

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



**Chief Information Officer
Human Resources Line of Business**

**Shared Service Center HR
Benchmarking Report**

April 2010

A New Day for the Civil Service

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1. Introduction

In January 2008, the Human Resources Line of Business (HR LOB) established a Federal benchmarking program for payroll and human resources operations. The benchmarking program covers operations performed at both agencies and shared service centers (SSCs). The program began with a payroll benchmarking study focusing on the four payroll providers. This 2008 study highlighted the success of the payroll providers in providing payroll services in an efficient and cost effective manner to the approximately 1.8 million civilian employees they serve. The results showed that the Federal payroll providers exceeded the industry benchmarks for the three measures for which comparable industry benchmarks were available.

In fiscal year (FY) 2009, the benchmarking program was expanded to include the human resources function for both agencies and SSCs. This HR benchmarking initiative was undertaken to help understand the progress the HR LOB is making toward achieving its vision. The HR benchmarking initiative marks the first time the HR LOB will look at HR performance information across the Federal Government; therefore participation was a critical aspect in setting the baseline of what the current state of HR looks like in the Government. Understanding current performance levels across the HR function – and more importantly looking at trends over time – will be a key step towards showing progress against goals, especially if organizations plan to undertake an HR transformation effort to improve the efficiency and effectiveness of their HR services. Setting the baseline provides the basis for agencies to be able to compare their own results over time.

HR benchmarking provides insight into successful practices at Federal SSCs and private enterprises. This insight is a significant benefit particularly given the perpetual expectation that HR do more with fewer resources. In the future, HR benchmarking will also provide visibility into trends over time. HR benchmarking may ultimately provide insight into why there are performance differences across SSCs and how improvements can be achieved (e.g., through business process reengineering or technology improvements).

This HR benchmarking program is focusing on the following business goals:

1. Establish a baseline of performance
 - Measure and compare current performance with peer organizations
 - Provide a basis (the raw data) that can be summarized and /or leveraged to satisfy requests for performance data
2. Identify benefits
 - Identify performance gaps and improvement opportunities
 - Demonstrate how changing processes can create value
 - Begin to shape messages that highlight the benefits of the HR LOB program
3. Estimate potential value
 - Determine appropriate performance targets
 - Support the preparation of business cases for change
4. Identify best practices
 - Understand relationships between metrics and business drivers

To complete the HR benchmarking study, the HR LOB used the same benchmarking methodology that was established for the 2008 payroll benchmarking study. In September of 2008, a workgroup was convened and met for five months via bi-weekly conference call work sessions to determine the type of measures to be collected and to define detailed definitions and the overall calculation for each measure. The workgroup was later separated into two groups, one specifically for agencies to define agency measures and calculations, and one specifically for SSCs to define SSC measures and calculations. Each workgroup defined their measures plus specifications for the business narratives (the SSC narratives are included in Appendices H through L at the end of this report). These narratives provide background information on each of the participating SSCs.

This report describes the overall approach that was taken to identify and define the four SSC HR measures for the FY 2009 study and provides a comparison of the SSC participants' specific data to aggregated data from the other SSC participants and the comparable industry benchmarks. Data from fiscal year 2008 was used to create this report.

In parallel with this SSC benchmarking study, the HR LOB also completed an HR benchmarking study of Federal agencies. This report addresses the SSC portion of the 2009 HR benchmarking study; it does not contain the Agency HR benchmarking results. The Agency HR benchmarking results are separate from the SSC HR benchmarking results and are contained in a separate report.

1.1. HR LOB Strategic Scope, Goals, and Objectives

The Office of Personnel Management (OPM) launched the HR LOB initiative in 2004. The HR LOB Concept of Operations (CONOPS) describes a service delivery model in which designated core HR services relative to human resources information systems (HRIS) and payroll operations move from agencies to SSCs. Over time, as SSCs evolve and expand their capabilities, more transactional and administrative activities may shift from the agency to an SSC.

The overall 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 CONOPS, agencies must obtain HRIT services for the core functions of Personnel Action Processing, Benefits Management, and Compensation Management (payroll operations) from an SSC. At a minimum, SSCs must provide HRIT services for the core functions of Personnel Action Processing and Benefits Management. Additionally, SSCs may also offer core Compensation Management (payroll operations). Other non-core functions as defined by the HR LOB Target Requirements for SSCs are not mandated. If the SSC chooses to offer services for any of the non-core sub-functions, they must meet the applicable mandatory requirements at the time such services are provided to the customer. Customer agencies may seek non-core functions from an SSC, but are not mandated to do so.

This approach allows agencies at their discretion to select services as needed to increase their focus on agency mission activities and the strategic management of human capital.

OPM expects the HR LOB to help the Federal Government realize the potential of electronic government, significantly enhance human resources service delivery for civilian employees of the Executive Branch, and realize program objectives that were established in 2004:

Objectives	Goals
<p>Improved Management Improve the government wide strategic management of human capital</p>	<ul style="list-style-type: none"> ▪ Faster decision making ▪ More informed policy making ▪ More effective workforce management ▪ Improved resource alignment with agency missions
<p>Operational Efficiencies Achieve or increase operational efficiencies in the acquisition, development, implementation and operation of human resources management systems</p>	<ul style="list-style-type: none"> ▪ Improved servicing ratio/response times ▪ Reduced cycle times ▪ Improved automated reporting
<p>Cost Savings/Avoidance Achieve or increase cost savings/avoidance from HR solution activities</p>	<ul style="list-style-type: none"> ▪ Reduced duplicative software/hardware/operations/labor resources ▪ Increased competitive environment
<p>Improved Customer Service Improve customer services</p>	<ul style="list-style-type: none"> ▪ Increased accessibility to client and value ▪ Improved communication and responsiveness ▪ Enhanced quality ▪ Enhanced timeliness ▪ Enhanced accuracy ▪ Enhanced consistency

Table 1: HR LOB Strategic Objectives

This HR benchmarking initiative was undertaken to help understand the progress the HR LOB is making toward achieving its vision. The sections that follow describe the overall approach the HR LOB took to execute this study; the benchmarking process; the 2009 study results; and a set of overall conclusions.

2. Project Approach

From September 2008 to January 2009, the HR benchmarking workgroup met to develop and define human resources measures that would be collected from SSCs. The purpose of the workgroup was to provide guidance on the development and design of the 2009 HR benchmarking study. The workgroup selected and socialized measures within their organization and defined calculations and data sets.

Four SSC representatives, one OPM HR policy expert, and three HR LOB representatives participated in this collaborative effort. Workgroup participants represented the following SSCs:

- Department of Agriculture's National Finance Center
- Department of Defense Civilian Personnel Management Service
- Department of Interior's National Business Center
- Department of Treasury's HR Connect

The OPM workgroup members represented the following organizations:

- Office of Modernization and Human Resources Line of Business
- Strategic Human Resources Policy Division

The workgroup participated in the benchmarking process (see Figure 1) via bi-weekly conference calls beginning in October 2008. The participants were involved in three of the four phases that comprised this initiative: conceptual design, detailed design, and data gathering. The fourth phase of the benchmarking initiative, data reporting and analysis, was performed by the HR LOB. These four phases will be described in the next section.

3. Benchmarking Process

The benchmarking process was organized into four phases: conceptual design, detailed design, data gathering, and data reporting and analysis.



Figure 1: The Benchmarking Process

3.1. Conceptual Design

During the conceptual design phase, the workgroup members identified the set of measures that would be the focus of this study and socialized them with key stakeholders. To help prepare for this process, the HR LOB provided the workgroup with a conceptual design tool that captured the standard industry HR measures, measures outlined in the Performance Model Version 1¹, and measures described in the HR LOB Service Level Agreement template published on OPM's website and utilized by SSCs and their customer agencies.

Each member of the benchmarking workgroup reviewed the conceptual design tool and recommended five measures they would like to have included in the 2009 study. The participants evaluated each measure against the following criteria:

- Actionable: Is the data under the control of the agency/provider? Is the data currently available? Is it practical to collect the data?
- Applicable: Is the measure relevant to government processes? Does it support HR LOB goals?
- Meaningful: Will the data be meaningful to decision makers? Will the value derived from having the data be greater than the cost of collecting the data?
- Detailed: Is the scope of the measure defined and quantitative to the extent possible?
- Easily Understood: Is the data being measured clear and easy to understand?

The workgroup selected 16 measures from the initial list and later refined the list to ten. Since this was the first year of reviewing HR performance data, the workgroup agreed to limit the complexity of the study by focusing on three measures. The selected measures have comparable industry measures and the Federal aggregates can be compared to the industry medians.

For each measure, the HR LOB provided the workgroup members with a draft description (including measure category, measure name, calculation, frequency,

¹ http://www.opm.gov/egov/documents/architecture/HRLOB_PM_6.30.06.pdf

reporting period, and measure definition). Workgroup participants revised the draft outside of work sessions and in preparation for the sessions to ensure:

- The description for each measure reflects their organization's point of view.
- Their organization is able to report on the requested data.
- The measure is applicable across the Federal Government.

During the work sessions, each workgroup member presented their feedback and recommendations, and as a group they came to consensus on each measure.

The HR LOB leadership subsequently reviewed, commented on, and approved the workgroup's recommendations.

3.2. Detailed Design

In order to be efficient – and because the approach was iterative – the detailed design phase occurred concurrently with the conceptual design phase. During the detailed design phase the benchmarking workgroup defined and validated the calculation for each measure and the data sets necessary for those calculations to perform correctly. For each measure the HR LOB provided the workgroup members with a starting point draft of calculations and data sets.

Outside of work sessions and in preparation for the sessions, workgroup members reviewed the calculations and data sets to determine the feasibility of collecting the required data and ensure the calculation would provide a meaningful result to their organization and the Federal Government. During the work sessions each workgroup member presented their feedback and recommendations, and as a group they came to consensus on each measure.

The HR LOB leadership subsequently reviewed, commented on, and approved the workgroup's recommendations.

3.3. Data Gathering

After the conclusion of the workgroup sessions, the HR LOB created the Human Resources Line of Business SSC HR Benchmarking Measure Definitions (see Appendix A) and the 2009 SSC HR Benchmarking Questionnaire (see Appendix B). The HR LOB contacted the SSC Principals to invite them to participate in the 2009 SSC HR benchmarking data gathering phase. Each SSC was provided with the 2009 SSC HR Benchmarking Questionnaire and the SSC HR Benchmarking Measure Definitions. SSCs were instructed to use data from FY 2008 and were given six weeks to submit their completed questionnaire and supplemental narrative information. The HR LOB held a series of conference calls to assist with the data collection process. SSCs were encouraged to participate on these conference calls to discuss questions on completing the questionnaire or narrative.

3.4. Data Reporting and Analysis

After receiving the completed questionnaires, the HR LOB analyzed the data across the SSCs to create this report. For each of the SSC HR performance measures, the HR LOB established the weighted mean, median, and standard deviation:

- Weighted mean – the arithmetic average of a set of values, factoring in the sample size for each value.
- Median – the number separating the higher half of a set of values from the lower half, thus providing the middle of the spectrum of data; fifty percent of the data falls above the median and fifty percent falls below the data.
- Standard deviation – a measure of the average distance by which the scores deviate from the mean.

The SSC medians were compared to industry-reported benchmarks. Industry benchmarks were obtained from International Business Machines/American Productivity and Quality Center (IBM/APQC) and the Everest Research Institute.

4. Results

The results, presented in this section, reflect the analysis performed by the HR LOB benchmarking team on the data collected during the data collection phase of this 2009 HR benchmarking initiative. The weighted mean, median, and standard deviation were computed based on the completed SSC HR Benchmarking Questionnaires submitted by:

- Department of Agriculture's National Finance Center
- Department of Defense Civilian Personnel Management Service
- Department of Interior's National Business Center
- Department of Health and Human Services
- Department of Treasury's HR Connect
- Bureau of Public Debt's Administrative Resource Center

The SSC medians were compared to industry reported benchmarks to serve as the basis for the benchmarking results analysis. Please note that some providers did not respond to all measures as the measure did not relate to their currently offered services.

4.1. Shared Service Center HR FTE Cost per Employee Serviced

SSC Human Resources FTE Cost measures the number of employees serviced during a calendar year. This measure provides insight into the cost of HR across the Federal Government.

SSCs reported their data for SSC HR FTE Cost per Employee Serviced based on the definition included in Appendix A of this report and the specific services each SSC provides their customers. A detailed description of these services can be found for each participating provider beginning with Appendix H of this report. An industry benchmark has been included for general comparative purposes only.

SSC	Industry Median Comparison	Federal Aggregate Comparison
ARC	Higher than Industry Median	Higher than All Federal Providers Median
DoD	Higher than Industry Median	Higher than All Federal Providers Median
NBC	Outperformed Industry Median by having lower HR Cost	Outperformed All Federal Providers Median by having lower HR Cost
NFC	Outperformed Industry Median by having significantly lower HR Cost	Outperformed All Federal Providers Median by having significantly lower HR Cost
HHS	Significantly higher than Industry Median	Higher than All Federal Providers Median
Treasury	Concluded during data call that they only provide HRIT services; therefore this measure does not apply to HR Connect.	

Table 2: SSC HR FTE Cost per Employee Serviced Comparison

Shared Service Center HR Cost per Employee Serviced	
Reporting Period	Fiscal Year 2008
All Federal Providers Weighted Mean	\$1,057.34
All Federal Providers Median	\$1,024.13
Industry Median (IBM/APQC)	\$796.76
Standard Deviation	\$601.94
ARC	\$1,280.44
DoD	\$1,024.13
NBC	\$626.76
NFC	\$54.40
HHS	\$1,608.00

Table 3: SSC HR FTE Cost per Employee Serviced

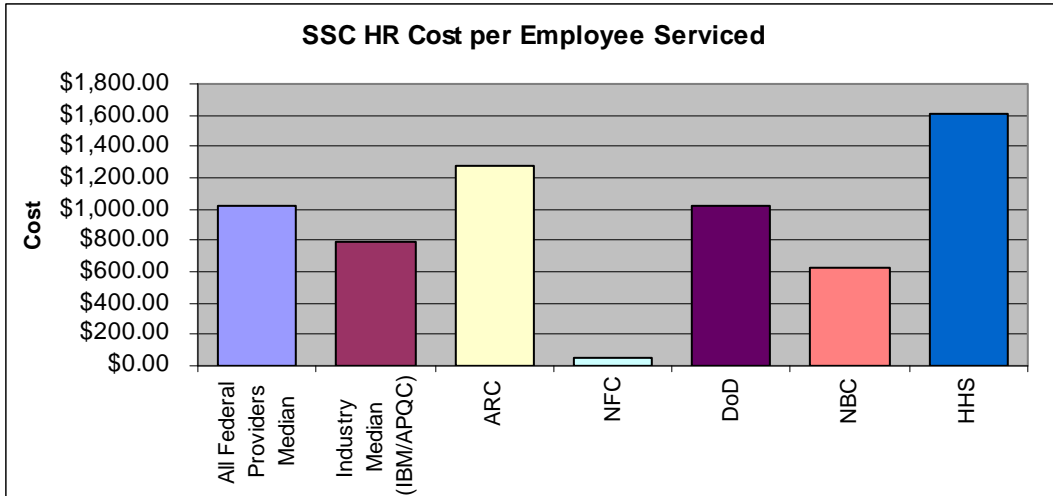


Figure 2: SSC HR FTE Cost per Employee Served

4.2. Shared Service Center HR Servicing Ratio

SSC Human Resources Servicing Ratio measures the number of HR FTEs reporting to the SSC that provide HR services to their clients (i.e. external clients and parent agency employees.) This measure provides insight into the size and support level of the SSC.

SSCs reported their data for SSC Human Resources Servicing Ratio based on the definition included in Appendix A of this report and the specific services each SSC provides their customers. A detailed description of these services can be found for each participating provider beginning with Appendix H of this report. An industry benchmark has been included for general comparative purposes only.

SSC	Industry Median Comparison	Federal Aggregate Comparison
ARC	Lower than Industry Median	Lower than All Federal Providers Median
DoD	Lower than Industry Median	Lower than All Federal Providers Median
NBC	Outperformed Industry Median by having higher HR Servicing Ratio	Outperformed All Federal Providers Median by having higher HR Servicing Ratio
NFC	Outperformed Industry Median by having significantly higher HR Servicing Ratio	Outperformed All Federal Providers Median by having significantly higher HR Servicing Ratio
HHS	Significantly lower than Industry Median	Significantly lower than All Federal Providers Median
Treasury	Concluded during data call that they only provide HRIT services; therefore this measure does not apply to HR Connect.	

Table 4: SSC HR Servicing Ratio Comparison

Shared Service Center HR Servicing Ratio	
Reporting Period	Fiscal Year 2008
All Federal Providers Weighted Mean	85.43
All Federal Providers Median	85.38
Industry Median (IBM/APQC)	140.10
Standard Deviation	692.05
ARC	85.36
DoD	85.38
NBC	165.21
NFC	1647.74
HHS	73.76

Table 5: SSC HR Servicing Ratio

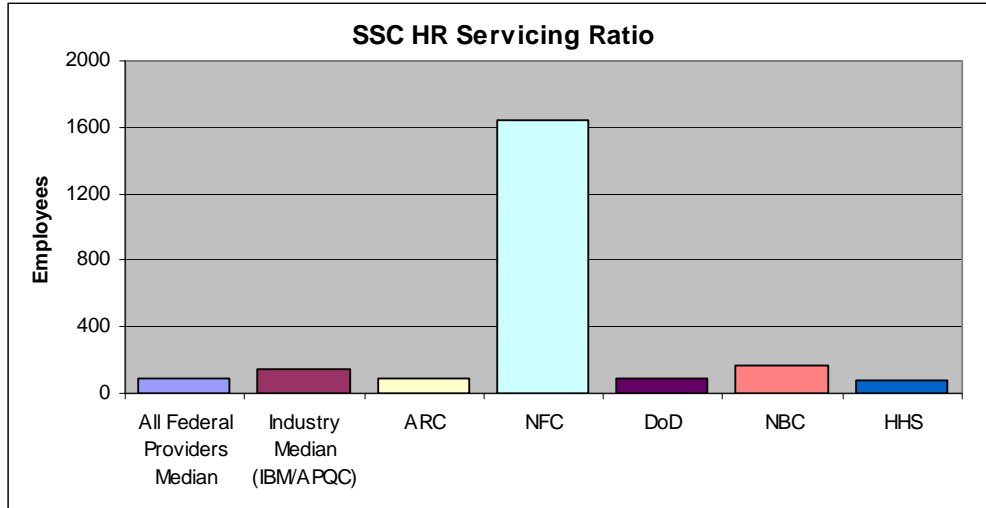


Figure 3: SSC HR Servicing Ratio

4.3. Shared Service Center HR Information Technology (HRIT) Spend per Employee Serviced

SSC HRIT Spend per Employee Serviced is defined as the HRIT costs divided by the number of employees serviced.

SSCs reported their data for SSC HRIT Spend per Employee Serviced based on the definition included in Appendix A of this report and the specific services each SSC provides their customers. A detailed description of these services can be found for each participating provider beginning with Appendix H of this report. An industry benchmark has been included for general comparative purposes only.

SSC	Industry Median Comparison	Federal Aggregate Comparison
ARC	Receives HRIT services via HR Connect	
DoD	Outperformed Industry Median by having lower HRIT Spend	Comparable to All Federal Providers Median
NBC	Outperformed Industry Median by having significantly lower HRIT Spend	Outperformed All Federal Providers Median by having significantly lower HRIT Spend
NFC	Outperformed Industry Median by having significantly lower HRIT Spend	Outperformed All Federal Providers Median by having significantly lower HRIT Spend
Treasury	Comparable to Industry Median	Significantly higher than All Federal Providers Median
HHS	Significantly higher than Industry Median	Significantly higher than All Federal Providers Median

Table 6: SSC HRIT Spend per Employee Serviced Comparison

Shared Service Center Human Resources Information Technology Spend	
Reporting Period	Fiscal Year 2008
All Federal Providers Weighted Mean	\$61.48
All Federal Providers Median	\$50.20
Industry Median (Everest)	\$192.00
Standard Deviation	\$153.50
DoD	\$50.20
NBC	\$32.30
NFC	\$30.95
Treasury	\$188.45
HHS	\$385.71

Table 7: SSC HRIT Spend per Employee Serviced

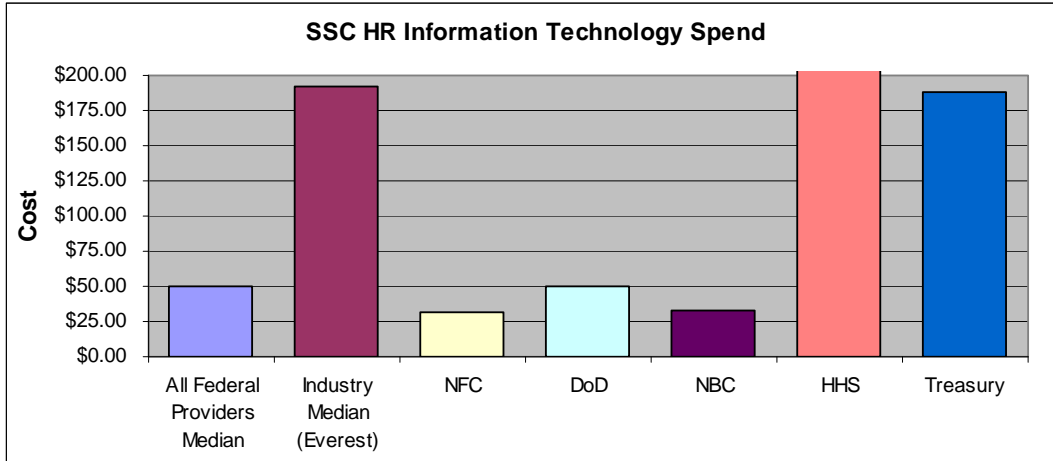


Figure 4: SSC HRIT Spend per Employee Served

4.4. Shared Service Center HR Information Technology (HRIT) Servicing Ratio

SSC HRIT Servicing Ratio measures the number of FTEs that are currently performing HRIT support (i.e., individuals that are providing HR system maintenance and support, not individuals that are end users of the HRIT application).

SSCs reported their data for SSC HRIT Servicing Ratio based on the definition included in Appendix A of this report and the specific services each SSC provides their customers. A detailed description of these services can be found for each participating provider beginning with Appendix H of this report. An industry benchmark has been included for general comparative purposes only.

SSC	Industry Median Comparison	Federal Aggregate Comparison
NFC	Outperformed Industry Median by having significantly higher HRIT Servicing Ratio	N/A
DoD	DoD receives HRIT services from a firm fixed price contractor; the contractor does not provide a headcount for DoD for their HRIT staff.	N/A
NBC	NBC obtains their HRIT support from another department within NBC and they do not have visibility into HRIT headcount.	N/A
HHS	Outperformed Industry Median by having significantly higher HRIT Servicing Ratio	N/A
Treasury	Unable to provide HRIT headcount.	N/A

Table 6: SSC HRIT Servicing Ratio Comparison

Shared Service Center HRIT Servicing Ratio	
Reporting Period	Fiscal Year 2008
Industry Median (Saratoga)	1,238.00
NFC	13,928.21
HHS	1,590.91

Table 7: SSC HRIT Servicing Ratio

5. Report Summary and Next Steps

Due to the efforts of the benchmarking workgroup members and the individuals at the SSCs who provided results data, this study provides a valuable snapshot of current HR operational performance and provides visibility into improvement opportunities. The results presented in this report show how each SSC is performing in comparison to the industry benchmark and the Federal aggregate for these four measures. This report addresses the SSC portion of the 2009 HR benchmarking study. The Agency HR benchmarking results are separate from the SSC HR benchmarking results and are contained in a separate report.

Benchmarking is a useful tool for the strategic planning of the HR function and for determining desired performance levels. The 2009 HR benchmarking study marks the first time we are looking at performance across the Federal Government; therefore, participation was a critical aspect in setting the baseline for what the current state of HR looks like in the Government. Setting the baseline provides the basis for SSCs to be able to compare their own individual results over time, which may be the most valuable benefit SSCs can take away from the study. Benchmarking also provides for data transparency across the Government and allows for data trends to be established. Information derived from benchmarking can help enable each SSC to meet its strategic objectives.

According to Saratoga's² 2008-2009 HR Staff and Structure Results U.S. Human Capital Effectiveness Report, the single largest expense for most HR departments is labor costs. A continuous benchmarking effort can help produce long-term improvements in both efficiency and effectiveness of HR services delivered by SSCs. As each SSC continues to explore how to best control its HR cost, it is critical to understand how its investment in HR labor, IT, and other costs compares to others.

The HR LOB will continue to help provide a bigger and more comprehensive picture of what HR in the Government looks like and to document trends over time. Taking an in-depth look at the practices that underlie good performance can help provide best practice examples that other providers can replicate. Therefore, in FY 2011, the HR LOB plans to engage in a detailed analysis of the benchmarking results and the practices and drivers that led to the collected results. The HR LOB will also work toward expanding the set of measures included in the benchmarking program to help increase visibility into cost savings and/or efficiencies.

² Saratoga's annual 2008/2009 Human capital effectiveness report reveals hundreds of metrics and thousands of unique benchmarks focused on productivity, turnover, staffing, labor cost, training, and HR cost and structure. The report contains results from over 300 organizations throughout the United States, representing 12 industry sectors. The average company in the report has annual revenue of \$5.7 billion and roughly 17,000 employees

Appendices

Appendix A describes the detailed definitions for the three SSC HR performance measures.

Appendix B is the 2009 SSC Human Resources Benchmarking Questionnaire.

Appendix C – G contains each provider’s 2009 SSC Human Resources Benchmarking Questionnaire.

Appendix H – L contains a narrative summary written by each of the five SSCs that participated in the FY 2009 HR benchmarking study. Each narrative contains:

- Description of the provider.
- List of HR Services currently being performed. These services are based on the Service Component Model v 1.
- Number of employees serviced.
- Number of customer agencies.
- Description of any HR services that are outsourced to a private sector vendor.
- Description of any HR services that are provided by a partnership with a Federal entity. Please ensure your description includes the name of the entity.
- Type of special population of employees serviced if any.
- Description of any additional information about your HR operation that explains your HR organization or operational model.
- Description of any additional information that gives context to your measure results.

Appendix M contains a narrative summary of the industry benchmarks used in the FY 2009 HR benchmarking study.

Appendix N details the list of SSCs that participated in the 2009 HR benchmarking workgroup.

Appendix A – SSC HR Benchmarking Measure Definitions

Shared Service Center Human Resources FTE Cost per Employee Serviced

Measure Category: Cost

Calculation: Shared Service Center (SSC) Human Resources (HR) FTE Cost / the number of employees serviced during a calendar year

Frequency: Annual

Reporting Period: Fiscal year 2008 (October 1, 2007 through September 30, 2008)

Purpose: SSC Human Resources FTE Cost and Agency HR Cost provide insight into the cost of HR across the Federal Government.

Measure Definitions:

SSC Human Resources FTE: SSC HR FTEs include all individuals that are full-time, part-time, exempt, and nonexempt individuals, or staff augmentation contractors who solely perform HR work* as their main job function and report directly to the HR organization. These individuals service external clients and employees of the SSC parent agency. HR Assistants should also be included.

*The work of the HR organization is defined by the following service components (both core and non-core services) from the Service Component Reference Model version 2:

Core Services

Benefits Processing – Captures, validates, and processes benefits elections and actions.

Benefits Reporting – Provides the capability to report employee participation in benefits programs.

Employee Self-service – Allows employees to be self-sufficient in initiating actions or creating, updating, and retrieving information within their sphere of control as an employee.

Labor Cost Allocation – Attaches labor costs to accounting codes.

Manager Self-service – Allows managers to be self-sufficient in initiating actions or updating, retrieving, and analyzing employee and organization information within their sphere of control as a manager or supervisor.

Personnel Action Processing – Initiates, validates, approves, updates, and documents personnel actions and data.

Non-core Services

Application Management – Accepts employment applications and captures application information in a manner that makes it available to those who need it. Manages and communicates application status. Analyzes and assesses application information to determine applicant eligibility for employment.

Assessment Model – Identifies or develops assessment tools and criteria to be used to determine the best qualified candidates for a particular job or job group.

Benefits Counseling – Advises individuals on a wide range of benefit options, eligibility and impacts. Provides information, counseling, assistance, and advocacy to employees regarding their benefits and entitlements.

Career Development Planning – Supports the identification of development opportunities and learning needs based on agency needs, individual goals and needs, and/or gaps in competencies, knowledge, skills and abilities. This may be at the individual level or at a department or program level.

Competency Management – Supports the building of competency libraries, competency frameworks that help define and manage proficiency, and competency processes that support the development, maintenance, and use of competencies across the Federal Government.

Employee Relations – Provides support to management for a variety of employee relations matters including disciplinary action, adverse action, administrative action, action related to unacceptable performance, alternative dispute resolution, grievance, third-party decisions and appeals, suitability, reasonable accommodation, and termination. Provides training to employees on standards of conduct.

Health and Fitness – Supports the physical well-being of an organization's employees. This may include health, wellness, and fitness programs and education.

Human Resources Development Needs Assessment – Works collaboratively with the agency to support the identification of development needs and recommendations regarding human resource development programs and priorities.

Human Resources Development Program Development – Supports training needs analysis, design, development, and evaluation of human resource development learning opportunities. This may include a single learning opportunity or a group or series of learning opportunities.

Human Resources Development Program Delivery – Provides the learning opportunity to enhance an employee's competencies, knowledge, skills, and abilities to support individual professional development and/or agency needs. This

may include a single learning opportunity or a group or series of learning opportunities.

Human Capital Program Review and Assessment – Supports the evaluation of HC and HR programs via an assessment of whether objectives have been met.

Labor Relations – Provides support to management and/or agency on a variety of labor relations matters including mediation, arbitration, alternative dispute resolution, filings, and compliance with statutory labor-management relations obligations. Provides training on labor relations topics.

Learning Administration – Supports the administrative and logistical aspects of human resource development. This includes publishing a course catalog, securing a facility, scheduling instructor(s), administering registration, receiving class evaluations, and certifying course completion.

Organization Design – Supports the creation or revision of an agency's organization structure and reporting relationships.

Performance Management – Provides consultative support to agencies on the design, development, implementation, and evaluation of performance management programs. May also provide support to managers and supervisors on individual performance management processes and issues.

Position Classification – Supports the creation or revision of position descriptions, the evaluation of job requirements against classification standards, and administration of the classification appeal process.

Position Management – Supports the assignment of work and establishment of positions to carry out the organization's mission or program and maintenance of the agency's inventory of positions.

Recruiting – Execute the Staff Acquisition Plan by engaging in marketing, advertising, personal contact, and other outreach activity aimed at building a pool of quality candidates that have potential for meeting the human capital needs of the agency. Recruiting may be aimed at a specific job or it may be more broadly aimed at general agency needs.

Staffing – Fulfills governmentwide and agency-specific regulatory requirements to effect a hiring action for specific position(s). Applies assessment tools and methods to evaluate candidates against requirements of the job for which they are being considered.

Succession Planning – The identification, creation, and development of a pipeline of talent available to fill current and future requirements for agency-identified positions.

Unemployment Compensation – Provides services under the unemployment compensation program including claims processing, billing, reporting, and handling appeals.

Workers Compensation – Provides comprehensive workers compensation services including adjudication, case management, counseling, and fraud investigation.

Workforce Planning – The process of assessing the current workforce and identifying gaps with respect to future work requirements. It also involves the creation of plans and strategies to reduce or eliminate these gaps.

Workforce Reshaping – Considers the current personnel inventory and reallocates workforce as applicable.

Include full-time, part-time, exempt, and nonexempt individuals. Part-time individuals should be converted to a full-time equivalent based on the number of hours they work per week (e.g. an employee working 32 hours per week would be considered a .80 FTE.)

Cost: Examples of SSC HR FTE costs include:

- SSC HR FTEs salaries and benefits (do not include salaries and benefits of HRIT employees)
- Contracting costs
- Overhead/G&A (e.g. audits, office supplies, building fees, printing/ mailing costs, etc.)

Notes: Costs will be reported in the aggregate. The list above is not an exhaustive list.

Number of Employees Serviced: Number of Employees Serviced is defined as the total number of employees receiving HR services by the SSC from October 1, 2007 through September 30, 2008. The employees may be those working for the SSC parent agency or an employee of client organizations. The total count should include all employees that were active for any period of time during the calendar year, including those that have separated prior to September 30, 2008 or those that are in a non-pay status on September 30, 2008.

This measure will be used for comparison across all shared service center participants.. There is not an equivalent industry benchmark available for comparison.

Shared Service Center Human Resources Servicing Ratio

Measure Category: Workforce

Calculation: Number of employees receiving human resources (HR) services from October 1, 2007 through September 30, 2008 divided by number of shared service center (SSC) human resources full-time equivalent employees (FTEs) from October 1, 2007 through September 30, 2008.

Frequency: Annual

Reporting Period: Fiscal year 2008 (October 1, 2007 through September 30, 2008)

Purpose: SSC Human Resources Servicing Ratio measures the number of HR FTEs reporting the SSC that provide HR services to their clients (i.e. external clients and parent agency employees.) This measure provides insight into the size and support level of the SSC.

Measure Definitions:

SSC Human Resources FTE: SSC HR FTEs include all individuals that are full-time, part-time, exempt, and nonexempt individuals or staff augmentation contractors who solely perform HR work* as their main job function and report directly to the SSC HR organization. These individuals service external clients and employees of the SSC parent agency. HR Assistants and Information Technology employees supporting HR Information Systems should also be included.

*The work of the HR organization is defined by the following service components (both core and non-core services) from the Service Component Reference Model version 2:

Core Services

Benefits Processing – Captures, validates, and processes benefits elections and actions.

Benefits Reporting – Provides the capability to report employee participation in benefits programs.

Employee Self-service – Allows employees to be self-sufficient in initiating actions or creating, updating, and retrieving information within their sphere of control as an employee.

Labor Cost Allocation – Attaches labor costs to accounting codes.

Manager Self-service – Allows managers to be self-sufficient in initiating actions or updating, retrieving, and analyzing employee and organization information within their sphere of control as a manager or supervisor.

Personnel Action Processing – Initiates, validates, approves, updates, and documents personnel actions and data.

Non-core Services

Application Management – Accepts employment applications and captures application information in a manner that makes it available to those who need it. Manages and communicates application status. Analyzes and assesses application information to determine applicant eligibility for employment.

Assessment Model – Identifies or develops assessment tools and criteria to be used to determine the best qualified candidates for a particular job or job group.

Benefits Counseling – Advises individuals on a wide range of benefit options, eligibility and impacts. Provides information, counseling, assistance, and advocacy to employees regarding their benefits and entitlements.

Career Development Planning – Supports the identification of development opportunities and learning needs based on agency needs, individual goals and needs, and/or gaps in competencies, knowledge, skills and abilities. This may be at the individual level or at a department or program level.

Competency Management – Supports the building of competency libraries, competency frameworks that help define and manage proficiency, and competency processes that support the development, maintenance, and use of competencies across the Federal Government.

Employee Relations – Provides support to management for a variety of employee relations matters including disciplinary action, adverse action, administrative action, action related to unacceptable performance, alternative dispute resolution, grievance, third-party decisions and appeals, suitability, reasonable accommodation, and termination. Provides training to employees on standards of conduct.

Health and Fitness – Supports the physical well-being of an organization's employees. This may include health, wellness, and fitness programs and education.

Human Resources Development Needs Assessment – Works collaboratively with the agency to support the identification of development needs and recommendations regarding human resource development programs and priorities.

Human Resources Development Program Development – Supports training needs analysis, design, development, and evaluation of human resource development learning opportunities. This may include a single learning opportunity or a group or series of learning opportunities.

Human Resources Development Program Delivery – Provides the learning opportunity to enhance an employee’s competencies, knowledge, skills, and abilities to support individual professional development and/or agency needs. This may include a single learning opportunity or a group or series of learning opportunities.

Human Capital Program Review and Assessment – Supports the evaluation of HC and HR programs via an assessment of whether objectives have been met.

Labor Relations – Provides support to management and/or agency on a variety of labor relations matters including mediation, arbitration, alternative dispute resolution, filings, and compliance with statutory labor-management relations obligations. Provides training on labor relations topics.

Learning Administration – Supports the administrative and logistical aspects of human resource development. This includes publishing a course catalog, securing a facility, scheduling instructor(s), administering registration, receiving class evaluations, and certifying course completion.

Organization Design – Supports the creation or revision of an agency’s organization structure and reporting relationships.

Performance Management – Provides consultative support to agencies on the design, development, implementation, and evaluation of performance management programs. May also provide support to managers and supervisors on individual performance management processes and issues.

Position Classification – Supports the creation or revision of position descriptions, the evaluation of job requirements against classification standards, and administration of the classification appeal process.

Position Management – Supports the assignment of work and establishment of positions to carry out the organization's mission or program and maintenance of the agency's inventory of positions.

Recruiting – Execute the Staff Acquisition Plan by engaging in marketing, advertising, personal contact, and other outreach activity aimed at building a pool of quality candidates that have potential for meeting the human capital needs of the agency. Recruiting may be aimed at a specific job or it may be more broadly aimed at general agency needs.

Staffing – Fulfills governmentwide and agency-specific regulatory requirements to effect a hiring action for specific position(s). Applies assessment tools and methods to evaluate candidates against requirements of the job for which they are being considered.

Succession Planning – The identification, creation, and development of a pipeline of talent available to fill current and future requirements for agency-identified positions.

Unemployment Compensation – Provides services under the unemployment compensation program including claims processing, billing, reporting, and handling appeals.

Workers Compensation – Provides comprehensive workers compensation services including adjudication, case management, counseling, and fraud investigation.

Workforce Planning – The process of assessing the current workforce and identifying gaps with respect to future work requirements. It also involves the creation of plans and strategies to reduce or eliminate these gaps.

Workforce Reshaping – Considers the current personnel inventory and reallocates workforce as applicable.

Include full-time, part-time, exempt, and nonexempt individuals. Part-time individuals should be converted to a full-time equivalent based on the number of hours they work per week (e.g. an employee working 32 hours per week would be considered a .80 FTE.)

Number of Employees Serviced: Number of Employees Serviced is defined as the total number of employees receiving HR services by the SSC between October 1, 2007 through September 30, 2008. The employees may be those working for the parent agency or an employee of client organizations. The total count should include all employees that were active for any period of time during the calendar year, including those that have separated prior to September 30, 2008 or those that are in a non-pay status on September 30, 2008.

This measure will be used for comparison across all shared service center participants. There is not an equivalent industry benchmark available for comparison.

Shared Service Center Human Resources Information Technology (HRIT) Spend per Employee Serviced

Measure Category: Cost

Calculation: SSC HRIT Spend divided by the Number of Employees Serviced

Frequency: Annual

Reporting Period: Fiscal year 2008 (October 1, 2007 through September 30, 2008)

Measure Definitions:

SSC HRIT Spend per Employee Serviced is defined as the HRIT costs divided by the number of employees serviced. HRIT costs include:

- Salaries and Benefits of personnel associated with systems maintenance, operations, and support
- HRIT related outsourcing costs to include: hosting and maintenance; consulting and contractor expenses related to systems maintenance, operations, and support
- Human Resources technology and systems related expenses to include hardware and software (e.g. licenses, technical infrastructure, acquisition, and maintenance)
- All miscellaneous costs such as travel, legal and court fees related to Human Resources Information Technology

Number of Employees Serviced: Number of Employees Serviced is defined as the total number of employees receiving HR services by the SSC from October 1, 2007 to September 30, 2008. The employees may be those working for the parent SSC organization or employee of client organizations. The total count should include all employees that were active for any period of time during the calendar year, including those that have separated prior to September 30, 2008 or those that are in a non-pay status on September 30, 2008.

This measure will be used for comparison across all shared service center participants. There is an equivalent industry benchmark available for comparison.

Shared Service Center Human Resources Information Technology (HRIT) Servicing Ratio

Measure Category: Workforce

Calculation: SSC HRIT FTEs divided by the Number of Employees Serviced

Frequency: Annual

Reporting Period: Fiscal year 2008 (October 1, 2007 through September 30, 2008)

Measure Definitions:

SSC HRIT FTE: SSC HRIT FTEs include all individuals that are full-time, part-time, exempt, and nonexempt individuals or staff augmentation contractors whose job functions are associated with HRIT systems maintenance, operations, and support. These individuals service HRIT systems for use by external clients and employees of the SSC parent agency.

Number of Employees Serviced: Number of Employees Serviced is defined as the total number of employees receiving HR services by the SSC from October 1, 2007 to September 30, 2008. The employees may be those working for the parent SSC organization or employee of client organizations. The total count should include all employees that were active for any period of time during the calendar year, including those that have separated prior to September 30, 2008 or those that are in a non-pay status on September 30, 2008.

This measure will be used for comparison across all shared service center participants. There is an equivalent industry benchmark available for comparison.

Appendix B – 2009 SSC HR Benchmarking Questionnaire

Instructions for Completing the 2009 Shared Service Center Human Resources Benchmarking Questionnaire

Thank you for taking the time to complete this questionnaire. We anticipate that the data elements we are asking for are available through existing data sources i.e., the annual budgeting process and management reports, thus minimizing the level of effort required to collect the data. The following steps will provide for efficient and accurate benchmarking.

- 1 Review the Shared Service Center Human Resources Line of Business Human Resources Benchmarking Measure Definitions prior to completing this questionnaire.
- 2 All data should be reported based on fiscal year 2008 data (where noted).
- 3 All questions should be completed. No input fields should be left blank.
- 4 Each SSC should submit one completed document to the Human Resources Line of Business Program Office. Use this questionnaire to submit your information.

If your agency has any questions on completing the questionnaire or on an individual measure, please contact Kirstin Sipes at 202-606-4904 or at kirstin.sipes@opm.gov.

Please return your completed questionnaire by close of business Tuesday, March 31, 2009. Questionnaires and all additional documentation should be emailed to the HR LOB at hrlob@opm.gov.

2009 HR Benchmarking Questionnaire

1 Shared Service HR Cost per Employee Serviced

Calculation Salaries, benefits, overhead/G&A, contracting/outsourcing costs for SSC HR FTEs

Number of employees serviced during a calendar year

Cost per Employee Serviced (formula will calculate)

SSCs should use their calendar year 2008 costs.

2 Shared Service Center HR Servicing Ratio

Calculation Number of employees serviced during a calendar year

Number of SSC HR FTEs during a calendar year

Servicing Ratio (formula will calculate)

Organizations should provide their data based on the number of employees they serviced during calendar year 2008 and their number of SSC HR FTEs during calendar year 2008.

3 Shared Service Center Human Resources Information Technology Spend

Calculation HRIT Spend

Number of employees serviced during a calendar year

HRIT Spend per Employee Serviced (formula will calculate)

SSCs should use their fiscal year 2008 costs.

Appendix C – Department of Agriculture’s National Finance Center 2009 SSC HR Benchmarking Questionnaire

1 Shared Service HR Cost per Employee Serviced

Calculation	Salaries, benefits, overhead/G&A, contracting/outsourcing costs for SSC HR FTEs	\$475,100
	Number of employees serviced during a calendar year	8,733
	Cost per Employee Serviced (formula will calculate)	\$54.40
	<i>SSCs should use their calendar year 2008 costs.</i>	

2 Shared Service Center HR Servicing Ratio

Calculation	Number of employees serviced during a calendar year	8,733
	Number of SSC HR FTEs during a calendar year	5.3
	Servicing Ratio (formula will calculate)	1,647.74
	<i>Organizations should provide their data based on the number of employees they serviced during calendar year 2008 and their number of SSC HR FTEs during calendar year 2008.</i>	

3 Shared Service Center Human Resources Information Technology Spend

Calculation	HRIT Spend	\$22,339,025
	Number of employees serviced during a calendar year	721,760
	HRIT Spend per Employee Serviced (formula will calculate)	\$31
	<i>SSCs should use their fiscal year 2008 costs.</i>	

Appendix D – Department of Defense Civilian Personnel Management Service 2009 SSC HR Benchmarking Questionnaire

1 Shared Service HR Cost per Employee Serviced

Calculation	Salaries, benefits, overhead/G&A, contracting/outsourcing costs for SSC HR FTEs	\$938,536,452
	Number of employees serviced during a calendar year	916,425
	Cost per Employee Serviced (formula will calculate)	\$1,024.13
	<i>SSCs should use their calendar year 2008 costs.</i>	

2 Shared Service Center HR Servicing Ratio

Calculation	Number of employees serviced during a calendar year	916,425
	Number of SSC HR FTEs during a calendar year	10,733
	Servicing Ratio (formula will calculate)	85.38
	<i>Organizations should provide their data based on the number of employees they serviced during calendar year 2008 and their number of SSC HR FTEs during calendar year 2008.</i>	

3 Shared Service Center Human Resources Information Technology Spend

Calculation	HRIT Spend	\$46,000,000
	Number of employees serviced during a calendar year	916,425
	HRIT Spend per Employee Serviced (formula will calculate)	\$50
	<i>SSCs should use their fiscal year 2008 costs.</i>	

Appendix E – Department of Interior’s National Business Center 2009 SSC HR Benchmarking Questionnaire

1 Shared Service HR Cost per Employee Serviced

Calculation	Salaries, benefits, overhead/G&A, contracting/outsourcing costs for SSC HR FTEs	\$4,349,121
	Number of employees serviced during a calendar year	6,939
	Cost per Employee Serviced (formula will calculate)	\$626.76
	<i>SSCs should use their calendar year 2008 costs.</i>	

2 Shared Service Center HR Servicing Ratio

Calculation	Number of employees serviced during a calendar year	6,939
	Number of SSC HR FTEs during a calendar year	42
	Servicing Ratio (formula will calculate)	165.21
	<i>Organizations should provide their data based on the number of employees they serviced during calendar year 2008 and their number of SSC HR FTEs during calendar year 2008.</i>	

3 Shared Service Center Human Resources Information Technology Spend

Calculation	HRIT Spend	\$9,363,092
	Number of employees serviced during a calendar year	289,879
	HRIT Spend per Employee Serviced (formula will calculate)	\$32
	<i>SSCs should use their fiscal year 2008 costs.</i>	

Appendix F – Department of Health and Human Services 2009 SSC HR Benchmarking Questionnaire

1 Shared Service HR Cost per Employee Serviced

Calculation	Salaries, benefits, overhead/G&A, contracting/outsourcing costs for SSC HR FTEs	\$112,560,000
	Number of employees serviced during a calendar year	70,000
	Cost per Employee Serviced (formula will calculate)	\$1,608
	<i>SSCs should use their calendar year 2008 costs.</i>	

2 Shared Service Center HR Servicing Ratio

Calculation	Number of employees serviced during a calendar year	70,000
	Number of SSC HR FTEs during a calendar year	993
	Servicing Ratio (formula will calculate)	70.49
	<i>Organizations should provide their data based on the number of employees they serviced during calendar year 2008 and their number of SSC HR FTEs during calendar year 2008.</i>	

3 Shared Service Center Human Resources Information Technology Spend

Calculation	HRIT Spend	\$27,000,000
	Number of employees serviced during a calendar year	70,000
	HRIT Spend per Employee Serviced (formula will calculate)	\$386
	<i>SSCs should use their fiscal year 2008 costs.</i>	

Appendix G – Department of Treasury 2009 SSC HR Benchmarking Questionnaire

1 Shared Service HR Cost per Employee Serviced

Calculation	Salaries, benefits, overhead/G&A, contracting/outsourcing costs for SSC HR FTEs	<input type="text"/>
	Number of employees serviced during a calendar year	<input type="text"/>
	Cost per Employee Serviced (formula will calculate)	<input type="text"/>
	<i>SSCs should use their calendar year 2008 costs.</i>	

2 Shared Service Center HR Servicing Ratio

Calculation	Number of employees serviced during a calendar year	<input type="text"/>
	Number of SSC HR FTEs during a calendar year	<input type="text"/>
	Servicing Ratio (formula will calculate)	<input type="text"/>
	<i>Organizations should provide their data based on the number of employees they serviced during calendar year 2008 and their number of SSC HR FTEs during calendar year 2008.</i>	

3 Shared Service Center Human Resources Information Technology Spend

Calculation	HRIT Spend	<input type="text" value="\$26,909,177"/>
	Number of employees serviced during a calendar year	<input type="text" value="142,791"/>
	HRIT Spend per Employee Serviced (formula will calculate)	<input type="text" value="\$188"/>
	<i>SSCs should use their fiscal year 2008 costs.</i>	

Appendix H – Department of Agriculture’s National Finance Center Narrative

- **Description of the provider.**

The National Finance Center (NFC) serves the U.S. Department of Agriculture (USDA) and other Federal organizations providing reliable, cost effective, employee-centric systems and services so that our customers can focus on serving this great Nation through mission delivery. NFC looks to leverage its 30 years of leadership in the Federal sector and its current capabilities to provide valued services centered on Federal employee recordkeeping.

NFC’s value proposition lies in these five key attributes:

- High reliability and proven track record
- Low costs
- High data and physical security
- Knowledgeable, experienced staff with a “can do” attitude
- Relationships, human and technical, with virtually every Federal organization

The majority of NFC’s shared services workforce and operations is located in New Orleans, Louisiana with additional sites in Washington, D.C. and Denver, Colorado. Members of the New Orleans-based information technology staff, along with a small cadre of on-site personnel in Denver, support NFC’s primary data center and the disaster recovery operations at a backup data center in St. Louis, Missouri. NFC’s D.C. site has a small team providing customer service, marketing, payroll/personnel policy and interface to OPM and other regulatory bodies.

As a Human Resources Line of Business (HR LOB) Shared Service Center (SSC), NFC offers a wide variety of HR services to those clients who wish to outsource portions of their HR/payroll functions and agency utilization of a Human Capital Management (HCM) system called EmpowHR. In 2006, NFC joined forces with the Animal and Plant Health Inspection Service (APHIS), another USDA component, to expand its functional HR shared services to its clients/potential clients.

NFC offers HCM systems that are maintained in-house by experienced staff. This affords NFC the flexibility to adapt to unique client needs and requirements that are not routinely available in mainstream HCM systems and services (including Federal payroll). As a result, while NFC’s original mission was to provide payroll services to the USDA, NFC began taking on payroll services for other Federal clients in 1984. Today NFC provides HCM systems and services to 53 organizations across all branches of the Federal Government and several independent agencies for a bi-weekly payroll in excess of 610,000 Federal (non-defense) employees. These organizations range in size from those with 26 accounts to those in excess of 180,000 accounts.

The NFC prides itself in being able to provide the stability of a competitively priced, integrated Federal HCM system and services that are flexible enough to provide additional programming and support for those clients with special or unique requirements. Therefore, NFC's HR LOB SSC business model has continued to expand and grow over the years and currently includes such offerings as state of the art access for employees via an Employee Personal Page and Employee Self Service; an HCM system (EmpowHR); a 24-7 data communications help desk; a web-based, employee entry Time and Attendance system; a staff of dedicated customer support representatives; Human Resources (HR)/Payroll/Personnel help desks and training; and ad-hoc and canned reporting functionalities available via a web-based system and a mainframe environment.

NFC's service offering for the HR LOB functions is summarized as follows:

USDA-NFC SSC Solution for HR LOB Functions													
	Personnel Action Processing	Compensation Management	Benefits Management	HR Strategy	Organization and Position Management	Staff Acquisition	Performance Management	Compensation Management (Non-Core)	Human Resources Development	Employee Relations	Labor Relations	Separation Management	Program Management & Support
Agency	Core Services			Non-Core Services									Other
USDA-NFC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
APHIS	✓		✓		✓	✓							

- **List of HR Services.** These services are based on the Service Component Model v 1.

Service Component	SSC Performs
Application Management	
Assessment Model	
Benefits Counseling	
Benefits Processing	X
Benefits Reporting	X
Career Development Planning	
Competency Management	
Employee Relations	
Employee Self-service	X
Health and Fitness	
HRD Needs Assessment	
HRD Program Development	
Human Capital Program Review and Assessment	
Labor Relations	
Labor Cost Allocation	X

Learning Administration	
Manager Self-service	
Organization Design	X
Pay Administration	
Performance Management	X
Personnel Action Processing	X
Position Classification	
Position Management	
Recruiting	
Staffing	
Succession Planning	
Time and Attendance	X
Unemployment Compensation	X
Workers Compensation	
Workforce Planning	
Workforce Reshaping	

- **Number of employees serviced.**

The NFC provides HR services (as defined for question 1 of the 2009 Shared Service Center Human Resources Benchmarking Questionnaire) to 8,733 Federal employees and HRIT services (as defined for question 3 of the 2009 Shared Service Center Human Resources Benchmarking Questionnaire) to 721,760 employees.

- **Description of any HR services that are outsourced to a private sector vendor.**

NFC has a contract with the TALX Corporation to provide unemployment compensation claims processing and employment verification for employees that have received and currently receive payroll payments through our system. This service is part of our baseline offering and is available to all organizations serviced by the NFC.

- **Description of any HR services that are provided by a partnership with a Federal entity. Please ensure your description includes the name of the entity.**

In 2006, NFC joined forces with the Animal and Plant Health Inspection Service (APHIS), another USDA component, to expand its functional HR shared services to its clients. As an SSC, NFC offers agency utilization of an HCM system called EmpowHR and various other HR services to those clients who wish to outsource some of their HR/payroll functions.

NFC and APHIS have established a partnership to coordinate the delivery of HR services in support of HR LOB to include:

- Benefits Management
 - Retirement
 - TSP
 - Health/Life Insurance
 - Benefits Open Season
- Personnel Action Request (PAR) processing (through APHIS in Minneapolis)
 - Personnel Action (SF-52) input
 - Payroll document input
 - OPF maintenance via eOPF
- Compensation management
 - Administration of leave programs, including Voluntary Leave Transfer Program
 - Pay processing, including calculating full range of pay and entitlements
 - Certify time and attendance data
 - Garnishments/3rd party debt
- Classification services
 - Position classification
 - Position management
 - Organizational design
- Staffing Services
 - Effects appointments for the following:
 - Competitive Service
 - Excepted Service
 - Special Appointing Authorities
 - Maintains workforce levels through:
 - Effecting management directed reassignments
 - Conducting Reductions-in-Force
- **Type of special population of employees serviced if any.**

The NFC prides itself on the ability to provide payroll/personnel services to all of the special populations of employees within its 53 agency customer base. Special populations serviced by NFC include:

- Foreign Service
- Fire fighters
- Law enforcement
- Census takers
- County employees
- Scientists
- Wage Marines
- Trust Fund employees

- Seasonal and temporary employees
 - Demonstration projects
 - Emergency workers
 - Personal Services Contractors
 - Contractor Staff and other non-Federal personnel
- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

NFC operates under the Economy Act (31 USC 1535), and therefore, operates on a total cost recovery basis requiring all operating costs be identified within the framework of the budget for the rate-setting year. Using current year budgets, historical volume information, and data available through NFC's activity based costing methodology as the basis; NFC calculates a standard unit cost for post-migration or ongoing system/service usage. Major cost pools include labor (including salary, benefits, and leave), Automated Data Processing (ADP) (hardware, software, support services, and supplies), telecommunications, and indirect costs that include common-use resources such as rent, utilities, and administrative support expenses. The ABC process traces resource costs (such as labor) to these pools and then uses various activity drivers to assign the cost of activities to products or services. Each customer's total volume of employees serviced is a universal driver; and therefore, is currently the unit cost driver used to compute pricing and cost recovery. As a Federal fee for service provider, NFC can not make a profit and therefore the goal of the costing methodology is to tie costs to service activities in a fair and equitable manner and keep costs as low as possible for our customers.

NFC has dedicated and experienced staff to support its HR LOB SSC offering. They work closely with NFC's executive level Customer Board, Project Review Team and Configuration Control Board to prioritize new and enhanced services and functionality to fulfill customer requirements. The goal of these groups is to achieve consensus or compromise to design requirements that support all of NFC's customers. This allows NFC to pool resources, keep costs competitive, offer exceptional value and provide economies of skill and scale to our customers. However, when a customer has unique requirements, NFC stands ready to work with that customer to develop a plan and fair price to fulfill their requirements.

- **Description of any additional information that gives context to your measure results.**

NFC's HRLOB SSC is constantly evolving to meet OPM's business, service and technical reference models and provide value added services to the Federal community. That evolution has as its core putting the proper processes in place to ensure that the right person is in the right job, at the right time, performing well and properly compensated through the entire Human Resources Life Cycle.....*"From Hire to*

Retire". We have over 185,000 active employee accounts in our HCM system (EmpowHR) and over 610,000 employees serviced and paid biweekly through our legacy payroll/personnel system. EmpowHR is currently servicing the following organizations:

- USDA (60% of the Department; includes NFC)
- Library of Congress
- Office of Nuclear Detention Office
- Congressional Executive Committee on the People's Republic of China
- Commission on Security and Cooperation in Europe
- Transportation Security Administration
- United States Coast Guard
- Federal Law Enforcement Training Center
- Government Printing Office

NFC's focus is on improving satisfaction through ever increasing transparency to our customer agencies in regards to information that impacts their operations and services and involving customer agencies in governing the direction of NFC's shared services.

Appendix I – Department of Defense Civilian Personnel Management Service Narrative

- Description of the provider.**

The Department of Defense (DoD), through the Civilian Personnel Management Service (CPMS), offers the Defense Civilian Personnel Data System (DCPDS). CPMS, in partnership with the Defense Finance and Accounting Service (DFAS), provides payroll and time & attendance services with the Defense Civilian Pay System (DCPS).

DCPDS is DoD’s enterprise civilian HR information management and transaction processing system supporting DoD and non-DoD civilian employees. Non-DoD agencies supported by DCPDS include the Executive Office of the President and the Broadcast Board of Governors. DCPDS is an Oracle-based, customized system; functional and technical oversight of DCPDS is administered by CPMS.

Non-IT HR services are provided through 21 DoD Regional Service Centers (RSCs) and advice and assistance is provided by multiple Customer Support Units (CSUs) worldwide. The RSCs and CSUs are owned by the Army, Navy, Air Force, the National Guard Bureau, and DoD agencies. Non-DoD agencies provide for their own non-IT HR services. DoD’s service offering for the HR LOB functions is summarized as follows:

DoD SSC Solution for HR LOB Functions													
	Personnel Action Processing	Compensation Management	Benefits Management	HR Strategy	Organization and Position Management	Staff Acquisition	Performance Management	Compensation Management (Non-Core)	Human Resources Development	Employee Relations	Labor Relations	Separation Management	Program Management & Support
Agency	Core Services						Non-Core Services						Other
DoD	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DFAS		✓											✓

- List of HR Services. These services are based on the Service Component Model v 1.**

Service Component	SSC Performs
Application Management	X
Assessment Model	X
Benefits Counseling	X
Benefits Processing	X
Benefits Reporting	X
Career Development Planning	X
Competency Management	X

Employee Relations	X
Employee Self-service	X
Education / Training Delivery	X
Health and Fitness	X
HRD Needs Assessment	X
HRD Program Development	X
Human Capital Program Review and Assessment	X
Labor Relations	X
Learning Administration	X
Manager Self-service	X
Organization Design	X
Pay Administration	X
Payroll Processing	X
Payroll Reporting	X
Performance Management	X
Personnel Action Processing	X
Position Classification	X
Position Management	X
Recruiting	X
Staffing	X
Succession Planning	X
Time and Attendance	X
Unemployment Compensation	X
Workers Compensation	X
Workforce Planning	X
Workforce Reshaping	X

- **Number of employees serviced.**

	HR/Benefits Services
Department of Defense	916,425
Executive Office of the President*	1,732
Broadcast Board of Governors*	1,766

*Executive Office of the President (EOP) and Broadcast Board of Governors (BGG) service themselves and they pay a nominal fee for the use of DoD's HRIT to perform those services. EOP and BGG are not part of DoD's DCPDS operating cost; they are charged for the HRIT, but DoD subsidizes it.

- **Number of customer agencies.**

The following non-DoD agencies or offices receive HR Personnel Action Processing and/or Benefits services from the Department:

- Executive Office of the President
- Executive Residence at the White House
- President
- Broadcast Board of Governors

- **Description of any HR services that are outsourced to a private sector vendor.**

DoD's core HR services are provided through the enterprise Defense Civilian Personnel Data System (DCPDS). The underlying technology is Oracle Corporation's HR eBusiness Suite and the system integrator is Lockheed Martin Corporation.

Employment verification service is provided by TALX.

- **Description of any HR services that are provided by a partnership with a Federal entity. Please ensure your description includes the name of the entity.**

Components within the Department of Defense provide the total of DoD's core HR services. These are the Defense Finance and Accounting Service (DFAS) who provides payroll services, the Civilian Personnel Management Service (CPMS) who provides core HR transaction processing, and a consortium of DoD Components (sponsored by Air Force) who maintain the Employee Benefits Information System (EBIS) that provides benefits processing.

- **Type of special population of employees serviced if any.**

Core HR services are provided to approximately 52,375 Non-Appropriated Fund (NAF) and 48,210 Local National (LN) employees within the Department.

- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

This is effectively described in the response to #1.

- **Description of any additional information that gives context to your measure results.**

Appropriated funds are centrally allocated for the enterprise HRIT system, but not for the HR FTEs who service the civilian DoD population. Internal DoD customers are not charged for the HRIT enterprise costs.

Appendix J – Department of Interior’s National Business Center Narrative

- **Description of the provider.**

The Department of the Interior, through the National Business Center (NBC), offers the Federal Personnel & Payroll System (FPPS). The FPPS provides a full range of HR, payroll, and time and attendance services. The NBC also offers time and attendance support through web based applications (FPPS T&A, Quicktime and webTA (Kronos application)).

The FPPS is NBC’s enterprise integrated HR/payroll information management and transaction processing system supporting employees in 40 agencies. The FPPS was developed in-house and is maintained in-house. Two of the web based T&A application systems were also developed and are maintained in house. The third application is supported through a partnership between NBC HRD and an established vendor.

A full range of core and non-core human resources operations services are performed at its Denver, CO and Washington, DC locations that includes: Organization and Position Management, Performance Management, Compensation Management, Benefits Management, Employee Relations, Personnel Action Processing, and FPPS Security. The NBC also offers a full range of payroll operations that includes benefits support, debt management, and payroll accounting. In addition, the NBC offers a data center, and data warehouse for analytics, reporting, and auxiliary client systems and data repository. NBC’s service offering for the HR LOB functions is summarized as follows:

DOI-NBC SSC Solution for HR LOB Functions													
	Personnel Action Processing	Compensation Management	Benefits Management	HR Strategy	Organization and Position Management	Staff Acquisition	Performance Management	Compensation Management (Non-Core)	Human Resources Development	Employee Relations	Labor Relations	Separation Management	Program Management & Support
Agency	Core Services			Non-Core Services									Other
DOI-NBC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

- **List of HR Services. These services are based on the Service Component Model v 1.**

Service Component	SSC Performs
Application Management	X
Assessment Model	X
Benefits Counseling	X
Benefits Processing	X

Benefits Reporting	X
Career Development Planning	X
Competency Management	X
Employee Relations	X
Employee Self-service	X
Education / Training Delivery	Supported through Human Resources Directorate, Training Services Division
Health and Fitness	X
HRD Needs Assessment	X
HRD Program Development	
Human Capital Program Review and Assessment	X
Labor Relations	X
Learning Administration	Supported through Human Resources Directorate, Training Services Division
Manager Self-service	X
Organization Design	X
Pay Administration	X
Payroll Processing	X
Payroll Reporting	X
Performance Management	X
Personnel Action Processing	X
Position Classification	X
Position Management	X
Recruiting	X
Staffing	X
Succession Planning	X
Time and Attendance	X
Unemployment Compensation	X
Workers Compensation	X
Workforce Planning	X
Workforce Reshaping	X

- **Number of employees serviced.**

289,879

- **Description of any HR services that are outsourced to a private sector vendor.**

Services outsourced to a private sector vendor include:

- Records Management for some HR Cross Servicing Clients

- Employee Assistance Program Services for NBC
 - Classification of Position Descriptions for AQD
 - Unemployment Compensation Claims Processing, Billing and Reporting (TALX.)
- **Description of any HR services that are provided by a partnership with a Federal entity. Please ensure your description includes the name of the entity.**

Services that are provided by a partnership with a Federal entity include:

- Background investigations; e-OPF migration; Delegated Examining Hiring for ACWA positions – OPM
- Benefit Programs such as flexible spending accounts, vision and dental benefits, and long term care programs managed by individual program sponsors such as FSA Feds, FED VIP, and LTC – OPM
- HSPD-12 Identity Badges – GSA
- Workers Compensation Claims - Department of Labor, Office of Workers Compensation

We consider our service to all our clients as a partnership with each and every client

- **Type of special population of employees serviced if any.**

None

- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

To realize the vision of becoming the Human Resources Line of Business Shared Service Center (HR LOB SSC) provider of choice in the Federal marketplace, the NBC Human Resources Directorate's (HRD's) strategy is focused on:

- Providing a level of customer service that allows the HRD to retain 100% of its current customer base
- Offering new products and services to existing clients
- Attracting and migrating new customers to the NBC HRD

HRD's value to the customer is summarized below:

Best-of-Breed Full Service HR Solutions: At the core of the HRD offering is a comprehensive solution consisting of a modern, flexible, and integrated Federal Personnel and Payroll System (FPPS), an employee-based, Web-enabled Time and Attendance (T&A) systems (Quicktime & webTA - Kronos), a state-of-the-art analytical tool (Datamart), and a full array of other related operational services. HRD's

suite of current and future offerings surpasses OPM requirements for new leading-edge integrated HR and Human Capital systems. The Secure On-and-Off Boarding and Access Management System (SOAMS) platform will provide integrated systems solutions for critical HR business processes, which will drive more efficient operations and greater access to data for effective human capital management. HRD solutions are supported by a solid, well-established infrastructure, extensive experience converting and supporting clients, and above all, a powerful customer-centric focus.

Payroll Services are the foundation of HRD's offerings. The Integrated Payroll Services of the Human Resources Directorate is the only Federal Shared Service Provider to receive ISO 9001-2000 Certification. HRD considers its payroll services to be the most comprehensive of all payroll providers, including a full range of activities necessary to provide accurate and timely pay, leave, deductions, benefits, and reports. The HRD is the only SSC to provide an integrated personnel and pay system. FPPS is consistent with the Federal Enterprise Architecture (FEA), and meets or exceeds all requirements in the Financial Systems Integration Office (FSIO) Systems Requirements, as well as all other applicable Federal payroll guidelines.

To support the full-range of customer HR needs, the HRD offers operational and strategic services to complement payroll and technology solutions. With offerings from HR strategic support to personnel action processing, the HRD is positioning itself to meet any customer HR and Human Capital Management (HCM) need.

Customer Service: Customer service excellence is a strategic focus of HRD's organization. While state-of-the-art system capabilities have been crucial to the success of the Directorate's cross-servicing activities, a strong customer focus and the quality of HRD's product are of paramount importance and are the basis for its reputation. HRD senior leaders continuously stress the importance of excellent customer service to its employees, and this emphasis on service is reflected in the organizational culture.

Partnership: A key factor of HRD's success is a service delivery strategy built on partnerships with Federal customers, regulatory and program oversight agencies, and commercial vendors. This strategy provides the most effective combination of Federal Government knowledge and influence on governing Federal agencies with private sector state-of-the-art technology. HRD's knowledge of the Federal Government and ability to comply with specific Federal requirements are unsurpassed by any provider. In dialogue and partnership with customers, HRD can accommodate the changing landscape in civil service reform and the rollout of the HR LOB Business Reference Model (BRM).

The HRD business plan serves as both the strategic roadmap to meet the goals, objectives, and timeframes of the OPM HR LOB, and the document that guides tactical day-to-day decision making. This document is intended to be a living document, updated annually or as often as necessary, to reflect HRD accomplishments or significant HR LOB changes.

Core Services: FPPS and Quicktime currently serve as the primary HRD offering, accounting for 91% of the total revenue and 85% of the total staff. It is not required that

customers purchase Quicktime or Employee Express to be FPPS customers. The HRD will continue to strengthen core services through reducing costs and improving systems interoperability, employee self-service capability, and Web-based availability.

Non-core HR Operational Services: The vision for full-service HR SSC includes a full range of HR cross-servicing support and leading-edge technology solutions. The HRD is positioning itself to expand these products and services to current customers based on existing relationships, a track record of quality and customer service, and the value of bundling both core and non-core services. Market analysis indicates that large agencies will be increasingly likely to consider outsourcing transactional HR operations over the next few years, while smaller agencies will be likely to require a broader range of HR services. Further, the HRD believes that as the OPM eOPF initiative is rolled-out across the Federal Government, eliminating the necessity to physically manage OPFs at an agency location, customer agencies may be more receptive to consider outsourcing operational HR support. In the immediate short-term, HRD will closely track the eOPF initiative and utilize the opportunity to communicate the HRD value proposition strategically as an entry to the HR services market.

To effectively build and sustain a centralized business model for HR Cross Servicing, HRD recognizes that small to mid-sized agencies may provide greater opportunities initially for strategic, measured growth. However HRD will pursue large agencies through the RFP process and consider private sector partnerships if required. HRD is moving towards a centralized business model (discussed in greater detail below) which presents unique potential to leverage existing DOI customers who have chosen to outsource HR services. The recent OPM mandate that all Federal agencies develop a Human Capital Strategy may require smaller external agencies with more limited HR capabilities to utilize outsourced support to fulfill more strategic objectives. The HRD is in the process of determining the value in pursuing smaller agencies for HR Cross Servicing.

Business Model

Enhanced Service Delivery—HRD is well positioned to grow the customer base for core services through an existing, mature service delivery and pricing model. For non-core HR services, HRD has determined that a centralized service delivery model is the optimum approach for efficient processes, customer service, and cost recovery, in comparison to the current de-centralized, on-site support currently provided. To transition to this model, HRD is defining standardized HR processes, developing SLAs and metrics, validating pricing structures, and monitoring the implementation of the human resource management systems to bolster HR service offerings. Further, for Federal customers to derive maximum benefit from the HRD's investment in a new technology infrastructure, HRD must revise its service delivery structure to encourage customers to access and receive HR services through the lowest-cost delivery channel. For administrative transactional activities, which impact a large volume of HR services, this lowest-cost channel is the Web. Investment in this type of customer support structure would allow the HRD to drive increased realization of potential cost reduction benefits from its technology investments. Without this mechanism for encouraging change in customer behavior, HRD's improved technology may remain under-utilized,

with customers continuing to invest in staff to support transactional activities. A well-implemented service delivery model will reduce the administrative burden on customer HR staffs, enabling agencies to shift the focus of their HR resources to more strategic, value-added services that advance their missions and business objectives.

Project Management Methodology—Consistent with the NBC focus on project management, HRD is utilizing standardized templates and methodologies (e.g. project portfolio report) to manage projects and major initiatives.

OPM Guidance—As the HR LOB managing partner, OPM establishes guidance for SSCs, such as: Migration Planning Guidance, Business Reference Model, Data Model, Performance Model, Requirements Model, Service Component Model and Entrance on Duty (EOD) Concept of Operations (CONOPS). HRD will monitor OPM guidance continuously to remain compliant with SSC tools and processes.

- **Description of any additional information that gives context to your measure results.**

NBC HR Operations currently provides HR services to the 1,200 NBC employees as well as eleven external clients. Our customer list and level of servicing for each client is as follows:

	Customer	Serviced Population	Services Provided
1	National Business Center	1,200	Full HR Operational Support
2	Arctic Research Commission	11	Full HR Operational Support
3	African Development Foundation	27	Personnel Action Processing Retirement/Benefits Management Compensation Management Staff Acquisition (project)
4	Chemical Safety and Hazard Investigation Board	36	Full HR Operational Support
5	Department of Education	3,184	Personnel Action Processing Retirement/Benefits Management Records Management
6	Federal Retirement and Thrift Investment Board	81	Retirement/Benefits Management Additional Human Capital Project Support (Human Capital Planning)

7	Equal Employment Opportunity Commission	2,182	Personnel Action Processing Records Management
8	Harry S. Truman Scholarship Foundation	4	Full HR Operational Support
9	Inter-American Foundation	43	Full HR Operational Support
10	Federal Labor Relations Authority (FLRA)	121	Full HR Operational Support
11	James Madison Memorial Fellowship Foundation	5	Full HR Operational Support
12	U.S. Trade and Development Agency	45	Full HR Operational Support Except Classification
Total		6,939	

Appendix K – Department of Health and Human Services Narrative

- **Description of the provider.**

The Department of Health and Human Services (HHS), through the Program Support Center (PSC), offers the CapitalHR system. The PSC, in partnership with the Defense Finance and Accounting Service, provides payroll and time and attendance services.

CapitalHR is HHS’ enterprise civilian HR information management and transaction processing system. Currently HHS maintains support for internal customers only. The HR IT system is a PeopleSoft based, customized system and the PSC is responsible for functional and technical oversight.

Non-IT services for new HHS customers will be provided through a newly established HR service center. Customer agencies desiring non-IT support would be aligned with this service delivery model. HHS’ service offering for the HR LOB functions is summarized as follows:

HHS SSC Solution for HR LOB Functions														
	Personnel Action Processing	Compensation Management	Benefits Management	HR Strategy	Organization and Position Management	Staff Acquisition	Performance Management	Compensation Management (Non-Core)	Human Resources Development	Employee Relations	Labor Relations	Separation Management	Program Management & Support	
Agency	Core Services			Non-Core Services										Other
HHS	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DFAS		✓												

- **List of HR Services. These services are based on the Service Component Model v 1.**

Service Component	SSC Performs
Application Management	X
Assessment Model	
Benefits Counseling	X
Benefits Processing	X
Benefits Reporting	X
Career Development Planning	X
Competency Management	X
Employee Relations	X
Employee Self-service	X
Education / Training Delivery	X
Health and Fitness	X
HRD Needs Assessment	X
HRD Program Development	X

Human Capital Program Review and Assessment	X
Labor Relations	X
Learning Administration	X
Manager Self-service	X
Organization Design	X
Pay Administration	X
Payroll Processing	X
Payroll Reporting	X
Performance Management	X
Personnel Action Processing	X
Position Classification	X
Position Management	X
Recruiting	X
Staffing	X
Succession Planning	X
Time and Attendance	X
Unemployment Compensation	X
Workers Compensation	X
Workforce Planning	X
Workforce Reshaping	X

- **Number of employees serviced.**

70,000

- **Number of customer agencies.**

No external customers serviced by HHS SSC. 12 HHS agencies serviced by OHR.

- **Description of any HR services that are outsourced to a private sector vendor.**

None.

- **Description of any HR services that are provided by a partnership with a Federal entity. Please ensure your description includes the name of the entity.**

The Payroll function is performed by DFAS.

- **Type of special population of employees serviced if any.**

10,000 Intermittent Disaster Recovery Workers, Title 38/42 employees.

- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

HHS model incorporated a “lift and leverage” methodology utilizing existing expertise from within the department.

- **Description of any additional information that gives context to your measure results.**

None.

Appendix L – Department of Treasury’s HR Connect Narrative

- **Description of the provider.**

The Department of Treasury offers the HR Connect system. The Treasury, in partnership with the National Finance Center, provides payroll and time and attendance services. In addition to interfacing with NFC, the Treasury will also provide interfaces to other payroll providers as well as other ala carte systems/services.

The HR Connect is Treasury’s enterprise web-based PeopleSoft HR application. The solution offers a wide range of HR IT functionality including base benefits, Employee/Manager Self Service, proxy authority, change management, training, and business intelligence/workforce analytics capabilities. The HR Connect currently services employees of the Department of the Treasury, Department of Housing and Urban Development (HUD) and employees within components of the Departments of Homeland Security and Justice.

Treasury supports non-IT services through its partnership with the Bureau of Public Debt (BPD)’s Administrative Resource Center (ARC). Treasury’s service offering for the HR LOB functions is summarized as follows:

Treasury SSC Solution for HR LOB Functions													
Agency	Core Services			Non-Core Services									Other
Treasury	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
NFC		✓											
BPD	✓	✓	✓			✓	✓				✓	✓	✓

- **List of HR Services. These services are based on the Service Component Model v 1.**

Service Component	SSC Performs
Application Management	X
Assessment Model	X
Benefits Counseling	X
Benefits Processing	X
Benefits Reporting	X
Career Development Planning	
Competency Management	X
Employee Relations	X
Employee Self-service	X

Education / Training Delivery	X
Health and Fitness	X
HRD Needs Assessment	
HRD Program Development	
Human Capital Program Review and Assessment	X
Labor Relations	X (ARC)
Learning Administration	X
Manager Self-service	X
Organization Design	
Pay Administration	X (ARC)
Payroll Processing	X
Payroll Reporting	X
Performance Management	X
Personnel Action Processing	X
Position Classification	X (ARC)
Position Management	X
Recruiting	X
Staffing	X
Succession Planning	
Time and Attendance	X
Unemployment Compensation	X (ARC)
Workers Compensation	X (ARC)
Workforce Planning	
Workforce Reshaping	

- **Number of employees serviced.**

148,000

- **Number of customer agencies.**

- Treasury
- Housing and Urban Development (HUD)
- Components of Departments of Homeland Security (DHS)
- Components of Department of Justice (DOJ) GAO (July/2009)

- **Description of any HR services that are outsourced to a private sector vendor.**

- **Description of any HR services that are provided by a partnership with a Federal entity. Please ensure your description includes the name of the entity.**

Treasury's core offering leverages customers' existing payroll arrangement with the NFC.

- **Type of special population of employees serviced if any.**

Treasury's customer base consists of both Title 5 and non-Title 5 workers. Plans are underway in FY 2010 to also include persons of interests (i.e. contractors, interns etc).

- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

Treasury's HR LOB core offering to achieve Customers objectives includes the *HR Connect* technology solution (PeopleSoft HRMS) with its innovative and easy-to-use self-service interface and low-risk, scalable, bi-directional interface to the National Finance Center (NFC) payroll; the established Treasury Administrative Resource Center (delivering HR services since 1996) for help desk, benefits, Time and Attendance (T&A) hosting, and other services; Treasury's reporting suite, data repository and query tools; and Kronos webTA version 4 software from Kronos Corporation, the world-leader in T&A software.

The HR Connect program is comprised of four divisions: Systems Development, Production Support, Business Operations and Customer Relations and Business Analysis Division. These teams work together to improve HR systems and service delivery to Treasury through the application of innovative enterprise-wide technology.

Systems Development

- The Research and Development team is responsible for the design, development, and testing of various software solutions to meet Treasury business requirements for modernization of HR systems.
- The Technical Architecture team is responsible for the shared development and production environments, configuration management, and security for all aspects of the program and application. The team interfaces with various HR Connect service providers and coordinates with Treasury bureaus to ensure infrastructure readiness for new technology solutions.
- The Deployment team guides bureau implementation teams through their conversion to HR Connect-based solutions as well as the deployment of new enhancements

Production Support

- The Help Desk team serves as the primary contact for HR Connect and payroll application users.

- The Training team provides consolidated help desk and training functions for HR Connect, CareerConnector, and NFC applications.
- The Reporting team provides Departmental reporting and analysis support.

Business Operations

- The Financial team performs planning, tracking, and reporting for HR Connect and NFC financial operations and administers the payroll support services provided by the NFC.
- The Organizational Development team performs change management, business process reengineering, marketing, and business development activities.

Customer Relations and Business Analysis Division

The Division supports the alignment and integration of HR Connect customer human capital strategies to organizational mission goals through the development, planning and implementation of effective customer relations and related business analysis activities. Using business and process analysis practices the Division advises on strategic customer relations, business requirements and analysis, and other aspects of customer relations. Leads a variety of efforts intended to capture additional customers and improve HRCPO's competitive market position, using the strategic planning process and performance metrics to drive changes and achieve goals.

- **Description of any additional information that gives context to your measure results.**

None.

Appendix M – Industry Benchmark Narratives

- **IBM/APQC**

The IBM Benchmarking Program is a member of the Open Standards Benchmarking Collaborative (OSBC). The program is facilitated by American Productivity and Quality Center (APQC), a not-for-profit organization with greater than 30 years experience in performance measurement. APQC's internationally recognized Process Classification Framework (PCF) ensures accurate comparisons across industries and geographies. The PCF provides a clear and common definition for business processes and activities.

IBM's Benchmarking Program conducts focused HCM benchmarking studies yearly which have helped thousands of clients:

- **Establish a baseline;** measure and compare current performance with peer organizations
- **Identify sources of value creation;** identify performance gaps and improvement opportunities, and demonstrate how changing processes can create value
- **Estimate potential value;** determine appropriate performance targets, estimate the potential value to be realized, and support business cases for change
- **Identify best practices;** understand relationships between metrics and business drivers

The following geographic distribution made up the 2008 Human Capital OSBC participants:

Region	Count	%
Africa and Middle East	22	2.34%
Asia-Pacific	121	12.87%
Central and South America	42	4.47%
Europe	289	30.74%
U.S. and Canada	466	49.57%
Total	940	

The following industry distribution made up the 2008 Human Capital OSBC participants:

Major Industry	Count	%
Agriculture	2	0.21%
Energy	67	7.05%
Finance and Insurance	120	12.62%
Government	47	4.94%
Information and Communications	51	5.36%
Manufacturing	385	40.48%
Retail and Wholesale	84	8.83%
Services	139	14.62%
Transportation and Warehousing	56	5.89%
Total	951	

- **Everest Research Institute**

Everest Research Institute is an independent research and analysis organization, founded by Everest Group to serve as a central source of strategic intelligence, analysis and insight for buyers, suppliers and investors in the IT and BPO marketplace. It was formed in response to the growing demand for actionable, fact-based information to help make better informed outsourcing and offshoring decisions.

Everest Research Institute focuses primarily on multi-process HRO defined as including three or more HR processes or functions (i.e., HR database administration, payroll, training, benefits administration, etc.) and covering 3,000 or more employees. We also research and analyze more specific areas of topical interest to our clients such as HR outsourcing in the mid-market, talent management, and Pan-European payroll outsourcing. Our HRO framework creates a clear and consistent dialogue about how companies tend to outsource HR and their evolving requirements.

The Institute conducted in-depth interviews and a data collection exercise with senior governance teams of Human Resources Outsourcing (HRO) buyers. The objective of the survey was to explore buyer satisfaction with HRO, and what definitions, metrics, and measures overall and within specific HRO process areas facilitate optimal realization of the desired outcomes of HRO. A total of 18 buyers participated in the survey, representing 27% of the overall market.

Appendix N – Workgroup Participants

The table below details the list of participating SSCs:

SSCs
Department of Agriculture's National Finance Center
Department of Defense Civilian Personnel Management Service
Department of Interior's National Business Center
Department of Treasury's HR Connect

The table below details the list of participating OPM organizations:

OPM
Office of Modernization and Human Resources Line of Business
Strategic Human Resources Policy Division



UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT

Chief Information Officer
1900 E Street, NW
Washington, DC 20415