OFFICE OF PERSONNEL MANAGEMENT

HR LINE OF BUSINESS

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E·GOV

HR LOB HIGHLIGHTS

- Multi-Agency Executive Strategy Committee (MAESC) meeting held on June 5, 2007
- Pre-Proposal Conference for prospective bidders held on June 15, 2007
- Shared Service Center Advisory Council (SSCAC) quarterly conference held on June 19 and 20, 2007 in San Antonio, TX
- Modification to Solicitation for Multiple Award Schedule (MAS) 738.X posted to FedBizOpps revising due date for proposals to August 9, 2007

HR LOB UPDATE FROM NORM ENGER

The HR LOB is currently active with several key initiatives, and I would like to update on the latest developments. OPM, in partnership with GSA, is developing a schedule of private sector shared service centers (SSCs). The private sector SSCs, along with the Federal SSCs, will provide agencies with a wide selection of options for the delivery of HR services. The Solicitation to establish the schedule of private sector SSCs was posted to the Federal Business Opportunities (FedBizOpps) website on May 21, 2007 at http://www.fbo.gov under Solicitation number 2FYA-AR-060004-B.

The Pre-Proposal Conference for prospective bidders was held at OPM on June 15, 2007. At the conference, a panel including the HR LOB, OMB, and GSA answered questions on the Solicitation. Responses to vendor questions continue to be posted to FedBizOpps at regular intervals. Please note that August 9, 2007 is the revised date for when vendor proposals are due.

Norm Enger,
Director HR Line
of Business

The HR LOB has developed migration planning guidance for agencies migrating to SSCs. This guidance outlines the process for an agency to select an HR LOB SSC and migrate its HR operations, allowing the agency to focus its HR resources on more strategic activities. The HR LOB *Migration Planning Guidance* will include the business case template for agencies to bypass the private sector schedule and directly select a Federal shared service center. There are two versions of the template, one for agencies to use prior to the establishment of the private sector schedule and the other is for after the private sector schedule is established. The template also includes a checklist that agencies may use to justify their selection.

Building on the successes of previous years, the HR LOB has achieved significant progress during fiscal year 2007.

HR LOB UPDATE FROM NORM ENGER   *Continued from Page 1*

This month's communications letter documents recent HR LOB accomplishments as we approach the end of fiscal year 2007. This letter also contains information on the Shared Service Center Advisory Council (SSCAC) quarterly conference, the HR LOB Service Component Model (SCM), which is a critical deliverable for HR LOB standardization efforts, the Best Practices report, and updates to the HR LOB website (http://www.opm.gov/egov), which contains the most recent news and information on the program.

HR LOB ACCOMPLISHMENTS

Since April 2004, the HR LOB has engaged 24 agencies in defining not only its vision, goals, and objectives, but the common solution, target architecture, and supporting business case. Over the past year, the HR LOB and its stakeholders continued to achieve many important milestones that are integral to realizing the HR LOB's vision and goals:

- Under the leadership of the Entrance on Duty Executive Steering Committee (EOD ESC), the EOD Concept of Operations (CONOPS) was developed in January 2007. The EOD CONOPS describes the functional requirements for EOD, proposes a process and technology concepts model for delivering EOD services, and recommends an overall strategy for agencies to acquire and realize the future solution.

- The HR LOB is working with GSA and OMB to establish the schedule of private sector SSCs. This marks the first time the private sector will provide HR services as shared service centers. A pre-solicitation notice and draft Statement of Objectives were published on February 1, 2007, and OPM and GSA issued the Solicitation inviting private sector vendors to submit offers and plans to become an HR LOB shared service center on May 21, 2007. The private sector SSCs, along with the Federal SSCs, will provide agencies with a wide selection of options for the delivery of HR services.

- The HR LOB has developed migration planning guidance that will help agencies prepare for and manage the process of migrating to an SSC. This guidance contains valuable templates and frameworks, including the Competition Framework and the business case template, which provides agencies an alternative procurement process: when justified, agencies will be allowed to bypass the private sector schedule and directly select a Federal SSC either prior to or after the private sector schedule has been established.

- A critical component of the HR LOB *Migration Planning Guidance* is the Competition Framework for HR LOB migrations. The Competition Framework discusses the process agencies should use to select SSCs for HR systems and their associated services. OPM and OMB have jointly approved and released this document to agencies through the Chief Human Capital Officers Council (CHCOC). The Competition Framework for HR LOB migrations is posted to the OMB website at: http://www.whitehouse.gov/omb/memoranda/fy2007/business_migrations.pdf

- The *HR Shared Services and Service Delivery Best Practices* report was developed based on a research scan of published reports, white papers, empirical studies, and websites. The report places best practices and benchmarks for shared services and service delivery into a transformational context and is organized into five sections corresponding to the five phases of an HR transformation: Assess, Define, Select, Migrate, and Operate and Improve. The collection of best practices in this report will be useful to agencies and service providers as they transform to a new HR delivery model.

- The HR LOB *Service Component Model version 1*, was completed under the leadership of the multi-agency SCM workgroup, during FY 2006. The SCM provides agencies with valuable information on the service components that make up its system, allowing agencies to decouple the specific applications from the business processes so that a component-based, plug-and-play architecture can be developed. The HR LOB *Service Component Model version 2*, also developed under the leadership of the multi-agency SCM workgroup, provides agencies and service providers with the service components and preferred delivery model for the entire HR function as defined in the HR LOB *Business Reference Model*.

The success of the HR LOB is driven by the active participation of the stakeholder community in achieving these significant accomplishments.

HR LOB ACCOMPLISHMENTS

The HR LOB is poised to achieve numerous accomplishments by September 2007, including the development of the FY 2009 HR LOB Business Case and publication of the HR LOB *Service Component Model version 2*, the *HR Shared Services and Service Delivery Best Practices* report, and the HR LOB *Target Requirements for Shared Service Centers version 3.0* report.

SSCAC QUARTERLY CONFERENCE

The Department of Defense hosted the Shared Service Center Advisory Council (SSCAC) quarterly conference in San Antonio, TX on June 19 and 20, 2007. The two day meeting covered informative agenda topics that included Retirement Systems Modernization (RSM), Global Human Capital Survey, and EHRI update among other topics.

Of particular interest was the briefing on RSM. RSM has a go-live date of February 2008 and is currently in the process of converting all data for active employees. RSM is working with the shared service centers and payroll providers to migrate data in waves, and RSM is communicating information to user group participants to assist with go-live preparations.

The next SSCAC quarterly conference will be hosted by the General Services Administration in Kansas City, MO on September 20 and 21, 2007.

SERVICE COMPONENT MODEL

The HR LOB Service Component Model (SCM) provides a common view of HR services throughout the Federal government that support the HR processes identified in the HR LOB Business Reference Model (BRM). The Service Component Model identifies basic HR services – service components – and proposes the preferred means for providing those services to its customers – service delivery. It provides a framework and vocabulary for guiding discussions between service providers and customer agencies and is meant to be a catalyst for true cross-agency collaboration.

A service component is a self-contained business capability that supports business processes and assist agencies and shared service centers in accomplishing their missions and performance objectives. The SCM establishes a standard, accepted menu of services that identifies the universe of services from which providers will select to form their portfolio (menu) of services. Customer agencies, in turn, will purchase services from providers, selecting from their menu of services. This new services view will provide the framework and vocabulary that will be the conceptual foundation for this service-driven line of business.

From June 2006 through March 2007, the SCM work group met in a series of eight work sessions to examine this end to end HR process and identify and define the business services that support Human Resources. The SCM project has provided HR LOB participant agencies the opportunity to contribute to the building of a common framework and vocabulary for reusable, interoperable HR services across the Federal Government.

The result of this collaboration – the *HR LOB Service Component Model version 2* – will be distributed for review and comment after the July MAESC meeting. SCM version 1, published in September 2006, identifies service components that support core HR LOB business areas – compensation management, benefits management and personnel action processing. This second version extends the first, identifying service components for all HR LOB BRM sub-functions plus personnel action processing.

BEST PRACTICES REPORT

In November, 2006, the HR LOB Subcommittee of the CHCO Council requested that the HR LOB PMO research and report on best practices in the areas of HR shared services and HR service delivery. The PMO developed the *HR LOB Shared Services and Service Delivery Best Practices Report* in response to this request. The HR LOB is incorporating feedback and comments into the final version of this report, which will be published by September 30, 2007.

This report is the first of several initiatives on strategic HR and best practices. Starting in July 2007 the HR LOB will compile case studies on Federal HR shared services and service delivery in a report to be published in December 2007. The HR LOB will be issuing a call for content and workgroup nominations to develop this report.

WEBSITE UPDATES

A number of important updates have been made to the HR LOB website over the past month: http://www.opm.gov/egov.

The HR LOB Service Component Model (SCM) version 1, completed under the leadership of the multi-agency SCM workgroup, has been posted to the website at http://www.opm.gov/egov/documents/architecture/#scm. The SCM provides agencies with valuable information on the service components that make up its system, allowing agencies to decouple the specific applications from the business processes so that a component-based, plug-and-play architecture can be developed.

A June 2007 edition of the HR LOB Communications Letter has been developed and posted to the website at http://www.opm.gov/egov/news_info/communications/index.asp. The purpose of the HR LOB Communications Letter is to provide stakeholders with monthly updates on the progress of the HR LOB initiative.

The HR LOB Entrance on Duty Concept of Operations (EOD CONOPS) report will be posted to the website in the coming weeks. Developed under leadership of the EOD Executive Steering Committee, the EOD CONOPS describes the functional requirements for EOD, proposes a process and technology concepts model for delivering EOD services, and recommends an overall strategy for agencies to acquire and realize the future solution.

UPCOMING EVENTS

DATE	EVENT
July 10, 2007	Multi-Agency Executive Strategy Committee (MAESC) monthly meeting
September 11, 2007	Multi-Agency Executive Strategy Committee (MAESC) monthly meeting
September 20-21, 2007	Shared Service Center Advisory Council (SSCAC) quarterly conference
September 27, 2007	Requirements Board meeting
October 2, 2007	Multi-Agency Executive Strategy Committee (MAESC) monthly meeting
November 6, 2007	Multi-Agency Executive Strategy Committee (MAESC) monthly meeting
December 4, 2007	Multi-Agency Executive Strategy Committee (MAESC) monthly meeting

LOB IN THE NEWS

OMB Memorandum: Guidance for Quarterly Enterprise Architecture Reports

Beginning June 1, 2006, scorecard agencies have been required to submit Quarterly EA Progress Reports to OMB.

(http://cio.gov/documents/Quarterly_EA_Reporting_2007.pdf)

OMB guidance to help agencies track performance

The Office of Management and Budget wants agencies to measure the value of their enterprise architecture program each quarter for the next 15 months.

(http://www.gcn.com/online/vol1_no1/44456-1.html?topic=enterprise-architecture)

OMB clarifies Human Resources Line of Business

New guidance for Human Resources Line of Business focuses on the application of A-76 rules. The Office of Management and Budget repeats the word "competition" almost as often as it uses the word "consolidation" when it advises federal agencies on using shared services providers.

(http://www.fcw.com/article102935-06-11-07-Print)

About The HR Line Of Business

The vision of the HR LOB is governmentwide, modern, cost-effective, standardized, and interoperable HR solutions providing common, core functionality to support the strategic management of human capital that will address duplicative and redundant HR systems and processes across the Federal government. The goals of the HR LOB initiative are to allow the Federal civilian HR workforce to focus on providing improved management, operational efficiencies, cost savings or avoidance, and improved customer service.

The HR LOB common solution takes a phased approach to delivering HR services through shared service centers that are based on common, reusable architecture that leverage open architecture concepts. These solutions will enable the Federal government to standardize HR business functions and processes, as well as the systems that support them. The HR LOB common solution will enable a shift in emphasis within the agencies from administrative processing to customer service and strategic planning.

The shared service center approach is designed to encourage competition among Federal and private sector providers, and to maximize private sector involvement; this competition in turn should result in improved quality, efficiency, and customer satisfaction. Economies of scale will help reduce costs and improve efficiencies. A focus on performance results will improve quality and customer satisfaction.

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