Human Resources Line of Business Provider Assessment Report

U.S. Department of the Treasury HR Connect

Assessment Cycle 1
February 2010 - July 2010

Public Report

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a New Day for Federal Service

HR LOB Provider Assessment Report – HR Connect
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1 Executive Analysis

The Office of Personnel Management's (OPM) Human Resources Line of Business (HR LOB) completed its assessment of the U.S. Department of the Treasury's HR Connect, a designated HR LOB service provider. This report documents the results of this formal assessment performed from February 2010 through July 2010. The final report was issued to HR Connect on August 23, 2010.

HR Connect was assessed on its ability to deliver on twenty different business practices that HR LOB customers determined to be important. The assessment was led by OPM, fulfilling a key responsibility of its role as managing partner of the HR Line of Business by providing an appropriate level of oversight to HR LOB service providers.

Treasury offers many of their capabilities as stand-alone solutions, allowing customers to take advantage of their products and services without being on the core system. HR Connect provides services to all components of the Department of the Treasury plus four customer agencies outside of Treasury, including HUD, GAO, and portions of DHS and DOJ. HR Connect interfaces to a payroll system that is owned and operated by the U.S. Department of Agriculture's National Finance Center (NFC), and plans to deploy functionality that will enhance this interface in 2011. HR Connect supports non-IT services through its partnership with Treasury's Bureau of Public Debt, Administration Resource Center (ARC). HR Connect was awarded its HR LOB service provider designation in 2005 as part of the consolidation of human resources services and technology across the Federal Government, and has recently completed its 2,000,000[th] self-service transaction.

> HR Connect is Treasury's enterprise web-based Human Resource Information System, consisting of multiple "best of breed" commercial off-the-shelf products, integrated into a total solution, customized for Treasury's customers business requirements. Treasury's offering utilizes PeopleSoft HCM 9.0 for employee, manager, and HR self-service, PeopleSoft e-Performance module for performance management, a Monster Government solutions talent acquisition tool (CareerConnector), Microsoft Business Intelligence for reporting and data analysis, customized PeopleSoft Enterprise Portal 9.1 for on-boarding and employee provisioning services (see www.workplace.gov) and Plateau as their Learning Management System.

Overall, the assessment confirmed that the shared services model – upon which the HR LOB vision is based – is working. The HR LOB vision promotes standardization, consolidation, and modernization of HR IT solutions as a means of achieving economies of scale and reallocating resources to provide more value. HR Connect is providing an important service to customer agencies – allowing them to avoid making HR IT investments on their own and instead focus on investing in more valuable, mission critical human resource services.

Considering assessment results across all assessment categories, HR Connect is doing a very good job. HR Connect has built excellent customer relationships and enables customer involvement in key decisions. HR Connect effectively solicits feedback and proactively communicates with their customers. HR Connect has also given careful consideration to strategic planning and has long-term plans in place to expand service offerings and deploy a sophisticated IT infrastructure. Their business processes for development-related activities and day-to-day functions are structured and provide for a stable operation.

While HR Connect's results are very positive, several opportunities for improvement exist. Although HR Connect has a compelling long-term vision and roadmap, some customers have no visibility into this vision because of HR Connect's strong focus on the short-term – the implementation of PeopleSoft version 9.0. HR Connect clearly defines procedures that address technology and interface management; however, they do not address the broader, more advanced concepts that will lead to the integrated, interoperable systems that the HR LOB vision promotes. Movement toward a more integrated and interoperable system could alleviate customer concerns about the effort it takes to reconcile data between HR Connect and NFC's payroll system. Opportunities also exist for HR Connect when it comes to proactively communicating with their customers; customers are not always receiving information about HR Connect's business strategies and processes.

Finally, while HR Connect and ARC do work collaboratively on marketing strategies, the assessment did not confirm the close working relationship we expected to see from partners in a shared service center environment. The approved ARC service delivery model included a partnership with HR Connect and during the assessment we expected to see closer collaboration in the areas of architecture, technology strategy, business process, and customer service. The assessment did not reveal this level of collaboration. Invigorating the HR Connect / ARC partnership and integrating their service offerings will produce efficiencies and improve service to customers.

HR Connect is encouraged to capitalize on the insight, findings, and recommendations included in this report, leverage their strong business practices to continue to provide quality services to their customers, and take actions to address identified challenges.

HR Connect's customers should use this report to obtain a standardized, independent perspective on their provider and use this information during their discussions with their provider about the services they receive. Customers also have a role in driving provider success; HR Connect's customers have the responsibility to proactively engage HR Connect and be receptive to the information and outreach HR Connect provides.

2 Results

2.1 Introduction

The Office of Personnel Management (OPM) launched the Human Resources Line of Business (HR LOB) initiative in 2004 to help the Federal government realize the potential of electronic government and significantly enhance human resources service delivery for civilian employees of the executive branch.

The HR LOB, through its governance structure, has been designated the authority to design, implement, and conduct assessments of HR LOB service providers (HR Shared Service Centers and Payroll Providers). The HR LOB collaborated with a governmentwide group of Federal agencies and with HR LOB service providers to establish an approach to assessment. The result of this collaboration is the HR LOB Provider Assessment. This assessment has been designed to provide an appropriate degree of oversight and meet customer requirements while imposing a practical level of effort on the part of assessment participants.

The assessment is not intended to yield a "score". Rather, it will show how many practices are effectively employed by HR LOB service providers and how many are not. This approach is meant to shift the focus from a finite final score to a view of HR LOB provider practices – revealing the extent to which they are employing business practices that are important to their customers and whether they are making their customers aware of their business practices. A key aim of the assessment is to offer feedback so HR LOB service providers can take actions to improve both their practices and their feedback loops to customers. Over time as service providers use the results in this manner, the overall objective of the HR LOB Provider Assessment will be met.

> The assessment is based on business practices that are considered important by customers of HR LOB service providers. These customers also developed for each practice a set of assessment questions that are meant to illuminate the extent to which a provider is successfully executing these practices. The practices and questions form the basis of the HR LOB Provider Assessment.

This assessment has been performed for the U.S. Department of the Treasury's HR Connect, a designated HR LOB shared service center that provides HR information technology to Treasury bureaus and other customer agencies outside of Treasury. The assessment took place over the period February to July 2010. The scope of services to which this assessment applies is HRIT services.

Results are summarized in Section 2.2 of this report. HR Connect's response to the assessment results appears in Section 3. Appendix A provides a description of the HR LOB Provider Assessment, Appendix B offers a high level description of the assessment methodology, and Appendix C provides a glossary of terms. Appendices can be found in Section 4 of the report.

2.2   Category Results

Over the course of the assessment period, the assessment team employed a number of formal data collection methods. An online questionnaire was used to obtain data from customers. Follow-up interviews were conducted with some customers to obtain additional qualitative information. Information from HR Connect was obtained via formal interviews. Additional information was obtained by reviewing evidence provided by HR Connect. This data provided the basis for answering assessment questions and determining our findings, summarized below.

All assessment questions support a business practice. The business practices and their underlying questions fall into five categories:

1) Strategy and Architecture
2) Customer Relationship Management
3) Compliance
4) Performance Management
5) Integration and Interoperability

Overall findings and supporting results for each of these categories appear in the sections that follow.

2.2.1 Strategy and Architecture

This category includes the following practices:

The assessment category **Strategy and Architecture** promotes practices that emphasize the importance of having sound business and technology strategies that support a provider's mission and vision.

1) Establish a strategic vision that drives decision making.
2) Leverage enterprise architecture as a foundation for the provider's strategic vision, enterprise transformation, and modernization.
3) Establish a technology strategy as a basis for allocating technology resources to best support provider's strategic vision.
4) Establish a workforce strategy as a basis for allocating human capital to best support provider's strategic vision.
5) Establish an infrastructure strategy as a basis for allocating infrastructure resources to best support provider's strategic vision.
6) Demonstrate transparency to provider's customers regarding how provider spends customer's fees.

Category Finding	HR Connect successfully demonstrated that they have a strategic vision (mission statement, vision statement, technical strategy, workforce strategy, modernization plan) and that they use this vision to propel their enterprise forward. Some customers are not familiar with the vision or the progress HR Connect has achieved.

Practice-level results were aggregated to the category level	
Category Level Results	☐ 78.25% of results indicate that practices within this category are being demonstrated ☐ 15.50 of results indicate that practices within this category are not being demonstrated ☐ 6.25% of results for this category are inconclusive [1]

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[1] Where individual respondents provided answers to questions that were contradictory (i.e., the individual respondent did not answer related questions consistently), these were given an "inconclusive" result rather than a "yes" or a "no" For more information about assessment methodology, refer to Appendix B.

2.2.2 Customer Relationship Management

This category includes the following practices:

1) Understand and proactively address provider's customer needs.
2) Proactively communicate and build relationships with provider's customers.
3) Effectively respond to customer inquiries and requests.
4) Employ formal change management techniques to help customers identify and manage change.

The assessment category **Customer Relationship Management** promotes practices that emphasize the importance of proactively reaching out to customers, effectively responding to customers' needs, and employing formal change management approaches

Category Finding	HR Connect communicates particularly well with their customers and actively promotes many elements of effective customer relationship management, including soliciting customer feedback, building strong relationships, and being responsive to the needs of their customers. HR Connect should build upon this strong performance and engage in more dialogue with customers to more fully understand and address their concerns.

Practice-level results were aggregated to the category level	
Category Level Results	☐ 83.86% of results indicate that practices within this category are being demonstrated ☐ 16.14% of results indicate that practices within this category are not being demonstrated

2.2.3 Compliance

This category includes the following practices:

1) Establish procedures to comply with all applicable Federal legislation, regulations, and policies.
2) Establish effective system audit policies and procedures.
3) Establish effective security and data privacy policies and procedures.
4) Establish effective disaster recovery/continuity of operations policies and procedures.

> The assessment category **Compliance** promotes practices that emphasize the importance of having and effectively deploying procedures that meet Federal and agency-specific requirements.

Category Finding	HR Connect's compliance procedures are comprehensive. Some customers are not always aware of how to access these procedures.

Practice-level results were aggregated to the category level	
Category Level Results	☐ 68.62% of results indicate that practices within this category are being demonstrated ☐ 31.10% of results indicate that practices within this category are not being demonstrated ☐ 0.28% of results for this category are inconclusive

2.2.4 Performance Management

This category includes the following practices:

1) Identify performance measures and track and communicate performance results.
2) Track performance results to drive continuous improvement.

The assessment category **Performance Management** promotes practices that emphasize the importance of tracking performance results and using those results to improve operational effectiveness.

Category Finding	HR Connect has successfully demonstrated that they have effective processes to measure performance and take action to address performance results. Some customers state that they are not aware of these performance management practices.

Practice-level results were aggregated to the category level
Category Level Results

Category Level Results	☐ 65.89% of results indicate that practices within this category are being demonstrated ☐ 32.44% of results indicate that practices within this category are not being demonstrated ☐ 1.68% of results for this category are inconclusive

2.2.5 Integration and Interoperability

This category includes the following practices:

1) Promote and adopt integration and interoperability standards and guidelines.
2) Ensure that a provider's formal system development life cycle (SDLC) methodology supports integration and interoperability.
3) Establish and manage an integration and interoperability governance framework and process.
4) Establish and adhere to guidelines, methods, and best practices for technology and technical component management.

The assessment category **Integration and Interoperability** promotes practices that emphasize the importance of having governance structures and processes, standards, guidelines, and methodologies that facilitate the management of integrated, interoperable solutions that are the crux of the HR LOB vision.

Category Finding	HR Connect's technology vision includes plans for an integration layer. While HR Connect's methodologies, processes, standards, and guidelines provide for a strong approach to developing, testing, and executing interfaces, they do not employ broader, more advanced practices that will be required to implement and operate this technology integration.

Practice-level results were aggregated to the category level	
Category Level Results	☐ 42.29% of results indicate that practices within this category are being demonstrated ☐ 27.92% of results indicate that practices within this category are not being demonstrated ☐ 29.79% of results for this category are inconclusive

3   Provider Comment

Treasury's HR Connect Human Resources Line of Business provides customers a blend of best-in-class commercial off-the-shelf ("COTS") human capital management software and services, all configured to the business needs of our customers, as well as access to a wide range of ancillary features that leverage and utilize existing HR data, e.g.:

- FAIR Act reporting
- Financial disclosure reporting
- An entrance- on- duty system
- Workforce Analytics -- a business intelligence system
- A learning management system
- Career Connector -- a talent acquisition system
- A separating employee clearance system

The strategic and tactical direction of HR Connect products are steered and closely overseen by HR Connect customers, themselves, who truly become owners and partners – and from whom much is expected.

Our customers are encouraged to sit on a governance board that defines and prioritizes HR Connect's evolving functionality, approves the HR Connect budget and provide information to support various phases of HR Connect's rigorous Software Development Life Cycle process.

In addition, our customers actively participate in user acceptance testing, serve on steering committees and provide feedback.

Because of this demand for significant customer involvement, HR Connect requires and seeks out customers who are willing to engage throughout every stage of product design, development and deployment.

For example, customer participation offers all of the functionality and privileges associated with selecting a best-in-class integrated talent management solution. This partnership requires the kind of clear and frank input that has shaped HR Connect into the gold standard of federal HC automation.

Favorable OPM Assessment

Overall, the OPM provider assessment of HR Connect is extremely positive, and as a result of the customer involvement previously described, our customers should take much of the credit for those ratings. The OPM provider assessment articulates a host of HR Connect strengths, including:

- **Excellent customer relationships**

- **A high degree of customer involvement in key decisions**
- **Effectiveness in soliciting customer and user feedback**
- **Positive and pro- active customer communications**
- **Careful and thorough strategic planning**
- **Expanded service offerings and deployment of a sophisticated IT infrastructure**
- **Structured business processes for development-related activities and day-to-day functions**
- **Stable operation**
- **Well-developed software development life cycle (SDLC)**

However, the assessment also identifies within the Executive summary the following perceived issues and prospective improvement areas:

1. Excess focus on the short-term development, including upgrade (to PeopleSoft 9.0) of HR Connect's core human capital management system
2. Lack of planning for an integrated, interoperable system, specifically with NFC as a payroll provider
3. Lack of close cooperation with BPD/ARC

The following addresses each of these issues:

1. **OPM analysis: Excess focus on the short-term development, including upgrade (to PeopleSoft 9.0) of HR Connect's core human capital management system**

Treasury response: HR Connect has continued to deploy new systems and other projects while planning and implementing a large-scale project to upgrade the PeopleSoft HCM to version 9.0.

We believe it is important to note that during the upgrade period (18 months), HRCPO was simultaneously deploying a number of strategic capabilities that included enhancements to existing functionality, the development and implementation of major new functionality, and the deployment of new customers.

For example, regarding new functionality, HRConnect's new Entry On Duty System (EODS), was delivered in May 2010. Implementing this functionality represents the culmination of a two-year effort that, with our customers' concurrence and full support, was deployed *prior to the finalization and deployment of the PeopleSoft upgrade.*
Other functionality deployed during the upgrade period includes:

- **Two major releases that address customer-requested enhancements:**
    - **MR-5 (May 5, 2008) 34 change requests (CRs); and**
    - **MR-6 (October 31, 2008) 8 CRs.**

During this same period, HR Connect implemented 29 minor releases, each ranging in size from one to nine CR's. A sampling of the enhancements to HR Connect's features during this period includes:

- **Enhancing HRCPO's Separating Employee Clearance feature**
- **Adding a Continuity of Operations (COOP) feature**
- **Enhancing the HSPD-12 feature**
- **Developing and deploying a new Entry On Duty System (EODS)**
- **Supporting the NFC database change**
- **Supporting updates 50, 51, and 52 to the Guide to Processing Personnel Actions (GPPA)**
- **Numerous pay-related changes, including annual pay increases, and pay table changes**
- **Numerous enhancements to ePerformance, including making this feature available to several additional bureaus**
- Numerous minor, but critical, code changes to correct pay problems, support mandated regulatory changes, and correct potential security breaches
- Additionally, 176 end users were trained in the classroom and 8 Training Forums for customer organization training POCs were held.

All in all during this same 18-month period, 116 change requests were implemented, and HRCPO successfully attracted and migrated two *new customers* to the HR Connect system:

- **Government Accountability Office (GAO)**
- **Special Inspector General –Troubled Asset Relief Program (SIG TARP)**

The HR Connect upgrade has generated significant strategic benefits as well as short-term value. More importantly, by upgrading to one of the most current and industry-leading software systems available, we are providing our customers with the capacity and platform to build on in the future. An integrated talent management suite of features, enhanced EODS system, an employee provisioning system and a customer-driven flexible web portal are all currently being planned.

Additionally, HR Connect made great strides outside its Manager self-service and Employee self-service PeopleSoft capabilities with its Plateau based Learning Management System. As an example, the 104 new online courses were quality-assured and subsequently launched into the TLMS Library during in the first half of the fiscal year. An additional 42 are currently in queue for similar processing. As this response is being written (August 2010) we are upgrading this application from Plateau v5.8 to Plateau v6.2.

Also during the upgrade period, HR Connect increased our Enterprise Reporting Capability and Services by developing further integration of learning management data into the reporting data warehouse. We designed and delivered first-of-kind capability to integrate applicant data from our Career Connector application (Monster Government Solutions) into reporting warehouse

for GAO. Additional enhancements to Career Connector included functionality for staffing specialists and our applicants in Release 2.5.

All through the 18-month upgrade period, our customers provided critical input related to requirements definition, design, development and testing. Formal customer communication took place during semi-weekly Configuration Control Board meetings, weekly production calls, and quarterly product governance board meetings for the upgrade as well as Treasury Learning Management System, Workforce Analytics, Entry on Duty System and Career Connector.

Bi-monthly Human Capital Advisory Committee, bi-monthly Human Capital Board meetings (Spring, 2009, through Summer, 2010), have provided a stream of valuable supplementary input to HR Connect, as well as providing a way for the program office to share updates and information with the user community. In addition to regular written monthly status reports, HR Connect has generated numerous targeted written status reports on upgrade progress, as needed.

In another example of pro-actively seeking out customer input, the HR Connect staff conducted a series of detailed personal interviews with the business leaders, CHCO's, CFO's and CIO's of each of our customer organizations. These interviews were aimed at uncovering their individual views on the strategic direction for HR Connect, and how HRCPO products and services could best support their business and human capital visions.

Pursuant to these interviews findings, HRCPO developed a comprehensive strategic planning tool, or "road map" that prioritizes three major software and service directions:

1) Development of a decision based Portal for employees and managers
2) Design and implementation of an integrated talent management system, and
3) the addition of an automated employee provisioning capability.

In late 2009, the HR Connect Program Office also recognized the need to further increase and enhance its communication with customers, prospects and other constituents. As a result, HRCPO has recruited and hired a full-time senior communications manager, who joined the unit in early April, 2010.   The first edition of a new annual report, detailing HR Connect's accomplishments during FY2010, will debut just after the fiscal year ends.

Part of OPM's perception in the communications arena appears to be based in customer responses to OPM's questionnaire that suggest a recent decline the overall flow of information from HR Connect.

In that regard, some of the *formal* communications via conference calls, newsletters, emails, and Governance Board meetings previously described have been tapered back over time, giving way to the building of *stronger personal relationships* with our customers, and closer ties through day-to-day performance and in-person contact. Proof of success of this shift can be seen in an observation of the typical HRCPO-customer relationship taken directly from the OPM

report: **"Strong relationships come from personal contact and, more important, effective follow-though on commitments."**

To best serve our Treasury HR LOB customers, HRCPO will continue to anchor its communications in *focused customer listening*, and engage in open, two-way communication, using a combination of written, face-to-face and electronic communication.

HRCPO believes the overwhelmingly positive response from our customers to the 9.0 upgrade is clearly a result of our intense communications effort, purposely created to ensure organizational readiness and receptivity. Additionally, to ensure the success of our end users in using the PeopleSoft 9.0 Upgrade environment, the HR Connect Training Program updated 104 online job aids; 2 User Manuals; held 9 Orientation classes and created 3 Orientation videos. Customers were also sent specific role-based "delta" documents spotlighting the changes in functionality and look-and-feel users would experience. These customer oriented activities may have left the OPM interviewers with the mistaken perception that HRCPO resources have been focused exclusively on the 9.0 upgrade.

2. **OPM analysis: Lack of planning for an integrated, interoperable system, specifically with NFC as a payroll provider**

Treasury response: HR Connect has embarked on a System of Record (SOR) initiative that will lead to additional payroll provider options for HR Connect customers, as well as greatly reduced synchronous errors between the National Finance Center (NFC) and HR Connect. Further, Treasury utilizes a "best of class" approach, allowing our customers to have the advantage of a myriad of products that exchange data and information, and are fully interoperable, to provide a solution more powerful than any single vendor solution.

When OPM established the concept of shared service center payroll providers, it prohibited Treasury from developing an integrated solution for HR Connect.   For many years we have steadfastly observed the principle of not duplicating services provided by the National Finance Center. The NFC has been Treasury's partner in providing payroll services to all HR Connect customers, and we have worked closely with NFC in defining and testing their payroll solutions in support of our customers.

This continued arrangement poses technical and functional challenges. The imposed architecture has resulted in a state-of-the-art human capital management system feeding a legacy system, which, in turn, feeds a legacy payroll system. This inefficient architecture is a principal reason for the HR Connect investment in the System of Record project – HR Connect is serving the wishes of many current and prospective customers to become payroll-neutral. Our customers want the option to select segmented, individual payroll-related applications that can be utilized without the prerequisite implementation of the entire HR Connect offering.

We believe we would be doing our customers a significant *disservice* by utilizing only a fully integrated payroll system, thereby limiting our customers' application options. Accordingly, it is not HR Connect's intention, nor HR Connect customers' desire, to offer only one interfaced, and

therefore non-severable, solution. The HR Connect plan is to continue to improve our interfaces so that errors between applications can be minimized, and avoided. OPM's vision of an integrated, interoperable system cannot be achieved unless all Line of Business solutions either (1) develop home-grown code and solutions, or (2) adopt an enterprise resource planning solution.

Integrated solutions discourage agility, and are less able to respond quickly to continuous change or emerging business requirements, and therefore, are much less attractive to HR Connect customers and prospective customers. OPM and OMB have also approved private sector vendors such as IBM, Accenture/ADP, Carasoft/Avue, and Allied Technology, who would all be faced with the same dilemma: deploying a non-integrated solution for prospective customers.

HR Connect, with the guidance and counsel of our partners and customers, has instead implemented a best-in-class approach, allowing our customers to take full advantage of the research and development done by private industry and other government agencies. HRCPO, along with its customers, is continuously searching the marketplace for the best solutions, and evaluating them using a variety of metrics. This results in scripted demonstrations, where appropriate, that ultimately lead to the smartest value decisions. This approach allows HR Connect to offer talent acquisition and staffing, on-boarding, learning management, employee and manager self-service, performance management, workforce analytics and business intelligence – either as part of a comprehensive, integrated talent management system, or as stand-alone, individual applications.

Although not highlighted as an improvement area in the Executive Summary, much of the OPM report focuses on Enterprise Architecture. To fully respond to these OPM observations, it is necessary to understand the Treasury Enterprise Architecture mode of operation. The Treasury e-Government Office maintains the Enterprise Architecture at the Department Level. The Department follows a tiered accountability approach whereby each Bureau and customer maintains its own Enterprise Architecture so that new investments align with Bureau and mission requirements. Roles and responsibilities are provided below:

- Project Managers: Project Managers of business and technology projects are key users of the Business Architecture. They use the Business Architecture to inform and support the following activities:

    o Ensuring that key stakeholders (organizations and roles affected by project scope) are involved on the project team

    o Ensuring that their project scope is unique and well understood by the project team, key stakeholders and sponsors

    o Ensuring that their work is integrated with other projects and within the operating units

- Ensuring that their business results are consistent with the business services offered, business process visions, and supporting high level process designs

- Ensuring that their teams communicate with a common language to understand the business and its supporting technology

- Business and IT Planners: Business and IT Planners of business and technology change projects are also key users of the Business Architecture (and of the Enterprise Transition Strategy, which is also an element of the EA). They use the Business Architecture to inform and support the following planning activities:

  - Assessing all proposed business and technology solutions in the context and framework of the Business Architecture to avoid overlaps and duplication of proposed projects

  - Taking advantage of new enabling technologies, techniques, and/or new software solutions

  - Determining the impact of proposed changes in business to business services, business processes, roles, organizations and supporting systems and infrastructure

  - Coordinating and optimizing key business operations and services across the organization

  - Consolidating or standardizing similar processes and services – as appropriate

  - Achieving balance and alignment within the IT project portfolio

  - Prioritizing various projects and related investments

  - Recognizing the dependencies and establishing key attributes of projects early in the life cycle, while the cost of changes or fixing problems is relatively small

- Designers: Process designers of business and technology change projects are also key users of the Business Architecture. They use the Business Architecture to inform and support the following design activities:

  - Ensuring that their project scope is unique and well understood by the project team, key stakeholder and sponsors

  - Ensuring that their work is integrated with other projects and within the operating units

- o Ensuring that their business results are consistent with the mission and vision of the Agency

- o Assessing all proposed business and application solutions in the context of the business services offered, business process visions, and high level designs to ensure alignment

- Financial Analysts: Financial Analysts who are supporting business and technology change projects are also key users of the Business Architecture. They use the Business Architecture to support business-case development for the following purposes:

  - o To demonstrate alignment of proposed projects (E300 proposed funding request) to the Bureau business processes and the Treasury BRM

  - o To demonstrate alignment and support of the FEA Performance Reference Model

  - o To demonstrate alignment of major IT investments with the FEA Service Component Reference Model (SRM)

Treasury participated in the formulation of the HR LoB Enterprise Architecture during FY 2005. Treasury selected a commercial-off-the-shelf product, PeopleSoft, tailored to meet Federal HR business requirements. The HR Connect Program office worked with our customers to assess the functionality of the PeopleSoft Product, as delivered, and identified additional functionality that would allow our customers to meet their business requirements.   The execution of Treasury's and HR Connect's Enterprise Architecture strategy is decentralized, with roles and responsibilities spread throughout the organization and customer community.

3. **OPM analysis: Lack of close cooperation with BPD/ARC**

Treasury Response: The Bureau of Public Debt/Administrative Resource Center (BPD/ARC) is a completely integrated, working partner and customer of HR Connect.

We have always worked closely with BPD/ARC in a high-trust, well-coordinated relationship. This long standing partnership, established in 1998, and then codified by OPM when establishing Treasury as an HR LOB, allows us to meet all HR LOB requirements. In the Treasury offering, HR Connect partners with BPD/ARC for back office processing, as we do with the National Finance Center (NFC) for payroll, to offer a comprehensive solution to meet federal human capital management requirements. HR Connect and BPD/ARC jointly attend Shared Service Center meetings, representing Treasury as partners in meeting our responsibilities to OPM and our customer community. HR Connect and BPD/ARC jointly respond to potential customer RFQs and RFPs, provide customer demonstrations, and seek innovative solutions for our customers. In addition to the relationship recognized by OPM in our HR LOB certification,

HR Connect and BPD/ARC also partner to offer additional services and support to our customer community. As an example, customers are offered the option of using BPD/ARC as their Tier 1 help desk. Further, as part of the Treasury technical solution, the program office utilizes BPD/ARC as our final testing activity. BPD/ARC is entrusted with unit testing, end-user solution testing, and plays a key role in our customer acceptance testing.

We were unable to determine from the OPM assessment what prompted OPM's recommendation regarding BPD/ARC, as we did not find reference to issues anywhere else in the detailed portion of the OPM report. In the future, to aid OPM in recognition of the Treasury solution as one solution, with multiple partners providing pieces of the total solution, HR Connect and BPD/ARC will respond to OPM data calls and assessments as one unit.

4 Appendices

Appendix A – HR LOB Provider Assessment Background

After the launch of the HR LOB in the spring of 2004, the HR LOB Task Force, now known as the HR LOB Multi Agency Executive Strategy Committee (MAESC), established a work group to develop the *HR LOB Common Solution(s): White Paper and Concept of Operations (CONOPS)*. This CONOPS, published on June 30, 2004, established a "phased approach to delivering HR services via Shared Service Centers based on a common, reusable architecture that leverages 'Plug and Play' architecture concepts". The CONOPS also stated that the HR LOB MAESC will review and assess the SSCs through a Management Improvement Program (MIP), similar to the Joint Financial Management Improvement Program (JFMIP) and later the Financial Systems Integration Office (FSIO).

When the MAESC was formally recognized through its charter in 2005, Attachment A to the MAESC Charter - *HR LOB MAESC Governance Structure Roles and Responsibilities* - established in writing an MIP to help the MAESC fulfill its responsibilities to:

- ☐ Review operations of the SSCs to ensure the delivery of state-of-the-art HR solutions and services
- ☐ Ensure that HR LOB information systems and processes are based on and comply with all appropriate OPM HR legal, regulatory, and policy requirements
- ☐ Review results from requirements validation laboratory to assess the functionality, interoperability, and integration of potential HR management system solution sets

In August 2005, the OPM Director and each SSC signed a Memorandum of Understanding (MOU) with OPM to establish the agreement between OPM and the SSC Agency for the continuation of HR service delivery by the SSC Agency to other Federal agencies. According to the MOU, OPM responsibilities include:

- ☐ Conduct reviews of HR SSC service delivery against established measures and metrics which may include:
  - benchmarking reviews
  - quality assurance reviews
  - compliance reviews and audits
  - review of SSC organization to ensure that all functions necessary to implement the HR LOB common solution and vision are effectively represented, promoted, and managed
  - progress reviews to ensure that the SSC Agency is progressing toward the long-term end-state HR LOB service delivery model
- ☐ Provide information to customer agencies to assist in evaluating service offerings to SSCs

Over the years, a number of ideas have been considered regarding the process for assessment of HR LOB service providers and their ability to deliver services:

- ☐ e-Payroll demonstration laboratory (2002-2003)
- ☐ J-HRMIP requirements validation laboratory (2004)
- ☐ SSC solutions certification process (2005 - 2007)
- ☐ Provider Capability Model (2008)

The above were conceived based on existing sources in the Federal government and in the private sector, and evolved over time from an initial focus on system certification to a focus on best practices and innovation. The Provider Capability Model (PCM) was formally presented to the MAESC at its monthly meeting in September 2008. At the meeting, the MAESC recommended that the HR LOB develop an alternative to the PCM emphasizing that the HR LOB should investigate reuse of existing assessment methods already in place to reduce the burden to providers and customer agencies.

During fiscal year 2009 the HR LOB collaborated with both customer agencies and the HR LOB service providers (SSCs and Payroll Providers) to develop the Provider Assessment Program. The Assessment process design was approved by the MAESC in November 2009, and is based on business practices that were considered important by customers of HR LOB service providers. The first assessment cycle began in February 2010 and is targeted to complete in the fall of 2011.

The assessment was endorsed by the Office of Management and Budget when, in their Fiscal Year 2011 budget pass-back language, they included language instructing OPM to conduct assessments of HR Line of Business service providers. It also required all service providers to prepare for OPM-administered, regular assessments. The first assessment cycle began in February 2010 and is targeted to complete in the fall of 2011.

Appendix B – HR LOB Provider Assessment Methodology

The HR LOB Provider Assessment team employed a structured process to perform this assessment. The process was developed with the involvement of the same customer work group that compiled the assessment practices and developed the assessment questions. The aim of the work group was to establish an assessment process that considers both customer and provider viewpoints. The process and supporting tools and templates have been documented in detail to ensure the process is repeatable and will be performed consistently for all assessments. This section describes this assessment process. For additional general information about the HR LOB Provider Assessment, please refer to the HR LOB Provider Assessment frequently asked questions at OPM's website: http://www.opm.gov/egov/documents/provider_assessment/faqs.asp .

Gather Data

A set of customer-derived assessment questions forms the basis of the data collection. These assessment questions were developed with a work group comprised of HR LOB customer agencies. They are meant to determine whether or not the provider employs various business practices that the work group considered to be important.

Each question is classified in terms of how its result is derived; there are customer questions, provider questions, and evidence questions.

- ☐ For customer questions, data is gathered directly from the online customer questionnaire; additional data is collected in follow-up customer interviews that are conducted with a subset of questionnaire respondents.
- ☐ For provider questions, data is gathered during structured interviews with provider personnel.
- ☐ For evidence questions, evidence is collected from providers and is used to determine assessment results.

Once the data is collected, it is organized and analyzed.

Analyze Results

Each assessment question is binary in nature; that is, each question requires a "yes" or "no" response. Customer questions and provider questions all have supporting questions which are intended to substantiate the "yes" or "no" given in response to an assessment question. Evidence questions on the other hand do not need supporting questions; the actual evidence submitted by the provider substantiates the "yes" or "no" result assigned to each evidence question. The assessment questions and supporting questions are the criteria that were used to assess providers.

Customer Questionnaires and Provider Interview. Each assessment question has one or more supporting questions that require narrative responses broader than a simple "yes" or "no". Supporting questions are asked only when the response is a "yes". For "no" responses, these follow-up questions are not necessary, since "no" responses do not require validation. The assessment question and its affiliated supporting question(s) represent a question set.

For each question set, there are possible combinations of responses:

- ☐ Question sets in which "yes" was the answer to all questions within the set. The assessment question for this set would be given a "yes" result.
- ☐ Question sets in which "no" was the answer to the assessment question, and as a result, no supporting questions were presented. The assessment question for this set would be given a "no" result.
- ☐ Question sets in which the answer to the assessment question within the set was "yes", while one or more of the subsequent supporting questions within the set yielded a "no". These contradictory responses would be considered inconclusive and the assessment question for this set would be given an "inconclusive" result.

Evidence. At the beginning of the assessment, providers are asked to submit core evidence – a pre-determined set of artifacts that are used to answer a set of evidence questions. During an evidence review, the assessment team determines the "yes" or "no" results for evidence questions by reviewing the evidence in light of the assessment question. For evidence questions, there are no supporting questions. Each evidence question are given a "yes" or a "no" result based on the extent to which the related evidence supports the question.

The assessment team does not assess the quality of the evidence provided. Rather, the assessment team determines whether the corresponding piece of evidence contains enough detail that can logically be used to address the intent of the evidence question.

Aggregation of Provider Assessment data involves combining individual responses across multiple questions, practices, and categories. While detailed results are meant to be useful for providers to take action to improve, aggregated results will be useful for comparing results across providers and communicating results to various stakeholders.

Response data obtained from customer questionnaires is aggregated across individual responses at the question level, the practice level, and the overall category level. Provider question results and evidence question results are aggregated at the practice level and the category level, but because each provider participates in just one set of interviews and submits only one set of evidence, there is just one result and the concept of question level aggregation does not apply.

Aggregation procedures for Customer Questionnaire data involve three steps:

1) The individual answers provided for each assessment question are aggregated across customer questionnaire respondents. Based on the results across participants, the assessment team arrives at an overall "result" for each assessment question, represented as a percentage of "yes" and "no" answers. Aggregates for each question also reflect any responses labeled "inconclusive".

2) After responses are aggregated across participants and a percentage result is obtained for each question, all questions within each practice are then aggregated. This means that the percentage of "yes", "no", and "inconclusive" for each question are averaged with the percentage of "yes", "no", and "inconclusive" for other questions in the same practice. The result obtained provides the overall percentage of responses that indicate the provider demonstrates, does not demonstrate, or that the response is inconclusive for the given practice.

3) Similarly, practice results are aggregated to arrive at an overall result for each of the five assessment categories. Similar to step 2 above, the percentage of "yes", "no", and "inconclusive" for each practice are averaged with the percentage of "yes", "no", and "inconclusive" for other practices in the same category. The result provides the overall percentage of responses that indicate the provider demonstrates, does not demonstrate, or that the response is inconclusive for the given service category.

The steps for aggregating provider interview and evidence review data are identical to the steps detailed above with the exception that Step 1, aggregation across individual participants, is omitted.

The following results matrix can be used to show how assessment question results were converted to practice level results. The percentages in the three right columns represent the distribution of responses that were "Y"/yes, "N"/no, and "I"/inconclusive.

	Customer Relationship Management Practice #1 – Customer Needs				
	Question ID	Question	Y	N	I
Customer Questions	CRM1-C-1	Does your provider make findings from customer surveys, interviews, focus groups, etc. available to you?	80.00%	20.00%	0%
	CRM1-C-2	Are you aware of any changes or updates your provider has made in response to feedback from customer surveys, interviews, focus groups, etc.?	70.00%	30.00%	0%
Provider Questions	CRM1-P-1	Do you make customer survey findings available to your *potential* customers?	100%	0%	0%
	CRM1-P-2	Do you establish improvement plans based on your customer survey findings?	0%	0%	100%
	CRM1-P-3	Do you monitor your progress toward your improvement plans?	100%	0%	0%
Evidence Questions	CRM1-E-1	Does the provider use surveys and other customer feedback mechanisms to understand their customers' needs?	0%	100%	0%

The practice level result is calculated simply by summing the numbers in each column and then dividing the total by the number of questions for the practice. Practice level results for this example would be:

- ☐ Yes – 58.33% (80 + 70 + 100 + 0 + 100 + 0) / 6
- ☐ No – 25.00% (20 + 30 + 0 + 0 + 0 + 100) / 6
- ☐ Inconclusive – 16.67% (0 + 0 + 0 + 100 + 0 + 0) / 6

Similarly, category level results were calculated by averaging the practice level results across the practices within each assessment category.

Derive Findings

The analysis of data involves the non-numerical organization of data to discover patterns, conclusions, themes, and qualities found in interview notes and open-ended questionnaires. A thorough review of questionnaire responses and interview notes is done to find repeating ideas. These are grouped and synthesized into findings.   For the Provider Assessment, findings are offered at the practice and category levels.

For some practices, there are "additional findings". These are insights and notable exceptions to the findings that are included in the report because it could be useful feedback to the provider.

Finalize Report

A draft report is distributed to the assessed provider for review. The provider is invited to discuss the report with the HR LOB leadership team and submit a formal response that is incorporated into the report (Section 3). The full final report is sent to the assessed provider.

At the conclusion of the full assessment cycle (after all HR LOB providers have been assessed), a more limited version of the report is distributed to the customers of the assessed provider. Also, at the conclusion of the full assessment cycle, a summary report is made available to the HR LOB Multi-Agency Executive Strategy Committee and Customer Council. A public version of the summary report will also be made available.

Appendix C – Glossary of Terms

A.

Additional Evidence: Evidence requested by the assessment team if there are some conditions that warrant collection and review of additional evidence. The need for additional evidence will be based on data received from customers in their customer questionnaire responses.

Agency Points of Contact: Employees at customer agencies of the provider being assessed who are identified as the primary or secondary point of contact. These points of contact will identify respondents from their agency for the Provider Assessment Questionnaire.

Agency Respondents: Individuals who are responsible for completing one or more categories of the Provider Assessment Questionnaire. The agency respondent is identified by the agency point of contact. MAESC members will be asked to confirm the agency respondents are qualified and capable of responding to the questionnaire.

Application Package Architecture: A conceptual depiction of a business system that shows its component parts and the relationships among those component parts. The package architecture can bridge the gap between business and technology by relating package modules to the business functions they support. This can help an enterprise understand how the package can enable the business functions and can help support package investment planning and decision making.

Artifacts: Documents (policies, procedures, presentations, etc.) that the provider submits as evidence for the purpose of supporting answers to evidence assessment questions. Artifacts submitted as core evidence will be used to support answers to evidence questions. Artifacts submitted as additional evidence will be used to reconcile inconsistent customer questionnaire responses.

Assessment Activities: Main components of the Provider Assessment Process design. The process includes ten activities:

1) Schedule Assessments
2) Launch Assessments
3) Collect Data
4) Interview Customer Personnel
5) Interview Provider Personnel

6) Examine Evidence
7) Compile Draft Assessment Report
8) Finalize Assessment Report
9) Capture Lessons Learned
10) Publish Assessment Program Changes

Assessment Categories: Grouping of five areas of business practices that the Provider Assessment customer workgroup identified for the Provider Assessment. The categories are: 1)

Strategy and Architecture, 2) Customer Relationship Management, 3) Compliance, 4) Performance Management, and 5) Integration and Interoperability.

Assessment Cycle: The span of time it takes for all providers to be fully assessed. Assessment cycles are scheduled to run over an 18 to 24 month period.

Assessment Findings: A synthesis and / or distillation of information derived from the data gathered during the Provider Assessment. The data will be gathered via the customer questionnaire, customer interviews, provider interviews, and evidence review. The assessment team LOB will review the data, extract repeating ideas, synthesize and distill the ideas into overall themes, and shaped the themes into assessment findings.

Assessment Kick-off Session: An activity that occurs during the Planning phase of the assessment process to provide the personnel involved in the assessment with an overview of the Provider Assessment and their role in the assessment process.

Assessment Program Improvement Phase: One of four phases of the Provider Assessment Process; contains the wrap-up activities (e.g. publish assessment program changes and capture lessons learned) that will be performed after the assessment cycle is complete.

Assessment Project Plan: A plan that outlines the phases, activities, and tasks of an assessment project. It also includes task dependencies, begin dates, end dates, and assignments.

Assessment Question Result: The yes or no answer to each assessment question.

Assessment Questions: A set of binary yes/no questions developed by the Provider Assessment customer workgroup. The questions are intended to determine how well the provider employs various business practices that customers have determined are important.

Assessment Report Comments and Formal Response Log: A template that will be distributed to the provider with their draft assessment report. The provider will document their comments and feedback on the draft assessment report in the assessment report comments and formal response log. The provider will then send this document to the assessment team so that they can incorporate the feedback in the final assessment report.

B.

Benchmarking: The process of comparing the business processes and performance metrics (e.g., cost, cycle time, productivity, or quality) to another that is widely considered to be an industry standard benchmark or best practice. Benchmarking provides a snapshot of performance and helps the enterprise understand where it is in relation to a particular standard. Benchmarking can serve as a means to continuous improvement which can lead, in turn, to best-in-class performance.

Business Case: A structured document that presents in tangible terms the rationale for undertaking a project or task. As an example, OMB requires all agencies to submit an investment request for all major IT projects and to use the "exhibit 300" (Capital Asset Plan and Business Case). The business case is primarily a planning document, but OMB reviews and evaluates the business case as part of its overall evaluation of entire agency budget submission.

Business Controls: A coherent set of policies, processes, procedures, standards and guidelines, and measures that ensure the enterprise and its operations are properly governed and managed and comply with legislation, regulations, and policy.

Business Strategy: A set of approaches, decisions, and / or ideas that describe the means by which the provider intends to achieve its mission, move toward its vision, and accomplish its short-term and long-term goals.

C.

Capital Planning Investment and Control (CPIC) process: A process for making investment decision, assessing investment process effectiveness, and refining investment related policies and procedures. CPIC is mandated by the Clinger-Cohen Act which requires agencies to use a disciplined process to acquire, use, maintain, and dispose of information technology. CPIC accomplishes these requirements via activities that are organized into three phases: Select, Control, and Evaluate.

Capture Lessons Learned: Activity 4.1 during the Assessment Program Improvement phase of the Provider Assessment. During this activity, the HR LOB will distribute a lessons learned questionnaire to the MAESC, customer agency, and providers. After the MAESC, customer agency, and providers submit the lessons learned questionnaire, the HR LOB will formulate program improvement recommendations, discuss these recommendations with the Customer Council and providers and finalize program improvements.

Change Management: A structured approach to transitioning individuals, teams, and organizations from a current state to a desired future state in a controlled manner by following a pre-defined framework or model.

Change Management Strategy: A strategic document that recommends the approach, tools, and resources needed to transition an organization, individuals, and teams from a current state to a desired future state.

Collect Data: Activity 2.1 during the Discovery and Analysis phase of the Provider Assessment. During these activities, the HR LOB will distribute the customer questionnaire and request core evidence from providers. The HR LOB will then collect the customer questionnaire responses and gather core evidence from providers.

Common Data Model: Evidence that the provider's data model has been adequately linked and reconciled to the data models that belong to the broader context in which the provider operates (e.g., parent agency data model, HR LOB data model), substantiating clear data ownership and stewardship across multiple organizations.

Communication Plan: A written document that describes overall communications objectives; means by which those objectives can be accomplished (e.g., communication goals, campaigns, programs); audiences; timetable for accomplishing the communication objectives (specific communication events, the timing of those events, and other details for accomplishing the communication that should take place between the provider and its audiences); and how the results of the communication program will be measured.

Communication Strategy: A strategic document that recommends the approach, tools, and resources needed to effectively communicate to project participants and stakeholders. The communication strategy first identifies what an organization intends to accomplish through communication efforts. It assesses existing communications and analyzes the gap to identify communication needs.

Compile Draft Assessment Report: Activity 3.1 of the Reporting Phase of the Provider Assessment. This activity prescribes that the HR LOB will establish assessment findings, compile data into report template, and finalize draft assessment report.

Compliance: One of three outcomes of the Provider Assessment; ensures providers are compliant with Federal laws, regulations, policies, and accepted practices. Also one of five categories of the Provider Assessment, which aims to 1) establish procedures to comply with all applicable Federal legislation, regulations, and policies, 2) establish effective system audit policies and procedures, 3) establish effective security and data privacy policies and procedures, and 4) establish effective disaster recovery/continuity of operations policies and procedures.

Core Evidence List: A pre-determined list of artifacts that all providers will submit to enable HR LOB assessment team to answer evidence-based assessment questions. The artifacts are tangible documents that will be submitted during task 2.1.4 Gather and Deliver Core Evidence.

COTS: Commercial off-the-shelf software or hardware that is ready-made and available for sale, lease, or license to the general public. COTS are often used as alternatives to applications and / or technology that are developed in-house. They can offer significant savings in procurement and maintenance.

Customer Agencies: The agencies that obtain services from one or more of the designated HR Shared Service Centers or Payroll providers. These customer agencies will participate in the Provider Assessment by designating customer personnel to complete the Provider Assessment Questionnaire and participate in follow-up interviews as necessary.

Customer Base: The group of customer receiving services from the provider that is being assessed. The HR LOB will work with the provider to understand the size of each of the customers in its overall customer base, services received by each customer, and organizational components of customer.

Customer Council (CC): One of the governance bodies of the HR LOB comprised of customer agencies that are serviced one or more of the designated HR LOB providers. The CC will be responsible for reviewing the proposed assessment program changes in tasks 4.2.2 and 4.2.6 Review Assessment Program Changes.

Customer Fees: The amount of money a provider charges its customers for the HR or Payroll services delivered.

Customer Feedback Sources or Mechanisms: Formal methods, techniques, and / or processes used to gather and preserve information from customers. Examples include customer surveys, customer meeting minutes, customer call logs, etc.

Customer Relationship Management: One of five categories of the Provider Assessment, which aims to 1) understand and proactively address provider's customer needs, 2) proactively communicate and build relationships with provider's customers, 3) effectively respond to customer inquiries and requests, and 4) employ formal change management techniques to help customers identify and manage change.

Customer Relationship Management (CRM) Process: Documentation describing what has been put into place (e.g., defined process, systems, techniques, tools, templates, and forms) to log customer inquiries and requests and to track the follow-up that takes place to respond to the inquiry or request.

D.

Data Exchange Formats: A pre-requisite to data exchange that represents agreement on (a) *what data* is to be exchanged, and (b) its *physical format*. The primary goal of instituting format standards for data exchange is to promote accessibility and ease of use of a variety of datasets from different applications, systems, platforms and databases. There are many data exchange formats in use. A format like CSV (comma separated values) is very simple but lacks meta-information like identifiers for features. XML has recently emerged as a popular standard for data exchange format. XML data is stored in plain text format providing a software- and hardware-independent means of storing data. This makes it much easier to create data that different applications can share.

Data Interface: A capability for moving data among systems in an automated fashion.

Data Owner: Personnel who obtain, create, and have significant control over the content and data of their organization.

Data Stewardship: A role that serves to ensure that adequate, agreed-upon quality metrics are maintained on a continuous basis. Data Stewards do not own the data nor do they have complete control over its use.

Disaster Recovery / Continuity of Operations Policies and Procedures: Disaster Recovery / Continuity of Operations (COOP) policies and procedures represent a plan for managing disasters, crises, and contingencies by preventing them whenever possible and mitigating their effects when they cannot be prevented by implementing documented recovery procedures. This set of guidelines and instructions verifies that the provider's Disaster Recovery / Continuity of Operations plan has been tested and provides test results. Policies and procedures must also indicate the frequency of testing. Disaster recovery / Continuity of operations policies and procedures are periodically assessed, evaluated, and updated to ensure their accuracy and completeness.

Disaster Recovery / Continuity of Operations Plan (COOP) Test Results: A document that verifies that the provider's Disaster Recovery / Continuity of Operations Plan has been tested and provides test results. The document must also indicate the frequency of testing.

Discovery and Analysis Phase: One of four phases of the Provider Assessment Process; contains activities (e.g. collect data, interview customer personnel, interview provider personnel, and examine evidence) that will be performed during the assessment.

Draft Assessment Report: A report that will be distributed to the provider for review and comment during the Reporting phase of the Provider Assessment.

E.

Enterprise Architecture (EA): A set of models that provide abstractions of the provider's enterprise and supporting technology. EA models should provide a holistic view that facilitates decision making. They should also provide a common view and vocabulary that facilitate communication across disparate groups. OMB's Federal Enterprise Architecture guidelines provide specifications for EA; OMB's Federal Segment Architecture Methodology describes the steps necessary to develop the architecture. EA evidence should include the provider's:

- ☐ Enterprise Architecture models
- ☐ EA procedures and administrative processes
- ☐ Evidence that resources are allocated to EA activities
- ☐ Samples of EA communication to stakeholders
- ☐ Mapping to (description of the correlation with) integration and interoperability standards and guidelines.

Enterprise Transformation: The transformation of a provider's business practices and organizational structures and culture to fully align with and realize the value of product and process innovation. Enterprise transformation is enabled by technology innovation.

Evidence Issues: Questions or concerns that arise regarding the evidence a provider submits (e.g., missing artifacts, unclear documentation). The HR LOB will discuss these evidence issues with the provider and resolve issues during activity 2.4 Examine Evidence of the Discovery and Analysis phase.

Examine Evidence: Activity 2.4 in the Discovery and Analysis phase of the Provider Assessment. During this activity, the HR LOB will determine additional evidence to be collected and gather the additional evidence. The HR LOB will also assess all evidence submitted and resolve evidence issues.

F.

Federal Enterprise Architecture Compliance Process: Activities put into place to determine the extent to which an Enterprise Architectures complies with OMB FEA Guidance.

Fee Structure: The structure a provider has in place and / or the approach the provider has taken to determine the price customers must pay for the services they receive.

Finalize Assessment Report: Activity 3.2 in the Reporting phase of the Provider Assessment. During finalize assessment report, the HR LOB will incorporate the provider's feedback to finalize the assessment report.

Functional Owners: Parties related to the business function dimension of a given entity (e.g., owners of the functional aspect of an integration and interoperability governance framework, business owners of an HR information system).

Funding Strategy: A document that recommends how resources will be secured for a given program, project, or initiative.

G.

Governance Charter: A formal document that specifies the roles, responsibilities, policies, and processes that the provider has established to guide, direct, and control their organization.

Governance Structure: A set of formal processes, customs, policies, laws, roles, and management or leadership structures that regulate the way people direct, administer or control a given area of responsibility.

H.

Human Resources Line of Business (HR LOB): A Federal program launched in 2004 by OPM to realize the potential of electronic government and redefine human resources service delivery for all civilian employees of the Executive Branch of the Federal Government. The HR LOB Concept of Operations proposes a near-term delivery model in which HR services relate to Human Resources Information Systems and payroll operations move from the agencies to HR Shared Service Centers (SSCs), allowing agencies to focus on the more strategic aspects of their core missions, while the SSCs can focus on delivering administrative services efficiently, in a cost effective manner and with a focus on the customer and service quality.

HR LOB Enterprise Architecture: A set of depictions that define Human Resources across the government. The HR LOB Enterprise Architecture (EA) is in line with the Federal Enterprise Architecture (FEA) and includes the Business Reference Model, Performance Model, Service Component Model, Data Model, and Technical Model. It was developed to assist Shared Service Centers (SSCs) and agencies to standardize their HR processes and technology, a major prerequisite to the common solutions that are a fundamental element of the HR LOB vision.

HR LOB Leadership Team: The group of people responsible for heading HR LOB program at the U.S. Office of Personnel Management. The leadership team is headed by HR LOB Program Manager Liz Mautner.

HR LOB Scribes: Members of the assessment team who document what is said during a Provider or Customer interview. This documentation may be used to support Assessment Report findings.

I.

Improvement Plans: Plans that providers will establish to address customer feedback and other assessment results.

Industry Analysis: A study that takes place to understand the overall context in which an enterprise operations to help the enterprise formulate its marketing strategy. Factors that can be taken into consideration when performing an industry analysis include geographic area, industry, product, buyers, regulatory environment, and organization information.

Industry Best Practices: Processes and / or procedures that are acknowledged to be particularly effective for a given business area (e.g., Payroll).

Infrastructure: The basic physical structures, facilities, equipment, tools, and technologies required by the provider to house, enable, and support day to day operations of an organization.

Infrastructure Strategy: A strategy that aligns and allocates a provider's infrastructure resources to best support its strategic vision; deliver the expected level of service; and modernize, expand, and / or improve that service over time.

Infrastructure Resources: Facilities and supporting elements that support what a provider requires for its operations and infrastructure management.

Integration and Interoperability: One of five categories of the Provider Assessment which aims to 1) promote and adopt integration and interoperability standards and guidelines; 2) ensure that a provider's formal system development life cycle (SDLC) methodology supports integration and interoperability; 3) establish and manage an integration and interoperability governance framework and process; and 4) establish and adhere to guidelines, methods, and best practices for technology and technical component management.

Integration and Interoperability Governance Framework: An open, standards-based specification and set of technologies that describes and promotes interoperability among components of a service-oriented architecture. The framework establishes structures and processes that support integration ad interoperability, and promotes effective decision-making, control, administration, communication, and performance review.

Integration and Interoperability Planning: The activities that establish integration and interoperability framework, incorporate the necessary models and controls within the solution architecture, and define the procedures that ensure systems, processes and people are managed in a way which maximizes opportunities for internal and external exchange and re-use of information. To achieve complete integration and interoperability, common understanding and agreements must be reached on many levels, from the lowest layers of technology to the policies of government and industry.

Integration and Interoperability Standards and Guidelines: Document(s) that specify the standards and / or guidelines that the provider has put into place to:

- ☐ Set expectations for integration and interoperability across provider systems and those systems with which provider systems interact (e.g., agency systems, OPM governmentwide systems)
- ☐ Specify how the standards and guidelines are to be enforced
- ☐ Describe governance structures and processes for integration and interoperability

Interoperability: The ability of diverse systems and solutions to work together. The ability of a provider's business processes and services – and the solutions that implement these business processes and services – to change data and information meaningfully and to allow knowledge sharing.

Interview Customer Personnel: Activity 2.2 in the Discovery Analysis phase of the Provider Assessment. During this activity, the HR LOB will identify the customer personnel to be interviewed, schedule customer interviews, conduct customer interviews, and document customer interview notes.

Interview Notes (Customer and Provider): The proceeds of an interview that are documented by the HR LOB scribe.

Interview Provider Personnel: Activity 2.3 in the Discovery Analysis phase of the Provider Assessment. During this activity, the HR LOB will conduct provider interviews and document provider interview notes.

Interviewee: The person responding to the set of questions presented by the interviewer. During the Provider Interviews, the interviewee is the provider. During the Customer Interviews, the interviewee is the customer. Different interviewees may be identified for each of the five categories of questions.

L.

Launch Assessment: Activity 1.2 in the Planning phase of the Provider Assessment. During launch assessments, the HR LOB will be developing the detailed assessment project plan, conducting an assessment kick-off session with the provider being assessed, identifying customer and provider personnel who will be participating in the assessment, scheduling the provider interviews, and distributing a Provider Interview Guide to providers.

Lessons Learned Questionnaire: A template used to capture comments, suggestions, and general feedback on ways to improve the Provider Assessment. This questionnaire will be made available over the course of an assessment, as appropriate, to MAESC members, customer agencies, and providers.

Long-Term Strategy: A set of approaches, decisions, and / or ideas that describe the means by which the provider intends to achieve its mission, move toward its vision, and accomplish its long-term goals. The time horizon for a long-term strategy is typically three to five years.

M.

Marketing Strategy: A set of approaches, decision, and / or ideas that describe the means by which the provider intends to achieve its objectives through marketing. A marketing strategy defines marketing and financial objectives and explains how the objectives will be achieved. The marketing strategy is used to support subsequent decisions on marketing planning, resource allocation, and operations.

Master Assessment Schedule: A schedule that is published in conjunction with the assessment cycle that shows the assessment time periods for all providers during the assessment cycle. The master assessment schedule is published well ahead of the begin date of the assessment cycle, giving providers and assessment team members ample time to prepare for assessments.

Master Interview Schedule: Schedules that outline all interviews that are to take place for a given assessment. Master interview schedules will be created during launch phase of the assessment and will be maintained through the interview period that takes place during the discovery and analysis phase of the assessment.

Mission Statement: A formal brief written statement describing the overall purpose of the provider enterprise. A mission statement should guide the actions of the enterprise, spell out its overall goal, provide a sense of direction, and guide decision-making. It provides the framework or context within which the enterprise's strategies are formulated.

Modernization: One of three outcomes of the Provider Assessment; influence providers to move toward the vision of the HR LOB – "To provide governmentwide, modern, cost-effective, standardized, and *interoperable* HR solutions …"

Modernization Plan: A formal document that specifies actions the provider intends to take to improve and / or transform its technology, business processes and practices, and / or organization and human resources. An effective modernization plan should describe the provider's plans for modernizing systems and business operations and should clearly link to the provider's enterprise architecture, specify an approach to integration and interoperability, and describe how the modernization is to be funded.

Multi-Agency Executive Strategy Committee (MAESC): The central governing body of the HR LOB. It is composed of 24 member agencies with OPM and OMB as co-chairs.

MAESC member: A person who sits on the HR LOB Multi-Agency Executive Strategy Committee. The role of the MAESC member in the assessment is to confirm customer agencies to be surveyed, help identify customer respondents for the Provider Assessment Questionnaire, provide lessons learned for the assessment process, discuss assessment program improvements, and review assessment program changes.

O.

OMB's Enterprise Architecture Assessment Framework: Guidance published by the Office of Management and Budget that identifies measurement areas and criteria by which agencies are expected to use the Enterprise Architecture to drive performance improvements that result in: closing agency performance gaps; saving money; improving quality, availability and sharing of data and information governmentwide; and increasing transparency in government.

OMB's FEA Assessment Guidance: See "OMB's Enterprise Architecture Assessment Framework"

Open Standards: A standard that is publicly available and has various rights to use associated with it. It may also have various properties of how it was designed (e.g. open process). The terms "open" and "standard" have a wide range of meanings associated with their usage. The term "open" is usually restricted to royalty-free technologies while the term "standard" is sometimes restricted to technologies approved by formalized committees that are open to participation by all interested parties and operate on a consensus basis.

Operating Procedures: A set of instructions that are put into place provide direction, improve communication, reduce training time, and improve work consistency. They should clearly outline instructions for operation of processes and outline the preferred and safest method of operation in a standardized manner.

Operational Analysis: A tracking method used to measure the performance and cost of an operational asset against the baseline established in the Planning Phase. The system should have the capability to provide simple, easy to understand information that can be used by managers to make sound management decisions and optimize the performance of capital assets.

Organizational Structure: How an enterprise is configured in terms of groups of people and their reporting relationships. An organization can be structured in many different ways depending on their objectives; the structure of an organization will determine the modes in which it operates and performs.

Overall Themes: Themes that will be generated from the repeating ideas found during provider and customer interviews as well as the Provider Assessment Questionnaire. These themes will be shaped into assessment findings for the draft and final assessment reports.

P.

Performance Improvement Goals: Goals that are established based on performance outcomes to drive improvement of provider services to its customers.

Performance Management: One of five categories of the Provider Assessment, which aims to 1) identify performance measures and tracks and communicate performance results, and 2) track performance results to drive continuous improvement.

Performance Measures and Results: Established criteria for determining the quality of provider activities based on organization goals and documentation of the results captured over time for those measures. The measures may be defined in the service level agreements that

providers negotiate with their customer (s). Other measures may be more internal in nature and are defined by the provider to monitor and improve the effectiveness of their operations.

Performance Targets: The commitment a provider makes about the level and timing of results it wants to achieve. A performance target should be established for each performance measure.

Planning Phase: One of four the phases of the Provider Assessment Process; contains activities (e.g. scheduling providers for their assessment, conducting training, etc.) that will be performed prior to the start of the assessment.

Plug and Play: A term that refers to the ease with which interoperable components of a system can be more easily swapped out and substituted with other components.

Potential Customers: Federal agencies that could potentially become customers of an HR LOB Shared Service Center and / or E-Payroll Provider.

Practices: An important part of the overall structure of the HR LOB Provider Assessment. They include techniques, methods, processes, or activities that HR LOB customers have determined to be important elements of a healthy program.

Procedures: Formal documentation that specifies the steps required to perform business operations in a standard and predictable manner. Evidence should include the following:

- ☐ Operating procedures
- ☐ Compliance / noncompliance procedures
- ☐ Audit procedures
- ☐ Integration and interoperability procedures
- ☐ Security procedures
- ☐ Data privacy / breach notification procedures
- ☐ Disaster recovery / continuity of operations procedures

Program Changes Log: Log used during the publish assessment program changes activity of the Assessment Program Improvement phase to formally document proposed assessment program changes. The Customer Council and providers will be asked to review the log and provide feedback on the proposed changes.

Program Improvement Phase: One of four phases of the Provider Assessment Process; contains the wrap-up activities (e.g. compiling results, creating the HR LOB Provider Assessment Final Report) that will be performed after the assessment is completed.

Program Improvements Recommendations: Recommendations developed by the HR LOB based on comments received by customer agencies, MAESC, and providers through the lessons learned questionnaire.

Provider: An overall label for "Shared Service Center" and "e-Payroll Provider. HR LOB providers include 1) Department of Defense (Civilian Personnel Management Service); 2) Health and Human Services; 3) Treasury (HR Connect & Partnered with Bureau of Public Debt), 4) General Services Administration; 5) Department of Defense (Defense Finance and Accounting Service); 6) Department of Agriculture (National Finance Center); and 7) Department of the Interior (National Business Center).

Provider Assessment Program Presentation: A presentation delivered during the kick-off session for the provider being assessed. The presentation provides a high level overview of the purpose of the assessment and how the assessment is conducted. The presentation may be delivered via conference call for those provider participants not able to attend in person.

Provider Assessment Program Revisions / Changes: Changes that will be made to the Provider Assessment program based on feedback received from the customer agencies, MAESC, and providers during the capture lessons learned activity of the Assessment Program Improvement phase.

Provider Interviews: Questions directed at the providers regarding their business practices in the five categories. The provider interviews will be segmented into five interviews – one per category. Different interviewees may be identified for each of the five categories.

Provider Interview Guide: A resource for interviewees selected to participate in the Provider Interview. It includes a Provider Assessment Program introduction, interview participant information, a list of provider interview questions, the Provider Assessment Interview Guide Glossary, and FAQs.

Provider Points of Contact: An employee at the provider being assessed who is identified by the provider as the person through whom information should flow to and from the provider. Among other tasks, this point of contact will identify respondents from their provider for the provider interviews.

Publish Assessment Program Revisions / Changes: Activity 4.2 in the Assessment Program Improvement phase of the Provider Assessment. During this activity, the HR LOB will propose assessment program revisions / changes which they will then review with both the providers and customer agencies. After the HR LOB receives comments on the proposed assessment program revisions / changes, it will then revise the assessment program.

Q.

Question Set: A group of assessment questions including an assessment question and all of its subordinate supporting questions. The supporting questions are meant to validate the "Yes" or "No" response given to the assessment question.

R.

Reporting Phase: One of four phases of the Provider Assessment Process; contains activities (e.g. compile draft assessment report and finalize assessment report) that will be performed after the Discovery and Analysis phase**.**

S.

Schedule Assessments: Activity 1.1 in the Planning phase of the Provider Assessment. During schedule assessments, the HR LOB will be creating a Master Assessment Schedule, which it will then be reviewed with the provider being assessed.

Security and Data Privacy Policies and Procedures: A set of guidelines and instructions that are implemented to govern information sharing and ensure that personal data is respected and protected from unauthorized use. Security and data privacy policies and procedures are periodically assessed, evaluated, and updated to ensure their accuracy and completeness.

Service Level Agreements (SLA): A negotiated agreement between a customer and their service provider that defines services, fees, service levels, customer obligations, and other expectations that are set between the customer and provider.

Short-Term Goals and Objectives: A provider's short-term intent and purpose that is directly linked to the long-term strategy of that provider. These are goals that the provider plans to achieve in the short run. The achievement of these short-term goals will drive the provider closer toward its long-term mission, vision and goals. The time horizon for short-term goals and objectives is typically one to three years.

Solution Architecture (Segment Architecture): Detailed results-oriented architecture (baseline and target) and a transition strategy for a portion or segment of the enterprise. The scope of the Segment Architecture is the "segment". Segments are individual elements of the enterprise – typically narrower than the scope of the Enterprise Architecture to which it relates – describing core mission areas, and common or shared business services and enterprise services may reflect conceptual, logical, and / or physical level (s) of detail.

Stakeholder: A person, group, or organization that has an interest in the HR LOB program and its initiatives, including the Provider Assessment.

Standardized Data: The framework or standard for how data will be formatted for implementation within systems and in data exchanges between systems. This task relies on the identification of data by data stewards or communities of practice and on the functional community that will eventually implement and use standardized data.

Standardized Data Exchange Format: See "Standardized Data"

Strategy and Architecture: One of five categories of the Provider Assessment, which aims to 1) establish a strategic vision that drives decision making, 2) leverage enterprise architecture as a foundation for the provider's strategic vision, enterprise transformation, and modernization, 3) establish a technology strategy as a basis for allocating technology resources to best support your strategic vision, 4) establish a workforce strategy as a basis for allocating human capital to best support your strategic vision, and 5) establish an infrastructure strategy as a basis for allocating infrastructure resources to best support your strategic vision.

Structured Interview: A method commonly employed in survey research that aims to ensure that each interview is presented with exactly the same questions in the same sequence. This helps promote reliable aggregation of responses. It also helps ensure that comparisons can be made with confidence between sample subgroups or between different survey periods.

Strategic Planning: A process a provider performs to define its strategy or direction, and make decisions on allocating resources to pursue this strategy, including its capital, people and infrastructure. It is the formal consideration of a provider's future course.

Strategic Vision: The framework for a provider's strategic planning. It sets the direction for the strategic planning of a provider and drives decision making. It includes the provider's mission, vision, business strategy, and technology strategy.

Succession Planning Activities: The process for identifying and developing internal personnel with the potential to fill key or critical organizational positions. Succession planning ensures the availability of experienced and capable employees that are prepared to assume these roles as they become available.

System Audit Policies and Procedures: A set of guidelines and instructions that documents what the provider must do with regard to an IT system audit. An IT system audit is the process of collecting evidence and evaluating the effectiveness of an organization's information systems, practices, and operations. The evaluation determines whether the information systems are safeguarding assets, maintaining data integrity, operating efficiently, and effectively supporting the achievement of the organization's goals or objectives. System audit policies and procedures are periodically assessed, evaluated, and updated to ensure their accuracy and completeness.

System Development Life Cycle (SDLC) and / or Package Implementation Methodology (PI): A document that specifies the formal, repeatable process that the provider uses to design, develop, test, and implement business application systems and / or acquire, configure, test, and implement application packages.

System of Record Notice (SORN): The Privacy Act of 1974 requires agencies to publish Systems of Records Notices (SORNs) in the Federal Register that describe the categories of records on individuals that they collect, use, maintain, and disseminate. Service providers should submit the internet link to document where their SORNs can be found in the Federal Register as proof that their systems are listed as a Privacy System of Record and are in compliance with the Privacy Act of 1974.

T.

Technical Component Management: The planning, understanding, and managing information technology technical components (such as hardware and software (systems and services), database services, disaster recovery, network and communications, security and access control, and document services, etc.) as corporate resources that determine both the strategic and operational capabilities of the organization for designing and developing products and services for maximum customer satisfaction, corporate productivity, profitability and competitiveness.

Technical Owners: Owners of technical aspect of an integration and interoperability governance framework. Parties related to the technical dimension of a given entity (e.g., owners of the technical aspect of an integration and interoperability governance framework, technical owners of an HR information system and its underlying infrastructure).

Technical Selection Methodology: A formal process for making technology decisions in a structured and disciplined manner. Technical selection decisions are often made based on factors such as the extent to which the technology meets pre-determined requirements, total cost of ownership, and business characteristics of the technology vendor.

Technology Strategy: A set of approaches, decisions, and / or ideas that describe the means by which the provider intends to manage, operate, and improve its technology over time. The technology strategy is used to support subsequent decisions on technology planning, resource allocation, and operations. The technology strategy should include the provider's short-term and long-term goals.

Tracking Log – Requests to Release Employees' Personally Identifiable Information (PII): An example of (or a template for) a log or repository that tracks all requests for release of employee personally identifiable information (PII) – providing an indication of the extent to which the release of PII information is monitored and controlled.

Training: Artifacts that provide evidence that formal training programs are in place at the provider. Examples include training bulletins that describe training curricula, training schedules, certificates of completion, course presentations, etc. Training-related evidence should reflect the following training:

- ☐ Security and data privacy
- ☐ Disaster recovery / continuity of operations

Transparency: One of three outcomes of the Provider Assessment. Transparency is furnishing visibility into provider operating practices, procedures, and supporting technology to build a foundation of trust and openness among providers and customers, resulting in more efficient and effective HR operations.

V.

Vision Statement: A formal brief written statement that describes where the provider enterprise would like to be in the future. A vision statement takes into account the current status of the enterprise and provides an overall direction of where the enterprise should be going. In so doing, it sets a central goal that the enterprise aspires to reach and thus helps to provide a focus for the mission of the enterprise.

W.

Written Compliance Procedures: A set of instructions that documents what the provider must do to be considered compliant and aligned to all applicable Federal legislation, regulations, and policies. Compliance procedures are periodically assessed, evaluated, and updated to ensure their accuracy and completeness.

Written Operating Procedures: Formal documentation that specifies the steps required to perform business operations in a standard and predictable manner. They can provide direction, improve communication, reduce training time, and improve work consistency.

Workforce Strategy: A multi-year approach to human capital management. It can include: organizational assessment to identify performance culture and measure employee satisfaction; communication strategies; workforce forecasting and analysis; retention management; recruitment; alignment of HR functions; leadership assessment; education and development; and evaluation and measurement of outcomes.

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