

# Human Resources Management Line of Business Shared Service Center (SSC) Due Diligence Checklist

Version 1.0  
December 2004

***Part I: Background Information***

*Please limit responses to 100 words or less in this section. If necessary, include reference or additional materials in the form of an attachment. However, responses as provided in the Comments field should be no more than 100 words and should directly address the topic area.*

<b>Project/Service Name</b>		
<b>Unique Project Identifier (UPI) (Government Only)</b>		
<b>Agency/Vendor</b>		
	<b>Required Information / Instructions</b>	<b>Comments</b>
Software Package	Provide Vendor, Product, Version	
Production Initiation Date	Provide the date the system becomes (or became) operational	
Modules/Services Offered	List the modules and services you offer	
External Customers	Provide information on existing customers to demonstrate capabilities. Include indicators of size, such as budget/revenue, approximate number of employees, number of named and/or concurrent users.	
Unique Customer Needs	Describe your ability and approach for handling customization and change requests	
Transaction Volume	Provide historical data of transaction processing capabilities including transaction type and volume	
Quality Assurance	Describe your Quality Assurance processes (e.g., Capability Maturity Model certification/date)	
Service Quality Metrics	Provide currently available service quality metrics	
Change Management	Provide details regarding change management processes (i.e., how will new requirements be incorporated into the solution)	

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### *Additional Background Information for Government-Run SSCs*

<b>Project/Service Name</b>		
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<b>Agency/Vendor</b>		
	<b>Required Information / Instructions</b>	<b>Comments</b>
# Of Customers (Internal)	Describe the services you provide to internal customers with appropriate metrics (e.g., bureaus, employees, budgets, users)	
FY06 Development, Modernization & Enhancement (DME) Cost	Provide the FY06 DME costs for this initiative	
FY06 Steady State (SS) Cost	Provide the FY06 SS costs for this initiative, categorized if appropriate	
FY07 & Beyond DME Cost	Provide forecast FY07 & Beyond DME costs for this initiative, by year	
FY07 & Beyond SS Cost	Provide forecast FY07 & Beyond SS costs for this initiative, by year	
Business Operating Model (Customer perspective)	Briefly describe your business model from the customers' perspective, (franchise vs. WCF, partner vs. seller/buyer governance, etc.)	
Transaction Costs	Provide currently available cost metrics (OMB is leading an effort to develop standard metrics)	
Service Provision Model (Supplier perspective)	Describe your means of providing and managing the provision of services, including services provided by government staff vs. those contracted out, contracting method (fixed-price vs. time/materials), contract incentives, government vs. commercial hosting, use and scope of Independent Verification and Validation (IV&V), program management structure, etc.	

### *Additional Background Information for Private-Sector SSCs*

<b>Project/Service Name</b>		
<b>Unique Project Identifier (UPI) (Government Only)</b>		
<b>Agency/Vendor</b>		
	<b>Required Information / Instructions</b>	<b>Comments</b>
Corporate Stability	Provide information regarding the financial health and stability of the SSC (e.g., assets, outstanding debt, cash balance, financial backing)	
Pricing Model	Describe pricing models offered (e.g., pricing per user, per transaction, on a subscription basis). What is the minimum term-of-service required for SSC customers?	
Corporate Structure	Provide details on corporate structure to include all partners involved in the solution (e.g., hosting providers, managed service providers, software application vendors, system integrators)	

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***Part II: Screening Questions***

*A response of "no" to any of the following screening questions will automatically disqualify the candidate from being approved as a SSC candidate. Please limit comments to 100 words or less in this section. If necessary, include reference or additional materials in the form of an attachment. However, responses as provided in the Comments field should be no more than 100 words and should directly address the topic area.*

<b>Project/Service Name</b>			
<b>Unique Project Identifier (UPI) (Government Only)</b>			
<b>Agency/Vendor</b>			
#	Evaluation Area	Rating	Comments
1	Does the SSC provide the following <b>Human Resources Management</b> Federal Enterprise Architecture (FEA) Sub-functions: <ul style="list-style-type: none"> <li>▪ Administer Benefits</li> <li>▪ Manage Payroll*</li> <li>▪ Personnel Action Processing</li> <li>▪ Time and Attendance</li> <li>▪ Labor Distribution</li> </ul> (*Note: if the SSC does not provide payroll services, the SSC must demonstrate the ability to integrate to an existing Payroll provider.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2	Have previous agency/bureau migrations to the SSC occurred?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3	Have previous migration activities included the migration of data?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4	Does the SSC align with the FEA?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
5	Does the SSC demonstrate alignment with the President's Management Agenda?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6	Does the SSC demonstrate alignment with the Lines of Business (LoB) Goals and Objectives?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
7	Does the SSC support integration to HR-related E-Gov initiatives including Enterprise HR Integration (EHRI), E-Clearance, E-Training, Recruitment One-Stop, and Retirement Systems Modernization?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
8	Has the SSC undergone a Federal Information Security Management Act (FISMA) review?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
9	Has the SSC been Certified and Accredited (C&A) within the last 3 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

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#	Evaluation Area	Rating	Comments
10	Does the SSC have a performance measurement methodology in place with performance metrics?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
11	Has a Risk Management plan been completed within the last six months?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
12	Does the system have a Continuity of Operations Plan (COOP) and has successful Disaster Recovery Testing been performed?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
13	Does the SSC have a cost accounting methodology that fairly allocates all costs (fixed and marginal) to internal and external customers?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
14	Does the SSC utilize onshore facilities and resources only?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
15	Does the SSC provide a formal incident response capability?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
16	Does the SSC perform periodic testing and evaluation of information security controls?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
17	Does the SSC have an appointed information systems security officer?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
18	Is the SSC's contingency planning coordinated with the agency or agencies using its services?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
19	Does the SSC have in place an interconnection security agreement and a Memoranda of Understanding in accordance with NIST SP800-47?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

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Part III: Due Diligence Checklist

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Project/Service Name						
Unique Project Identifier (UPI) (Government Only)						
Agency/Vendor						
No.	Criteria	Rating	Raw Score	Tier	Weighted Score	Comments
1	Level of COTS customization	<p><i>(where multiple products used – address for each product)</i></p> <input type="checkbox"/> <b>High (5):</b> Customizations were embedded into base product <input type="checkbox"/> <b>Med (3):</b> Customizations did not effect base product <input type="checkbox"/> <b>Low (1):</b> Customizations are minimal - effect on base product and future support of non-agency end users are not addressed <input type="checkbox"/> <b>No (0):</b> No customization strategy		A		
2	Employee Self-Service Support <i>(HR only)</i>	<input type="checkbox"/> <b>Yes (5):</b> Provides Employee Self-Service capabilities <input type="checkbox"/> <b>No (0):</b> Does not provide Employee Self-Service capabilities		A		
3	Value-Added Services Capability	<input type="checkbox"/> <b>High (5):</b> Currently offers two or more existing value-added services (functions aligned with the LoB beyond core functions identified in the screening section i.e. position classification) <input type="checkbox"/> <b>Med (3):</b> Currently offers a single existing value-added service <input type="checkbox"/> <b>Low (1):</b> Planning to offer additional value-added services <input type="checkbox"/> <b>No (0):</b> Does not mention value-added service capabilities		B		
4	Provides Integrated HR and Payroll System Services	<input type="checkbox"/> <b>Yes (5):</b> Provides integrated HR/Payroll services <input type="checkbox"/> <b>No (0):</b> Does not provide integrated HR/Payroll services (Interface to payroll system required)		B		

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Project/Service Name						
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No.	Criteria	Rating	Raw Score	Tier	Weighted Score	Comments
5	Business Process Support	<input type="checkbox"/> <b>High (5):</b> SSC offers business process support in addition to information technology (IT) support <input type="checkbox"/> <b>Med (3):</b> Presents detailed plan to provide business process support in addition to IT support <input type="checkbox"/> <b>Low (1):</b> Presents high-level strategy for business process support <input type="checkbox"/> <b>No (0):</b> No business process support strategy provided		B		
6	Supports Standard Official Personnel Files (OPFs)	<input type="checkbox"/> <b>High (5):</b> Currently supports standard OPFs <input type="checkbox"/> <b>Med (3):</b> Plans to support standard OPFs <input type="checkbox"/> <b>No (0):</b> Does not support standard OPFs		B		
7	Cross Agency Program Management (PM) Experience	<input type="checkbox"/> <b>High (5):</b> Demonstrates history of providing cross-agency PM services <input type="checkbox"/> <b>Med (3):</b> Demonstrates history of providing intra-agency PM services <input type="checkbox"/> <b>Low (1):</b> Provides detailed plans to implement cross-agency PM services <input type="checkbox"/> <b>No (0):</b> No cross-agency/intra-agency PM experience referenced		A		
8	Migration Experience	<input type="checkbox"/> <b>High (5):</b> Demonstrates experience migrating external systems/organizations outside of the agency to the SSC <input type="checkbox"/> <b>Med (3):</b> Demonstrates experience migrating external systems/organizations (i.e., bureaus) inside of the agency to the SSC <input type="checkbox"/> <b>Low (1):</b> Migration efforts currently underway; no migrations completed to date		A		
9	Migration Schedule <i>(if applicable)</i>	<input type="checkbox"/> <b>High (5):</b> Demonstrated an on average migration schedule of 0-9 months <input type="checkbox"/> <b>Med (3):</b> Demonstrated an on average migration schedule of 9-18 months <input type="checkbox"/> <b>Low (1):</b> Demonstrated an on average migration schedule of 18-24 months		B		

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10	Data Migration Experience	<input type="checkbox"/> <b>High (5):</b> Performed multiple data migrations and has repeatable processes <input type="checkbox"/> <b>Med (3):</b> Performed multiple data migrations with no repeatable processes <input type="checkbox"/> <b>Low (1):</b> Performed a single data migration		B		
11	Data Cleansing History	<input type="checkbox"/> <b>Yes (5):</b> Demonstrated experience conducting data cleansing <input type="checkbox"/> <b>No (0):</b> Did not demonstrate experience conducting data cleansing		B		
12	Shared-Services Experience	<input type="checkbox"/> <b>High (5):</b> Demonstrates experience providing cross-servicing to other agencies <input type="checkbox"/> <b>Med (3):</b> Demonstrates experience providing cross-servicing to bureaus within parent agency with greater than 10,000 users per bureau <input type="checkbox"/> <b>Low (1):</b> Planned but not demonstrated approach and no history of supporting outside users greater than 5,000		A		
13	Transition Management	<input type="checkbox"/> <b>High (5):</b> Demonstrates past success in providing transition management services (e.g., training, migration planning, change management, sequencing) <input type="checkbox"/> <b>Med (3):</b> Has detailed plan to provide transition management services <input type="checkbox"/> <b>Low (1):</b> References need for transition management services <input type="checkbox"/> <b>No (0):</b> No transition management services referenced		A		
14	Share-in-Savings/SmartBUY Approach	<input type="checkbox"/> <b>High (5):</b> Demonstrates a history of share-in- savings usage with existing share-in-savings/SmartBUY programs in place <input type="checkbox"/> <b>Med (3):</b> Demonstrates a detailed share-in-savings execution strategy <input type="checkbox"/> <b>Low (1):</b> References share-in-savings and SmartBUY in business case <input type="checkbox"/> <b>No (0):</b> Share-in-savings/SmartBUY not mentioned		A		

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No.	Criteria	Rating	Raw Score	Tier	Weighted Score	Comments
15	Service Level Agreements (SLA) Past Performance	<input type="checkbox"/> <b>High (5):</b> Demonstrates past success in establishing and maintaining SLA <input type="checkbox"/> <b>Med (3):</b> Outlines detailed SLA strategy <input type="checkbox"/> <b>Low (1):</b> Indicates a plan to implement SLA strategy <input type="checkbox"/> <b>No (0):</b> No mention of utilizing SLAs in business case		A		
16	FISMA Review	<input type="checkbox"/> <b>High (5):</b> Review completed, no weaknesses found <input type="checkbox"/> <b>Med (3):</b> Plan of Action & Milestones (POA&M) report prepared to address identified security weaknesses <input type="checkbox"/> <b>Low (1):</b> Weaknesses found, POA&M report incomplete		A		
17	Certification & Accreditation	<input type="checkbox"/> <b>High (5):</b> C&A completed and date provided <input type="checkbox"/> <b>Med (3):</b> C&A planned and future date provided <input type="checkbox"/> <b>Low (1):</b> C&A planned but no date provided		A		
18	Security and Privacy Standards	<input type="checkbox"/> <b>High (5):</b> Demonstrates a history of compliance, up-to-date security plan in place that meets requirements of FISMA, OMB policy, NIST Guidance, and privacy impact assessments completed <input type="checkbox"/> <b>Med (3):</b> Outlines plan to develop security plan and conduct PIAs as well as provides dates for completion		A		
19	Performance Measures	<input type="checkbox"/> <b>High (5):</b> Performance metrics in place with actual measures against the baseline <input type="checkbox"/> <b>Med (3):</b> Performance metrics in place but no actual measures against the baseline <input type="checkbox"/> <b>Low (1):</b> Performance metrics in place but no baseline or targets identified		A		



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20	Scalability	<input type="checkbox"/> <b>High (5):</b> Demonstrates ability to support increasing transaction volumes <input type="checkbox"/> <b>Med (3):</b> Presents a detailed and structured approach to address increased transaction volumes <input type="checkbox"/> <b>Low (1):</b> Provides a high level strategy for supporting increased transaction volumes <input type="checkbox"/> <b>No (0):</b> Increase in transaction volumes not addressed		A		
21	Customer Service Satisfaction	<input type="checkbox"/> <b>High (5):</b> Demonstrates customer service satisfaction levels with performance history <input type="checkbox"/> <b>Med (3):</b> Identifies customer satisfaction levels in business case <input type="checkbox"/> <b>Low (1):</b> Identifies planned customer satisfaction targets but no performance data (actuals) provided		A		
22	Core Solution Strategy	<input type="checkbox"/> <b>High (5):</b> Proposes the reuse of a single existing HR system <input type="checkbox"/> <b>Med (3):</b> Proposes the reuse of multiple existing systems to create an integrated HR SSC solution <input type="checkbox"/> <b>Low (1):</b> Proposes the use of a new implementation		B		
23	IV&V	<input type="checkbox"/> <b>High (5):</b> An IV&V was conducted on this system <input type="checkbox"/> <b>Med (3):</b> IV&V scheduled and date provided <input type="checkbox"/> <b>Low (1):</b> Plans to conduct IV&V included in the management plan <input type="checkbox"/> <b>No (0):</b> No, an IV&V was not conducted on this system		B		
24	Cross-LoB Support	<input type="checkbox"/> <b>High (5):</b> Demonstrates existing integration across one or more LoBs <input type="checkbox"/> <b>Med (3):</b> Demonstrates detailed strategy for integrating LoBs <input type="checkbox"/> <b>Low (1):</b> Mentions planned integration of LoBs <input type="checkbox"/> <b>No (0):</b> No cross LoB support indicated		B		

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25	Project Management Capability (EVMS)	<input type="checkbox"/> <b>High (5):</b> Past performance within 10% of cost/schedule/performance <input type="checkbox"/> <b>Med (3):</b> Past performance within 20% of cost/schedule/performance <input type="checkbox"/> <b>Low (1):</b> Past performance within 30% of cost/schedule/performance <input type="checkbox"/> <b>No (0):</b> No variance information (re: cost/schedule/performance) submitted or past performance variance greater than 30%		B		
26	Private/Public Strategy	<input type="checkbox"/> <b>High (5):</b> Demonstrates experience of private/public strategy (detailed plans for the involvement of private sector in implementation or operations of a SSC beyond contract support e.g., ACME Inc., is responsible for end-to-end processing of a given transaction) <input type="checkbox"/> <b>Med (3):</b> Provides a detailed plan for private/public strategy <input type="checkbox"/> <b>Low (1):</b> Provides plan to develop a private/public strategy <input type="checkbox"/> <b>No (0):</b> Public/private strategy not addressed		B		
27	User Base	<input type="checkbox"/> <b>High (5):</b> Demonstrates ability to manage systems with 600 named users with 100,000 employee records <input type="checkbox"/> <b>Med (3):</b> Demonstrates ability to manage systems with 300 named users with 50,000 employee records <input type="checkbox"/> <b>Low (1):</b> Demonstrates ability to manage systems with 100 named users with 10,000 self-service users <input type="checkbox"/> <b>No (0):</b> Business case does not address user base		B		
28	System Availability/Uptime	<input type="checkbox"/> <b>High (5):</b> Demonstrates system uptime greater than or equal to 99.9% <input type="checkbox"/> <b>Med (3):</b> Demonstrates system uptime greater than or equal to 99.5% <input type="checkbox"/> <b>No (0):</b> Demonstrates system uptime less than 99.5%		B		
29	HR Servicing Ratio (Service Ratio of HR Support Staff to Workforce)	<input type="checkbox"/> <b>High (5):</b> HR Servicing Ratio greater than 1:100 <input type="checkbox"/> <b>Med (3):</b> HR Servicing Ratio between 1:75 and 1:100 <input type="checkbox"/> <b>Low (1):</b> HR Servicing Ratio between 1:50 and 1:75 <input type="checkbox"/> <b>No (1):</b> HR Servicing Ratio less than 1:50		B		

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<b>Agency/Vendor</b>						
<b>No.</b>	<b>Criteria</b>	<b>Rating</b>	<b>Raw Score</b>	<b>Tier</b>	<b>Weighted Score</b>	<b>Comments</b>
30	Additional SLA Performance Metrics Provided Including Time to Respond/Engage and Time to Resolve	<input type="checkbox"/> <b>Yes (5)</b> <input type="checkbox"/> <b>No (0)</b>		B		
<b>Totals:</b>		<b>Raw Score (150 Potential Points)</b>		<b>Weighted Score</b>		
<b>Additional comments:</b>						

**Notes**

1. Questions are separated into two tiers ("A" and "B") based on their importance in assessing a SSC candidate's viability. Responses are weighted so that Tier A questions, in the aggregate, comprise two-thirds of the total weighted score. Tier B questions comprise one-third of the total weighted score.
2. Although this checklist is worded for evaluating existing centers, it may be applied to new center investment proposals by assuming modification to the tense of the requirements. For example, "Has the SSC been Certified and Accredited within the last 3 years?" can be read as, "Does the proposal provide a credible plan for Certification and Accreditation?"