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HR/Payroll Integration

**HR Worldwide Conference
July 2002**

Overview



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- OMB and OPM initiative to consolidate and standardize payroll operations across the Federal government
 - Designate OPM as managing partner
 - Consolidate to 3 Federal payroll providers
 - Establish standard governance structure
 - Create an interoperable HR/Payroll solution
- Effort currently focused on payroll

Goals



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- Equal or beat commercial benchmarks for annual costs per employee and quality of service
- Provide HR/Payroll policies and procedures uniformly and timely that are easy to understand and administer
- Implement Government-wide HR/Payroll solutions that are “best in class”
- Save \$400-450M over 7 years

5 Action Teams



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- Governance
- Standardization
- Enterprise Architecture
- Consolidation
- Project Management



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Current Environment

- Federal government has 16 different payroll providers
- 4 agencies provide over 80% of total Federal civilian payroll
 - DFAS
 - U.S. Department of Agriculture (National Finance Center)
 - Department of Veterans Affairs
 - Interior



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Consolidation Timelines

- June 1 - Request for agency proposals
- July 31 – Submit proposals to OPM
- Aug 1-31 – Evaluate proposals
- Sep 30 – Select and announce providers
- Oct 1 - Nov 30 – Conduct “open season”
- Dec 1 – Begin migration to providers
- FY 04 – Complete consolidations
- FY 04 and beyond – Develop single integrated HR/Payroll solution



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Potential Payroll Providers

- 8 agencies indicate they will submit proposals
 - DFAS, Agriculture, GSA, Interior, EPA, Transportation, VA, HHS
- 7 additional agencies may submit proposals –
Justice, Treasury, State, NASA, NRC,
Energy, Labor



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Long Range Goals

- Standardize payroll operations
- Consolidate to one government provider
- Develop a state-of-the-art payroll system that fully integrates with Federal HR system (EHRI initiative)
- Ultimately, outsource payroll operations

DoD Strategy



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- Stay involved in development process
- Support DFAS selection as a provider
- Work closely with EHRI team
- Ensure EHRI solution is compatible with modern DCPDS
- Improve modern DCPDS - DCPS interoperability (Separate DoD effort)

DCPDS – DCPS Interoperability



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- CPMS – DFAS initiative to improve interface between systems
 - Make payroll processing an integral part of civilian personnel processing
 - Exclude modern DCPDS review
 - Seek alternatives that can be implemented in 12–18 months

DCPDS – DCPS Interoperability



- Potential solutions identified/evaluated by contractor (KPMG)
 - Perform end-to-end review of current payroll operations
 - Evaluate all alternatives (COTS, GOTS, DCPS)
 - Recommend up to 5 automated solution finalists
- “Quick hits” provided August 2, 2002
- Recommendations provided Oct 11, 2002