



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

ACTION MEMORANDUM FOR INDUSTRY

FROM: Elizabeth Angerman, Director of the Office Financial Innovation and Transformation

SUBJECT: Update on Implementing the Financial Management Shared Services Policy

The purpose of this Memorandum is to:

- (1) Update private industry stakeholders on the Department of the Treasury's Office of Financial Innovation and Transformation's (FIT) progress -implementing its responsibilities as described in Office of Management and Budget (OMB) Memorandum M-13-08, "Improving Financial Systems through Shared Services"; and
- (2) Solicit stakeholder input on the draft qualifications required for designation as a Federal Shared Service Provider (FSSP), Internal Shared Service Provider (ISSP), or Private Shared Service Provider (PSSP).

Update on Financial Management Shared Services Policy Implementation

OMB issued M-13-08, "Improving Financial Systems through Shared Services," to implement a shared approach to Information Technology (IT) service delivery for Federal financial management. In the memorandum, OMB assigned FIT several responsibilities including: (1) establishing a strategy and framework for agency migrations to a shared service model for financial management systems across the Federal Government; (2) evaluating new agency proposals for alignment with the guidance; and (3) identifying qualified financial management shared service providers (SSPs) to support agency modernization needs.

In collaboration with OMB and the Federal financial management community, FIT developed a strategy and framework (blueprint) for the overall shared service environment in May 2013. Since the development of the blueprint, FIT has met with agencies, private industry, and current financial management SSPs in various forums to obtain feedback on how to implement the blueprint. FIT has focused on three main areas:

- (1) Developing the SSP marketplace to draft qualifications and identifying a common set of services that an SSP must offer to be designated as a qualified provider;
- (2) Working with SSPs and agencies to define common performance measures and create a series of Federal Government financial management benchmarks that will enable agencies to compare SSP service offerings; and
- (3) Developing the process for migrating agencies to SSPs by partnering with several cabinet-level agencies as they modernize their financial management systems with SSPs.

Request for Feedback of SSP Qualifications

Working with agencies, current financial management SSPs, and private industry, FIT developed a draft set of qualifications that all SSPs must meet to be named a provider. The FSSP and ISSP applications will be based on the draft qualifications and feedback obtained during this review period. FIT will issue the FSSP and ISSP applications in October 2013, and responses will be due back in December 2013. FIT intends to use the same, or similar, qualifications during a future PSSP selection process in accordance with the Federal Acquisition Regulations (FAR).

FIT based the draft qualifications on the former Financial Management Line of Business (FMLoB) Due Diligence Checklist (see Attachment 1). The areas of scalability, business viability, and governance were themes that were repeated during the focus group discussions held throughout July and August. Based upon feedback from the financial management community, several new categories of questions were added in these areas.

Attachment 2 includes the draft qualification criteria (and application). For any definitions in the application, reference the Glossary in Appendix A or the draft Products and Services Catalog, as applicable. The application contains three main categories:

- **Screening** – The minimum qualifications to be designated a SSP. (Successful respondents must answer yes to all questions or demonstrate that a viable plan exists in specific circumstances.)
- **Background** – Information-based questions intended to provide a snapshot of the applicant's current environment.
- **Evaluation** – Narrative responses that will be scored based upon a series of published evaluation factors.

In the review of the qualifications and application, please consider:

- Question content and the usefulness of responses requested;
- Which evaluation factors should be rated higher and lower;
- Whether other factors should be considered;
- Availability of data requested; and
- Application format.

Please review the draft qualifications and associated application and provide feedback on the attached feedback form (see Attachment 3) by **COB September 11, 2013** to FIT@treasury.gov. We appreciate all of your time and input as we work to develop the qualification criteria. If you have any questions, please do not hesitate to contact FIT at FIT@treasury.gov. Thank you for your participation.

ATTACHMENTS:

Attachment 1: FMLoB Due Diligence Checklist

Attachment 2: Draft Financial Management Shared Service Provider Application

Attachment 3: Feedback Form