Office of Personnel Management.

The Chief Human Capital Officers Council (CHCOC) Subcommittee on the HR LOB supports governmentwide efforts to ensure that the HR LOB meets the needs of agencies in their strategic management of human capital. The Subcommittee provides high-level policy guidance and support to OPM and various governmentwide groups working on important HR LOB initiatives.

In addition to the MAESC, Requirements Board, and CHCOC Subcommittee on the HR LOB, there are several functional advisory sub-committees that provide subject matter expertise on user requirements for the various HR LOB sub-functions. The advisory sub-committees under the MAESC include: Shared Service Center Advisory Council, Customer Council, Entrance on Duty –

Executive Steering Committee, Information Security Workgroup, Learning and Development Advisory Council, and Enterprise Architecture (EA) working groups for the HR LOB EA models.

More information on the HR LOB governance structure is available at http://www.opm.gov/egov/HR_LOB/governance/.

14. What management/control processes have been established?

The HR LOB management controls and processes are directed by the HR LOB PMO. The PMO employs standard project management techniques, including Earned Value Management, to accomplish all HR LOB goals and objectives in desired quality, on time, and within budget.

15. Who is the point of contact for my agency? Are there others from my agency involved?

24 agencies participate in the HR LOB MAESC. Please contact the HR LOB at HRLOB-PMO@opm.gov to obtain the name of your agency's MAESC representative and the names of others involved from your agency.

16. How do smaller agencies participate in the HR LOB?

Partner agencies, both large and small, participate in the HR LOB activities, including the HR LOB requirements and Enterprise Architecture development. The Small Agency Council liaison on the MAESC coordinates information sharing with the smaller agencies.

Accomplishments and Next Steps

17. What are HR LOB accomplishments to date?

The HR LOB has engaged 24 agencies in defining its vision, goals, and objectives, as well as the common solution, target architecture, and supporting business case. The HR LOB has also developed a comprehensive concept of operations and service delivery model to guide its transformational effort.

The HR LOB has achieved the following milestones:

- Developed the first-ever end-to-end depiction of Federal HR business processes as reflected in the HR LOB Business Reference Model (BRM), version 1 (December 2004);
- Evaluated, selected, and announced the five Federal Shared Service Centers (SSCs) (August 2005);

- Validated the first-ever government-wide set of detailed functional requirements as outlined in the HR LOB Target Requirements for Shared Service Centers, version 1 (November 2005);
- Revised and updated the HR LOB business processes and published the HR LOB Business Reference Model (BRM), version 2 (January 2006);
- Developed the HR LOB Data Model (DM), version 1 (February 2006);
- Developed the HR LOB Performance Model (PM), version 1 for core services (June 2006);
- Developed the Service Component Model (SCM), version 1 for core services (September 2006);
- Completed the detailed functional requirements for both core and non-core services as outlined in the HR LOB Target Requirements for Shared Service Centers, version 2 (September 2006); and
- Developed the Entrance on Duty Concept of Operations (EOD CONOPS) (January 2007).

The documents are posted on the OPM website at http://www.opm.gov/egov/documents/.

18. **What are the next steps for the HR LOB?**

- **Establishment of End-to-End Service Components** – The end-to-end HR LOB Service Component Model version 2 (SCM v2) will result in a governmentwide view of service components for human resources functions and solutions. The HR LOB SCM v2 will be completed by September 2007.
- **Shared Services and Service Delivery Best Practices** – The development of a report containing information on shared services and service delivery best practices will be derived from existing, public studies on private, state and local, and foreign government entities. The report can be used as reference by SSCs and agencies in order to better understand what level of services to produce and expect, respectively. Work on the report will be completed by September 2007.
- **Establish a Schedule of Private Sector SSCs** – The private sector SSCs will be established on a GSA Schedule. An RFP will be released and vendors will submit proposals. An evaluation panel will then work to select private sector SSCs.
- **Development of Migration Planning Guidance** – The HR LOB Migration Planning Guidance will provide guidance that helps Federal agencies describe, prepare for, and manage an agency's migration to an SSC. The guidance will assist agencies in conducting competitions and selecting a Federal or private sector SSC. The Migration Planning Guidance will be published after selection of the private sector Schedule.
- **Migrate Agencies' HR to SSCs** – Migrating agencies to Shared Service Centers will allow the Agencies to take advantage of the standardization and common solution developed by the HR LOB. As agencies recognize the need to modernize their systems, OMB will ask them to move to the SSCs.

- **Certification of SSC and Vendor Solutions** – The development of the methodology and framework for certification of solutions will ensure that HR solutions provided by SSCs and vendors deliver business results.

19. **How should agencies respond to OMB requests for agency plans to meet HR LOB milestones?**

Agencies should contact their HR LOB MAESC representative to obtain the latest information on the HR LOB and to coordinate agency plans to meet HR LOB milestones. Agencies should work with OMB and OPM to determine their specific plans for meeting HR LOB milestones. Finally, agencies should monitor the OPM website for the latest developments and work products.

20. **How can I find out about HR LOB activities in which I may participate?**

If you would like to participate in activities such as workshops in your subject area, please contact your MAESC representative. The MAESC representatives nominate participants from each agency for attending HR LOB workshops.

Migration to Shared Service Centers (SSCs)

21. **Who are the current SSCs and how were they selected?**

The HR LOB has thus far selected five public sector SSCs to provide HR services for the Federal Government. These five SSCs are:
- Department of Agriculture (National Finance Center)
- Department of Defense (Civilian Personnel Management Service)
- Department of Health and Human Services (Program Support Center)
- Department of the Interior (National Business Center)
- Department of the Treasury (HR Connect & partnered with Bureau of Public Debt)

A panel comprised of MAESC members representing customer agencies reviewed and qualified the current public sector SSCs.

22. **Are the HR LOB SSCs identical to the e-Payroll providers?**

The HR LOB currently has five Federal agencies qualified as HR LOB SSCs and four Federal agencies qualified as e-Payroll providers. Two out of the four e-Payroll providers are also qualified as HR LOB SSCs. The Department of the Interior's National Business Center and the Department of Agriculture's National Finance Center are both SSCs as well as e-Payroll providers. The remaining

two e-Payroll providers: The Department of Defense's Defense Finance and Accounting Service (DFAS), and the General Services Administration's Heartland Finance Center are e-Payroll providers but not HR LOB SSCs.

23. There are currently five pre-qualified Federal SSCs. Will there likewise be a pool of pre-qualified private sector SSCs?

The HR LOB is establishing a schedule of private sector SSCs under an existing GSA Multiple Awards Schedule. Service providers on this GSA Schedule will meet the requirements adopted by the HR LOB, and will have demonstrated performance in a manner consistent with that of the Federal SSCs.

24. How will agencies select an SSC?

OPM and OMB are preparing Migration Planning Guidance that will stipulate the policy for the selection of an HR LOB SSC.

25. How do I evaluate the Federal SSCs against the private sector SSCs?

The Migration Planning Guidance will address the necessary process and the documentation required to help ensure the migration activities of each agency adhere to applicable laws, policies, guidelines, and procedures.

26. When and how will agencies move their HR services to an SSC?

The migration dates will depend on each agency. Migration decisions will be dependent upon an agency's plan to enhance or upgrade its current HR system(s). At that time, each agency is expected to work closely with the HR LOB and OMB to determine their readiness for the selection of, and migration to, an SSC. The HR LOB Migration Planning Guidance will provide guidance that helps Federal agencies describe, prepare for, and manage an agency's migration to an SSC. The guidance will assist agencies in conducting competitions and selecting a Federal or private sector SSC. The Migration Planning Guidance will be published after selection of the private sector Schedule.

27. How will the migrations be funded?

The migration costs will be borne by the migrating agencies. Agencies should take this into consideration during their budget formulation. More information will be provided in the Migration Planning Guidance currently under development.

28. If the Federal SSCs offer the same functionality, what differences am I likely to see between them?

At a minimum, the services that SSCs must provide relate to Human Resources Information Systems (HRIS) and payroll operations. Some SSCs may choose to offer additional functionality and may also offer services bundled with their systems offering. In addition, SSCs may differ in price and service quality.

29. What about the issue of transition costs? If a service provider does not fulfill the terms of their MOU, how should the customer agency plan for transition costs?

OMB circular A-11 directs agencies to assess and mitigate all types of risks when planning investments. In the past, a number of agencies have had to expend significant resources to compensate for implementation difficulties when building their own, standalone, systems. Because the HR LOB SSCs have operable systems with functionality which has been verified, the risk to the customer agency is reduced. Nonetheless, agencies should continue to address this risk just as they have always done.

30. Will there be an opportunity to apply for SSC designation in the future?

Yes. Agencies may propose to become an SSC via a discussion with the HR LOB and OMB. A viable candidate will have a modern system which is fully deployed throughout their agency, and should identify other agencies which cannot be serviced by the current SSCs. Any agency which anticipates applying for SSC designation should closely coordinate any such application with OMB and the HR LOB prior to expending funds for development, modernization, or enhancement (DME) and in advance of submitting its annual budget request to OMB.

31. How were the requirements for the SSCs determined?

During the second half of 2004, the HR LOB sponsored multi-agency workshops to improve the modeling of human resources baseline processes and sub-processes and to define the Business Reference Model (BRM) for the HR LOB, as provided in the Federal Enterprise Architecture. The collaboration achieved during the workshops is a model for the development of HR information system operations and was carried over to the development of the HR Target Requirements for SSCs. All agencies collaborated to produce a report which includes the detailed target requirements outlining the expectations of Shared Service Centers by describing the role of the SSC in the HR process and providing specifications for the efficient and successful delivery of services and solutions. The HR LOB Target Requirements for Shared Service Centers is publicly available on the OPM website at: http://www.opm.gov/egov/documents/requirements/.

32. **What if I have special unique requirements that are not fulfilled by the systems offered by the SSCs?**

The minimum required functionality of the SSC systems is determined through a collaborative process managed by the HR LOB. If you believe there is a functional requirement that is not fulfilled by the systems offered by the SSCs, you need to communicate this requirement to your agency's representative on the MAESC in order for the requirement to be properly addressed and incorporated into the requirements document.

33. **How can I be assured the Federal and private sector SSCs can or will meet my business needs?**

All SSCs available for selection by agencies have been evaluated by a technical evaluation panel and recommended for selection by the HR LOB. The Federal and private sector SSCs will, at a minimum, meet the core HR LOB requirements and be committed to implementing future requirements as they are developed by the HR LOB. The customer agency will determine which SSC offers the best value in meeting agency needs in accordance with the Migration Planning Guidance. Agencies and SSCs will commit to Service Level Agreements (SLAs) that will include performance metrics so that performance can be periodically evaluated and adjustments made where necessary.