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Science and Technology (S&T) Reinvention Laboratory Personnel Management Demonstration Project at the United States Army Communications-Electronics Command (CECOM), Research, Development and Engineering (RDE) Community; Notice

DEPARTMENT OF DEFENSE

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Science and Technology (S&T) Reinvention Laboratory Personnel Management Demonstration Project at the United States Army Communications-Electronics Command (CECOM), Research, Development and Engineering (RDE) Community

AGENCY: DoD, Office of the Deputy Assistant Secretary of Defense (Civilian Personnel Policy).

ACTION: Notice of approval of a demonstration project final plan.

SUMMARY: The National Defense Authorization Act for Fiscal Year 1995, as amended by Section 1114 of the National Defense Authorization Act for Fiscal Year 2001, authorizes the Secretary of Defense to conduct personnel demonstration projects at Department of Defense (DoD) laboratories designated as Science and Technology (S&T) Reinvention Laboratories. The above-cited legislation authorizes DoD to conduct demonstration projects that experiment with new and different personnel management concepts to determine whether such change in personnel policy or procedures would result in improved Federal personnel management.

DATES: Implementation of this demonstration project will begin by February 1, 2002, or earlier. Participating organizations will be phased into the project in accordance with the implementation time frames approved by the Office of the Assistant Secretary of the Army (Manpower and Reserve Affairs).

FOR FURTHER INFORMATION CONTACT: CECOM RDE Community: Thomas Sheehan, U. S. Army Communications-Electronics Command, Research Development and Engineering Center, (AMSEL–RD–LQ), Myer Center, Fort Monmouth, New Jersey 07703–5201, (732) 427–4465. DoD: Patricia M. Stewart, CPMS–AF, Suite B–200, 1400 Key Boulevard, Arlington, VA 22209–5144.

SUPPLEMENTARY INFORMATION:

1. Background

Since 1966, many studies of Department of Defense (DoD) laboratories have been conducted on laboratory quality and personnel. Almost all of these studies have recommended improvements in civilian personnel policy, organization, and management. The project involves: (1) Two appointment authorities (permanent and modified term); (2) extended probationary period for newly hired Engineering and Science employees; (3) pay banding; (4) streamlined delegated examining; (5) modified reduction-in-force (RIF) procedures; (6) simplified job classification; (7) a pay-for-performance based appraisal system; (8) academic degree and certificate training; (9) sabbaticals; and (10) a voluntary emeritus corps.

2. Overview

On June 19, 2001, DoD published the proposed demonstration project in the **Federal Register** (66 FR 32983–33012). During the public comment period ending August 11, 2001, DoD received comments from 16 individuals, including 11 individuals who presented oral comments at the public hearing held at Fort Monmouth, NJ on July 12, 2001. All comments were carefully considered. Some commenters addressed topics that lie outside the project's scope or the demonstration authority of 5 U.S.C. Chapter 47 (*e.g.,* whether or not unions choose to embrace this demonstration). These comments are not included in the summary below. The following summary addresses the pertinent comments received, provides responses, and notes resultant changes to the original project plan in the first **Federal Register** notice. Most commenters addressed several topics, which were counted separately. Thus, the total number of comments exceeds the number of individuals cited above.

A. General Positive Comments

Six commenters were totally supportive of the demonstration, saying that a performance-based system will be better than the current system, that it will make clear distinctions between top performers and mediocre ones, and that the personnel demonstration project offers a real opportunity for all employees and will work very well.

B. Pay for Performance Appraisal System

Seven comments were received about pay for performance.

(1) Reconciliation Process

Comments: Two commenters expressed concern that the reconciliation process might be influenced by non-performance factors such as the availability and leadership dynamics of the officials involved, that the process might be too subjective and removed from the employee, and that scores might be reconciled to benefit unduly those personnel working on favored programs. One commenter suggested adding some form of oversight to the process.

Response: The reconciliation process provides for a structured, group review of initial scores by raters within an organizational unit. Each employee's preliminary scores are compared, and through discussion and consensus building, ratings are reconciled. After the division chiefs have initially met and reconciled scores, the Pay Pool Manager performs an overview of the distribution of ratings and payouts in an effort to achieve consistent ratings across the organization and resolve any scoring issues. This process is similar to the informal process many managers currently use within their own organization to compare performance levels with ratings and performance awards. The demonstration's formal reconciliation process expands this comparison across organizational lines and provides a forum to share initial assessments to ensure equity and consistency.

(2) Pay Pools

Comments: Three inquiries were received regarding pay pools, as follows: Whether team leaders would be part of a supervisory pay pool or a non-supervisory pay pool; whether the guidelines for determining pay pools can be waived when circumstances prevent meeting them; and which pay pool would include Pay Band V employees.

Response: As to the first question of team leaders, language has been added that would permit those team leaders classified by the GS Leader Grade-Evaluation Guide to be included in the supervisory pay pool. Other leaders who have project responsibility but do not actually lead other workers would be appropriately placed in non-supervisory pay pools. As to the second question on how pay pools would be structured, language has been added that authorizes RDE Center Directors to deviate from the guidelines. As to the third question, a Pay Band V employee would be assigned to the supervisory pay pool within his/her organization, because Pay Band V employees by definition have full managerial and supervisory authority.

(3) Significant Accomplishment/ Contribution Rule

Comment: Two comments were received relating to this rule. The first suggested that the performance of those affected by the rule should be compared only to other engineers and scientists in the pay pool, rather than to all

employees in the pay pool. The second comment suggested applying the rule to all occupational families and all pay bands at or above the GS–14 equivalent level.

Response: We have carefully considered these comments. The rule links the total performance score to the amount of base pay increase an employee can receive. All scores in the pay pool are placed in rank order. Employees whose scores fall in the top third of scores in the pay pool will receive the full allowable base pay increase portion of the performance pay out. Employees whose scores fall in the middle or bottom third will receive a base pay increase of 1 percent of salary or no base pay increase, respectively. The comment proposes that, since the rule only affects DB–III employees, only the scores of DB–III employees should be ranked to determine whose scores fall in the top, middle, or bottom third.

We performed mock rankings in order to assess the effects of the methodology originally proposed versus that suggested by the commenter. Our analysis shows that, since scores are being ranked and not individual employees, it is more advantageous for DB–III employees to be part of a larger ranking (all employees in the pay pool) than a smaller ranking (only E&S employees in the pay pool). The way the rule is currently defined enhances the potential for DB–III employees to receive a score ranked in the upper third and, hence, to receive the full base pay increase.

As to the comment that the rule should be expanded to the Business and Technical family, this rule was imposed to maintain a degree of cost discipline for DB–III employees, because their pay band uniquely spans three high grades under the Governmentwide personnel system, GS–12 through –14. Promotion to GS–14 currently requires scientists and engineers to assume supervisory responsibilities or apply highly specialized technical knowledge. The normal progression of a non-supervisory engineer or scientist is to GS–13. The rule in question allays concerns that DB–III employees would otherwise have the potential to progress to the highest salary in the band without necessarily operating at increased levels of performance or responsibility.

The bands for the Business & Technical (B&T) family were designed differently, with DE–II spanning grades 12–13 and DE–III reserved for 14–15. To go from Band II to Band III would normally require a competitive promotion to a new position of greater responsibility. Since pay progression for the B&T family is already limited by splitting the pay bands between grades 13 and 14, cost discipline is already factored into the band design.

C. Management Issues

(1) Fairness

Comment: Three comments were received addressing the need for fair and unbiased performance ratings. One commenter expressed concern about managers' ability to motivate employees to be top performers, while recognizing that there are also employees who do not perform or contribute their share of the work. Another commenter saw the potential for favoritism under both the current system and the demonstration. Still another suggested that the current performance management system be improved.

Response: The demonstration project incorporates a number of features to address these concerns. These features include a Personnel Management Board at the RDE level and the Center level to provide oversight for the project, including equity issues. Membership on the RDE board includes the CECOM Deputy Chief of Staff for Personnel, the Deputy Chief of Staff for Operations and Plans, and the Equal Employment Opportunity Officer, among others. Specific features of the pay for performance appraisal system were designed to address concerns of fairness and potential for favoritism. They include the reconciliation process as previously described, which is specifically designed to balance ratings based on comparisons of the levels and quality of performance across the organization. A feedback mechanism was designed so that, following the appraisal cycle, employees will rate their managers on a number of dimensions. This will help identify developmental needs. Additionally, a thorough training program has been designed for all supervisors associated with the demonstration project, with particular emphasis on skills needed in appraising performance. Specific modules will be offered on giving and receiving performance feedback, resolving conflict and confrontation in performance reviews, addressing developmental needs, rating performance, etc. Lastly, demonstration results will be analyzed and evaluated to determine if they are effective. Perceived fairness of the appraisal process has been identified as an item for evaluation and will be included in surveys of the workforce and focus group discussions with employees.

(2) Managerial Preparedness

Comments: A commenter questioned management's readiness to administer a complex pay for performance system.

Response: The CECOM RDE has made a significant commitment to this demonstration project. In addition to the training program previously described, automation tools have been developed to simplify procedural aspects of the new system and offer better analytical tools to support key decisions.

D. Credit for Performance

Comment: A commenter felt that the method of calculating credit for performance in reduction in force (RIF) places greater weight on performance during the past three years than on experience, which might disadvantage older workers.

Response: Under the current TAPES system, employees receive additional service credit based upon their three most recent performance ratings during the 4 years prior to a RIF. This process is unchanged. The demonstration project changes the method of computing credit for performance by linking the additional years of credit to the total performance score (rather than to the summary level, as in the traditional title 5 system) and by adding the years instead of averaging them. This new methodology does place greater emphasis on performance, which is consistent with the demonstration's pay for performance system.

E. Modifications to the Project Plan

Comment: If the project later requires modifications, one commenter asked, who determines the extent of notification requirements?

Response: The Office of the Deputy Assistant Secretary of Defense (Civilian Personnel Policy) will determine the extent of notification requirements.

F. Close-out Evaluations and Awards

Comment: One commenter questioned whether there would be a performance closeout rating under the current system known as TAPES, and if so, how would any award associated with the appraisal be processed and factored into the employees' pay when they convert to the demonstration project.

Response: A closeout performance appraisal will be required for some employees, depending on when their last appraisal was given. If there were a Quality Step Increase associated with the appraisal, it would be effective prior to implementation of the demonstration project. The employee would then convert into the demo at the higher salary rate. (If there were a performance award associated with the appraisal, it

would have no effect on base pay, because such awards are paid as a one-time cash bonus.)

G. Performance Improvement

Comment: One commenter asked how management will help the under-achiever to improve to an acceptable level of performance.

Response: The demonstration project plan addresses this topic in several ways. As soon as the unacceptable performance is noted, the supervisor is to inform the employee. At this point, it is appropriate to identify the possible reasons and explore some options such as counseling, training, closer supervision, or a temporary assignment to another unit in the organization. Actions that are more formal may also be taken at this point. In that case, a written notice outlining the unacceptable performance must be provided to the employee in the form of a Performance Improvement Plan (PIP). The PIP will identify the items/actions that need to be corrected or improved, outline required time frames for such improvement, and provide the employee with any available assistance as appropriate.

H. Cost Discipline

Comment: A commenter inquired about the source of funds for supervisory pay adjustments.

Response: Supervisory and team leader pay adjustments can be up to 10 percent of base pay for supervisors and up to 5 percent of base pay for team leaders. These pay adjustments are funded separately from pay pools, must be funded from project funds, and are subject to budget constraints. These adjustments will be used selectively, not routinely, to compensate only those supervisors and/or team leaders who meet detailed criteria contained in demonstration project operating procedures. They are subject to approval by the Director, RDEC, or the Director, SEC.

I. Within-Grade Increase Buy-Ins

Comment: A commenter asked if employees who enter the demonstration project after initial implementation would be awarded that portion of the next higher step they have completed.

Response: Language has been added to paragraph V.A. of the demonstration project plan to address this issue. It provides for employees who enter the demonstration project after initial implementation by lateral transfer, reassignment, or realignment to be subject to the same pay conversion rules. Specifically, adjustments to the employee's base salary for a step increase and a non-competitive career ladder promotion will be computed as a prorated share of the current value of the step or promotion increase based upon the number of weeks an employee has completed toward the next high step or grade at the time the employee moves into the project.

J. Other Changes to Project Plan

No comments were received regarding staffing supplements. However, language has been added at III. E. 8. to clarify how staffing supplements will be calculated and administered under this demonstration. Additionally, the language at III. F. 1. b., Critical Skills Training (Training for Degrees) has been amended to reflect changes in this area made necessary by section 1121 of the National Defense Authorization Act for FY 01.

Dated: October 22, 2001.

Patricia L. Toppings,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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I. Executive Summary

This project was designed by the U.S. Army Communications-Electronics Command (CECOM), Research, Development and Engineering (RDE) organizations, with participation and review by the Department of the Army (DA) and Department of Defense (DoD). CECOM RDE organizations are defined as the CECOM Research, Development and Engineering Center (RDEC) and the CECOM Software Engineering Center (SEC). Both the RDEC and SEC headquarters are located at Fort Monmouth, New Jersey.

The primary mission of the CECOM (RDE) organizations is focused on moving the 21st Century Army fully into the Information Age. Although these organizations are predominantly organized around a technology-centric theme, Information Age technologies will allow us to think in network-centric terms, i.e., the system-of-systems way of organizing, acquiring and maintaining our forces and capability. The RDE's vision is to enable commanders at all echelons to make truly informed and timely decisions, and see to it that those decisions get executed, as events require. In simple terms, getting the right information to the right place at the right time. CECOM RDE organizations support the war fighting and sustaining base communities as well as Program Executive Offices, Project Managers and other customers. We manage technology-based programs by defining, developing and acquiring superior technologies; developing, acquiring, testing and evaluating systems; and sustaining and enhancing systems and equipment for a trained and ready Army undergoing revolutionary changes. To do this, CECOM RDE organizations must be able to hire and retain enthusiastic, innovative, and highly educated scientists and engineers to meet mission needs, along with dynamic, committed technical, clerical, and administrative support personnel.

The goal of the project is to enhance the quality and professionalism of the CECOM RDE workforce through improvements in the efficiency and effectiveness of the human resource system. The project interventions will strive to achieve the best workforce for the RDE mission, adjust the workforce for change, and improve workforce satisfaction. This demonstration project builds on the concepts, and uses much of the same language, as the demonstration projects developed by the Army Research Laboratory (ARL), the Aviation and Missile Research, Development, and Engineering Center

(AMCOM RDEC), the Navy's ''China Lake,'' and the National Institute of Standards and Technology (NIST). DoD and Department of the Army (DA) will provide for an evaluation of the results of the project throughout the first 5 years after implementation. The Army has programmed a decision point 5 years into the project for permanent implementation, modification and additional testing, or termination of the entire demonstration project.

II. Introduction

A. Purpose

The purpose of the project is to demonstrate that the effectiveness of Department of Defense (DoD) laboratories can be enhanced by expanding opportunities available to employees and by allowing greater managerial control over personnel functions through a more responsive and flexible personnel system. The quality of DoD laboratories, their people, and products has been under intense scrutiny in recent years. A common theme has emerged that Federal laboratories need more efficient, cost effective, and timely processes and methods to acquire and retain a highly creative, productive, educated, and trained workforce. This project, in its entirety, attempts to improve employees' opportunities and provide managers, at the lowest practical level, the authority, control, and flexibility needed to achieve the highest quality organization and hold them accountable for the proper exercise of this authority within the framework of an improved personnel management system.

Many aspects of a demonstration project are experimental. Modifications may be made from time to time as experience is gained, results are analyzed, and conclusions are reached on how the system is working. The provisions of this project plan will not be modified, duplicated in organizations not listed in the project plan, or extended to individuals or groups of employees not included in the project plan without the approval of the Deputy Assistant Secretary of Defense (Civilian Personnel Policy). ODASD(CPP) will inform DA of requirements for notification to stakeholders, which may include Congress, employees, labor organizations, and the public. The extent of notification requirements will depend on the nature and extent of the requested project modifications. As a minimum, however, major changes and modifications will be published in the **Federal Register**. Subject to ODASD(CPP) approval, minor modifications may be made without further notice.

B. Problems With the Present System

The current Civil Service General Schedule (GS) system has existed in essentially the same form since the 1920's. Work is classified into one of fifteen overlapping pay ranges that correspond with the 15 grades. Pay is set at one of those fifteen grades and the ten interim steps within each grade. The Classification Act of 1949 rigidly defines types of work by series and grade, with very precise qualifications for each job. This system does not quickly or easily respond to new ways of designing work and changes in the work itself.

The performance management model that has existed since the passage of the Civil Service Reform Act has come under extreme criticism. Employees frequently report there is inadequate communication of performance expectations and feedback on performance. There are perceived inaccuracies in performance ratings with general agreement that the ratings are inflated and often unevenly distributed by grade, occupation and geographic location.

The need to change the current hiring system is essential as CECOM RDE organizations must be able to recruit and retain scientific, engineering and information technology (IT) professionals. The CECOM RDE organizations must be able to compete with the private sector for the best talent and be able to make job offers in a timely manner with the attendant bonuses and incentives to attract high quality employees.

Finally, current rules on training, retraining and otherwise developing employees make it difficult to correct skill imbalances and to prepare current employees for new lines of work to meet changing missions.

C. Changes Required/Expected Benefits

The primary benefit expected from this demonstration project is greater organizational effectiveness through increased employee satisfaction. The long-standing Department of the Navy China Lake and NIST demonstration projects have produced impressive statistics on increased job satisfaction and quality of employees versus that for the Federal workforce in general. This project will demonstrate that a human resource system tailored to the mission and needs of the CECOM RDE workforce will result in: (a) Increased quality in the RDE workforce and resultant products; (b) increased timeliness of key personnel processes; (c) increased retention of ''excellent performers''; (d) increased success in recruitment of personnel with critical skills; (e) increased management authority and accountability; (f) increased satisfaction of RDE customers; and (g) increased workforce satisfaction with the personnel management system. An evaluation model was developed by the Director of Defense, Research and Engineering (DDR&E) in conjunction with laboratory and service representatives and the Office of Personnel Management (OPM). The model will measure the effectiveness of demonstration projects, as modified in this plan, and will be used to measure the results of specific personnel system changes.

D. Participating Organizations

The CECOM RDE is composed of two major organizational entities: the Research, Development and Engineering Center (RDEC) and the Software Engineering Center (SEC), both headquartered at Fort Monmouth, New Jersey. RDE employees are geographically dispersed at the locations shown in Appendix A. It should be noted that some sites currently employ fewer than 10 people and that the sites may change as CECOM reorganizes, realigns, or complies with Base Realignment and Closure Act requirements. Successor organizations will continue coverage in the demonstration project.

E. Participating Employees and Union Representation

This demonstration project will cover approximately 2,100 CECOM RDE civilian employees under Title 5, United States Code in the occupations listed in Appendix B. The project plan does not cover members of the Senior Executive Service (SES), Scientific and Professional (S&T) employees, Federal Wage System (FWS) employees, employees presently covered by the Defense Civilian Intelligence Personnel System (DCIPS) and Department of Army (DA) and Major Subordinate Command (MSC) centrally funded interns and co-operative education students. Employees on temporary appointments will not be covered in the demonstration project.

DA, MSC centrally funded, and local interns (hired prior to implementation of the project) will not be converted to the demonstration project until they reach the target grade of the intern program and/or convert to a CECOM RDE employee. They will also continue to follow the TAPES performance appraisal system. Local interns hired after implementation of the project will

be covered by all terms of the demonstration project.

Personnel brought into CECOM RDE organizations either through appointment, promotion, reassignment, change to a lower grade or where their functions and positions have been transferred to an RDE organization will be converted to the demonstration project.

The American Federation of Government Employees (AFGE) and the National Federation of Federal Employees (NFFE) represent many CECOM RDE employees. Of those employees assigned to the CECOM RDE organizations, approximately 50% are represented by labor unions.

In April 1997, unions representing the majority of RDE employees at Fort Monmouth were briefed, along with Directors and senior managers, on the major aspects of the Personnel Demonstration Plan. The unions have received updates as specific proposals evolved during the design phase. The unions have attended town meetings and smaller focus group briefings provided to the workforce. CECOM RDE organizations continue to fulfill our obligation to consult and/or negotiate with all labor organizations in accordance with 5 U.S.C. 4703(f) and 7117.

F. Project Design

In September 1995, a Project Leader was appointed to lead the reinvention effort. During the next several months, waivers to various restrictions in the personnel arena were discussed, and it was learned that these initiatives should be merged into the DoD S&T Reinvention Laboratory Personnel Demonstration Project. Work then began gathering information from the original five Army S&T Reinvention Laboratories. Those demonstration projects were the first to introduce major changes to improve the personnel system specifically tailored to the Army labs.

In the summer/fall of 1997, the RDEC Associate Director for Operations hosted a series of town meetings providing an overview of Personnel Demonstration Projects. These meetings were held at Fort Monmouth and Fort Belvoir, where the majority of CECOM RDE employees are located. Plans were outlined to establish teams of volunteers to design the major aspects of the project, *e.g.,* Pay/Classification, Staffing, Employee Development and Performance Management along with an additional team dedicated to Workforce Communication. All levels of employees, supervisors and the labor organizations were invited to participate. The Associate Director for Operations provided executive oversight and briefed the project to senior managers and those local unions representing a majority of employees. From October 1997 through April 1998, the teams developed their portions of the project as outlined above. During this time, feedback was provided to RDE employees through briefings, newsletters, a web site and a dedicated anonymous electronic mailbox for employees to post questions and receive answers. As the majority of the members on the teams were non-supervisory employees, the opinions and comments of the workforce are clearly reflected in the overall design of this project. A draft proposal was developed and staffed throughout the CECOM RDE organizations and the Command. Comments and requested changes have been incorporated.

To further validate the Pay for Performance (PFP) system, a test was conducted. The goals were to provide employees feedback on how they might fare under PFP, increase employee and management participation in the process and identify areas needing improvement before actual implementation. The results of the test were briefed to senior managers, provided to the unions, published in the Personnel Demo Newsletter, and placed on the website. An interactive tool is also available on the Web site which permits employees to input their current salary and calculate performance pay outs based upon projected performance scores.

G. Personnel Management Board

CECOM RDE organizations will create an RDE Personnel Management Board (PMB) to oversee and monitor the fair, equitable, and consistent implementation of the provisions of the demonstration project to include establishment of internal controls and accountability. Permanent members of the board will include RDE senior leaders appointed by the RDE Center Directors. Other members include the CECOM Deputy Chief of Staff for Personnel (DCSPER), Deputy Chief of Staff for Operations and Plans (DCSOPS), and Equal Employment Officer (EEO) to ensure proper management and oversight of the project. Sub-boards may be established at the Center level, reporting to the RDE Personnel Management Board, to address specific issues within the scope of the separate CECOM RDE organizations. The boards will execute the following:

(a) Determine the composition of the pay-for-performance pay pools in accordance with the guidelines of this proposal and internal procedures;

(b) Review operation of pay pools and provide guidance to Pay Pool Managers;

(c) Oversee disputes in pay pool issues;

(d) Formulate and execute the civilian pay budget;

(e) Manage the awards pools;

(f) Determine hiring and promotion salaries as well as exceptions to pay for performance salary increases;

(g) Conduct classification review and oversight, monitoring and adjusting classification practices and deciding board classification issues;

(h) Approve major changes in position structure;

(i) Address issues associated with multiple pay systems during the demonstration project;

(j) Establish Standard Performance Elements and Benchmarks;

(k) Assess the need for changes to demonstration project procedures and policies;

(l) Review requests for Supervisory/Team Leader Pay Adjustments and provide recommendations to the appropriate Center Director;

(m) Ensure in-house budget discipline;

(n) Manage the number of employees by occupational family and pay band;

(o) Develop policies and procedures for administering Developmental Opportunity Programs;

(p) Ensure that all employees are treated in a fair and equitable manner in accordance with all policies, regulations and guidelines covering this demonstration project; and,

(q) Monitor the evaluation of the project.

III. Personnel System Changes

A. Pay Banding

The design of the CECOM RDE pay banding system takes advantage of the many reviews performed by DA and DoD. The design has the benefit of being preceded by exhaustive studies of pay banding systems currently practiced in the Federal sector, to include those practiced by the Navy's ''China Lake'' experiment and NIST. The pay banding system will replace the current General Schedule (GS) structure. Currently the 15 grades of the General Schedule are used to classify positions and, therefore, to set pay. The General Schedule covers all white-collar work-administrative, technical, clerical and professional. Changes in this rigid structure are required to allow flexibility in hiring, developing, retaining, and motivating the workforce.

1. Occupational Families

Occupations with similar characteristics will be grouped together into one of three occupational families with pay band levels designed to facilitate pay progression. Each occupational family will be composed of pay bands corresponding to recognized advancement and career progression expected within the occupations. These pay bands will replace individual grades and will not be the same for each occupational family. Each occupational family will be divided into three to five pay bands with each pay band covering the same pay range now covered by one or more GS grades. Employees track into an occupational family based on their current series as provided in Appendix B. Upon implementation employees are initially assigned to the highest band in which their grade fits. For example a Management Analyst GS–343–12 in the Business and Technical Family is assigned to Pay Band III as illustrated in Figure 1. The upper and lower salary limit of each band is defined by the salary of the GS grade and step as indicated in Figure 1. Comparison to the GS grades was used in setting the upper and lower dollar limits of the pay band levels; however, once employees are moved into the demonstration project, GS grades will no longer apply. The current occupations have been examined, and their characteristics and distribution have served as guidelines in the development of the following three occupational families:

Engineering and Science (E&S) (Pay Plan DB): This occupational family includes technical professional positions, such as engineers, physicists, chemists, mathematicians, operations research analysts and computer scientists. Specific course work or educational degrees are required for these occupations. Five bands have been established for the E&S occupational family:

Band I is a student trainee track covering GS–1, step 1 through GS–4, step 10.

Band II is a developmental track covering GS–5, step 1 through GS–11, step 10.

Band III * is a full-performance technical track covering GS–12, step 1 through GS–14, step 10.

Band IV * includes both senior technical positions along with supervisors-managers covering GS–14, step 1 through GS–15, step 10.

* Bands III and IV overlap at the end and start points. These two bands have been designed following a feature used by the Navy's ''China Lake'' project. Upon implementation, employees in the E&S family currently at grade GS–14 are assigned to Band IV.

Band V is a senior scientific-technical manager. The salary range is from 120 percent of the minimum rate of basic pay for a GS–15 to a maximum rate of SES level 4 (ES–4) excluding locality pay.

Business & Technical (B&T) (Pay Plan DE): This occupational family includes such positions as computer specialists, equipment specialists, quality assurance specialists, telecommunications specialists, engineering and electronics technicians, procurement coordinators, finance, accounting, administrative computing, and management analysis. Employees in these positions may or may not require specific course work or educational degrees. Four bands have been established for the B&T occupational family:

Band I is a student trainee track covering GS–1, step 1 through GS–4, step 10.

Band II is a developmental track covering GS–5, step 1 through GS–11, step 10.

Band III is a full performance track covering GS–12, step 1 through GS–13, step 10.

Band IV is a senior technical/manager track covering GS–14, step 1 through GS–15, step 10.

General Support (GEN) (Pay Plan DK): This occupational family is composed of positions for which specific course work or educational degrees are not required. Clerical work usually involves the processing and maintenance of records. Assistant work requires knowledge of methods and procedures within a specific administrative area. This family includes such positions as secretaries, office automation clerks, and budget/program/computer assistants. Three bands have been established for the GEN occupational family:

Band I includes entry-level positions covering GS–1, step 1 through GS–4, step 10.

Band II includes full-performance positions covering GS–5, step 1 through GS–8, step 10.

Band III includes senior technicians/assistants/secretaries covering GS–9 step 1 through step 10.

2. Pay Band Design

The pay bands for the occupational families and how they relate to the current GS framework are shown in Figure 1.

FIGURE 1.—PAY BAND CHART

Occupational family	Equivalent GS grades				
	I	II	III	IV	V
E&S	GS–01—GS–04	GS–05—GS–11	GS–12—GS–14	GS–14—GS–15	>GS–15
Business & Technical	GS–01—GS–04	GS–05—GS–11	GS–12—GS–13	GS–14—GS–15	
General Support	GS–01—GS–04	GS–05—GS–08	GS–09		

Employees will be converted into the occupational family and pay band that corresponds to their GS/GM series and grade. Each employee is assured an initial place in the system without loss of pay. New hires will ordinarily be placed at the lowest salary in a pay band. Exceptional qualifications, specific organizational requirements, or other compelling reasons may lead to a higher entrance salary within a band. As the rates of the General Schedule are increased due to general pay increases, the upper and lower salary limits of the pay bands will also increase. Since pay progression through the bands depends directly on performance, there will be no scheduled Within-Grade Increases (WIGIs) or Quality Step Increases (QSIs) for employees once the pay banding system is in place. Special salary rates will no longer be applicable to demonstration project employees. Special provisions have been included to ensure conversion without a loss of pay (See section E, paragraph 8, Staffing Supplements).

3. Pay Band V

The CECOM RDE pay banding plan expands the pay banding concept used at China Lake and NIST by creating Pay Band V for the Engineering and Science occupational family. This pay band is designed for Senior Scientific Technical Managers (SSTM). The current definitions of Senior Executive Service (SES) and Scientific and Professional (ST) positions do not fully meet the needs of the CECOM RDE organizations.

The SES designation is appropriate for executive level managerial positions whose classification exceeds grade 15 of

the General Schedule. The primary knowledge and abilities of SES positions relate to supervisory and managerial responsibilities. Positions classified as ST are designed for bench research scientists and engineers. These positions require a very high level of technical expertise and have little or no supervisory responsibilities.

CECOM RDE organizations currently have positions that warrant classification above grade 15 of the General Schedule because of their technical expertise requirements. These positions, typically division/office chiefs, have characteristics of both SES and ST classifications. Most of these positions are responsible for supervising other GS–15 positions, including lower level supervisors, non-supervisory engineers and scientists, and in some cases ST positions. The supervisory and managerial requirements exceed those appropriate for ST positions.

Management considers the primary requirement for these positions to be knowledge of and expertise in the specific scientific and technology areas related to the mission of their organizations, rather than the executive leadership qualifications that are characteristic of the SES. Historically, incumbents of these positions have been recognized within the community as scientific and engineering leaders who possess strong managerial and supervisory abilities. Therefore, although some of these employees have scientific credentials that might compare favorably with ST criteria, classification of these positions as STs is not an option because the managerial and supervisory responsibilities cannot be ignored.

Pay Band V will apply to a new category of positions designated as Senior Scientific Technical Managers (SSTM). Positions so designated will include those requiring scientific/technical expertise and full managerial and supervisory authority. Their scientific/technical expertise and responsibilities warrant classification above the GS–15 level.

Current GS–15 division/office chiefs will convert into the demonstration project at Pay Band IV. After conversion they will be reviewed against established criteria to determine if they should be reclassified to Pay Band V. Other positions possibly meeting criteria for designation as SSTM will be reviewed on a case-by-case basis. The salary range for SSTM positions is a minimum of 120 per cent of the minimum rate of basic pay for GS–15 with a maximum rate of basic pay established at the rate of basic pay (excluding locality pay) for SES level 4 (ES–4).

Vacant SSTM positions will be filled competitively to ensure that selectees are preeminent technical leaders in specialty fields who also possess substantial managerial and supervisory abilities. The CECOM RDE organizations will capitalize on the efficiencies that can accrue from central recruiting by continuing to use the expertise of the Army Materiel Command SES Office as the recruitment agent.

Panels will be created to assist in filling SSTM positions. Panel members typically will be current or former SES members, ST employees and later those designated as SSTMs. In addition, senior military officers and recognized technical experts from outside the RDE organizations may also serve as appropriate. The panel will apply criteria developed largely from the current OPM Research Grade-Evaluation Guide for positions exceeding the GS–15 level. The purpose of the panel is to insure impartiality, breadth of technical expertise and a rigorous and demanding review.

DoD will test SSTM positions for a five-year period. SSTM positions will be subject to limitations imposed by OPM and DoD. SSTM positions will be established only in an S&T Reinvention Laboratory that employs scientists, engineers, or both. Incumbents of these positions will work primarily in their professional capacity on basic or applied research. Secondarily, they will also perform managerial or supervisory duties.

The number of SSTM positions, and the equivalent in other approved S&T reinvention laboratory personnel demonstration projects within DoD, will not exceed 40. These 40 positions will be allocated by the Assistant Secretary of Defense (Force Management Policy) and administered by the respective Services. The number of positions will be reviewed periodically to determine appropriate position requirements. SSTM (and the equivalent in other S&T reinvention laboratories demonstration projects) position allocations will be managed separately from SES, ST, and SL allocations. An evaluation of the concept for these positions will be performed during the fifth year of the demonstration project.

The final component of Pay Band V is the management of all Pay Band V assets. Specifically, this authority will be exercised at the DA level, and includes the following: authority to classify, create, or abolish positions within the limitations imposed by OPM and DoD; recruit and reassign employees in this pay band; set pay and appraise performance under this project's Pay for Performance system. The CECOM RDE organizations want to demonstrate increased effectiveness by gaining greater managerial control and authority, consistent with merit, affirmative action, and equal employment opportunity principles.

B. Classification

1. Occupational Series

The present General Schedule classification system has 434 occupational series, which are divided into 22 occupational groupings. The CECOM RDE organizations currently have positions in approximately 70 occupational series that fall into 14 occupational groupings. All positions listed in Appendix B will be in the classification structure. Provisions will be made for including other occupations in response to changing missions.

2. Classification Standards and Position Descriptions

CECOM RDE organizations will use a fully automated classification system modeled after the Navy's ''China Lake'' and ARL. ARL has developed a Web-based automated classification system that can create standardized, classified, position descriptions under the new pay banding system in a matter of minutes. The present system of OPM classification standards will be used for the identification of proper series and occupational titles of positions within the demonstration project. Current OPM Position Classification Standards will not be used to grade positions in this project. However, the grading criteria in those standards will be used as a framework to develop new and simplified standards for the purpose of pay band determinations. The objective is to record the essential criteria for each pay band within each occupational family by stating the characteristics of the work, the responsibilities of the position, and the knowledge, skills, and abilities required. New position descriptions will replace the current DA Form 374, Department of the Army Job Description. The classification standard for each pay band will serve as an important component in the new position description, which will also include position-specific information, and provide data element information pertinent to the job. Supervisors will follow a computer-assisted process to produce position descriptions. The new descriptions will be easier to prepare, minimize the amount of writing time and make the position description a more useful and accurate tool for other personnel management functions.

Specialty work codes will be used to further differentiate types of work and the skills and knowledge required for particular positions with an occupational family and pay band. Each code represents a specialization or type of work within the occupation.

3. Fair Labor Standards Act

Fair Labor Standards Act (FLSA) exemption and non-exemption determinations will be consistent with criteria found in 5 CFR (Code of Federal Regulations) part 551. All employees are covered by the FLSA unless they meet the criteria for exemption. The duties and responsibilities outlined in the classification standards for each pay band will be compared to the FLSA criteria. As a general rule, the FLSA status can be matched to occupational family and pay band as indicated in Figure 2. For example, positions classified in Pay Band I of the E&S occupational family are typically nonexempt, meaning they are covered by the overtime entitlements prescribed by the FLSA. An exception to this guideline includes supervisors/managers who meet the definitions outlined in the OPM General Schedule Supervisory Guide and who spend 80 percent or more of the workweek on supervisory duties. Therefore, supervisors/managers in any of the pay bands who meet the foregoing criteria are exempt from the FLSA. Supervisors with classification authority will make the determinations on a case-by-case basis by comparing assigned duties and responsibilities to the classification standards for each pay band and the 5 CFR part 551 FLSA criteria. Additionally, the advice and assistance of the Civilian Personnel Advisory Center/Civilian Personnel Operations Center (CPAC/CPOC) will be obtained in making determinations. The benchmark position descriptions will not be the sole basis for the determination. Basis for exemption will be documented and attached to each position description. Exemption criteria will be narrowly construed and applied only to those employees who clearly meet the spirit of the exemption. Changes will be documented and provided to the CPAC/CPOC, as appropriate.

FIGURE 2.—FLSA STATUS

[Pay bands]

Occupational family	I	II	III	IV	V
E&S	N	N/E	E	E	E
B&T	N	N/E	E	E	
GEN	N	N	E		

N—Non-Exempt from FLSA; E—Exempt from FLSA.
N/E—Exemption status determined on a case-by-case basis.
Note: Although typical exemption status under the various pay bands is shown in the above table, actual FLSA exemption determinations are made on a case-by-case basis.

4. Classification Authority

CECOM RDE Center Directors will have delegated classification authority and may, in turn, re-delegate this authority to appropriate levels. Position descriptions will be developed to assist managers in exercising delegated position classification authority. Managers will identify the occupational family, job series, functional code, specialty work code, pay band level, and the appropriate acquisition codes. Personnel specialists will provide ongoing consultation and guidance to managers and supervisors throughout the classification process. The manager will document these decisions on a form similar to the present DA Form 374.

5. Classification Appeals

Classification appeals under this demonstration project will be processed using the following procedures: An employee may appeal the determination of occupational family, occupational series, position title, and pay band of his/her position at any time. An employee must formally raise the area of concern to supervisors in the immediate chain of command, either verbally or in writing. If the employee is not satisfied with the supervisory response, he/she may then appeal to the DoD appellate level. Appeal decisions rendered by DoD will be final and binding on all administrative, certifying, payroll, disbursing, and accounting officials of the government. Classification appeals are not accepted on positions which exceed the equivalent of a GS–15 level. Time periods for cases processed under 5 CFR, part 511 apply.

An employee may not appeal the accuracy of the position description, the demonstration project classification criteria, or the pay-setting criteria; the assignment of occupational series to the occupational family; the propriety of a salary schedule; or matters grievable under an administrative or negotiated grievance procedure, or an alternative dispute resolution procedure.

The evaluations of classification appeals under this demonstration project are based upon the demonstration project classification criteria. Case files will be forwarded for adjudication through the CPAC/CPOC providing personnel service and will include copies of appropriate demonstration project criteria.

C. Pay for Performance

1. Overview

The purpose of the PFP system is to provide an effective, efficient, and flexible method for assessing, compensating, and managing the RDE workforce. It is essential for the development of a highly productive workforce and to provide management at the lowest practical level, the authority, control, and flexibility needed to achieve a quality organization and meet mission requirements. PFP allows for more employee involvement in the assessment process, strives to increase communication between supervisor and employee, promotes a clear accountability of performance, facilitates employee career progression, and provides an understandable and rational basis for salary changes by linking pay and performance.

The PFP system uses annual performance payouts that are based on the employee's total performance score rather than within-grade increases, quality step increases, promotions from one grade to another where both grades are now in the same pay band (i.e., there are no within-band promotions) and performance awards. The normal rating period will be one year. The minimum rating period will be 120 days. PFP payouts can be in the form of increases to base pay or in the form of bonuses that are not added to base salary but rather are given as a lump sum bonus. Other awards such as special acts, time-off awards, etc., will be retained separately from the PFP payouts.

The system will have the flexibility to be modified, if necessary, as more experience is gained under the project.

2. Performance Objectives

Performance objectives define a target level of activity, expressed as a tangible, measurable objective, against which actual achievement can be compared. These objectives will specifically identify what is expected of the employee during the rating period and will typically consist of 3 to 10 results-oriented statements. The employee and his/her supervisor will jointly develop the employee's performance objectives at the beginning of the rating period. These are to be reflective of the employee's duties/responsibilities and pay band along with the mission/organizational goals and priorities. Objectives will be reviewed annually and revised upon changes in salary reflecting increased responsibilities commensurate with salary increases. Use of generic one-size-fits-all objectives will be avoided, as performance objectives are meant to define an individual's specific responsibilities and expected accomplishments. In contrast, performance elements as described in the next paragraph, will identify generic performance characteristics, against which the accomplishment of objectives will be measured. As a part of this demonstration project, training focused on overall organizational objectives and the development of performance objectives will be held for both supervisors and employees. Performance objectives may be jointly modified, changed or deleted as appropriate during the rating cycle. As a general rule, performance objectives should only be changed when circumstances outside the employee's control prevent or hamper the accomplishment of the original objectives. It is also appropriate to change objectives when mission or workload shifts occur.

3. Performance Elements

Performance elements define generic performance characteristics that will be used to evaluate the employee's success in accomplishing his/her performance objectives. The use of generic characteristics for scoring purposes helps to ensure comparable scores are assigned while accommodating diverse individual objectives. This pay-for-performance system will utilize those performance elements provided in Appendix C. All elements are critical. A critical performance element is defined as an attribute of job performance that is of sufficient importance that performance below the minimally acceptable level requires remedial action and may be the basis for removing an employee from their position. Non-critical elements will not be used. Each of the performance elements will be assigned a weight, which reflects its importance in accomplishing an individual's performance objectives. A minimum weight is set for each performance element. The sum of the weights for all of the elements must equal 100.

A single set of performance elements will be used for evaluating the annual performance of all CECOM RDE personnel covered by this plan. This set of performance elements may evolve over time, based on experience gained during each rating cycle. This evolution is essential to capture the critical characteristics the organization encourages in its workforce toward meeting individual and organizational objectives. This is particularly true in an environment where technology and work processes are changing at an increasingly rapid pace. The RDE Personnel Management Board will annually review the set of performance elements and set them for the entire organization before the beginning of the rating period. The following is an initial set of performance elements along with the minimum weight:

(1) Technical Competence (Minimum Weight: 15%)
(2) Interpersonal Skills (Minimum Weight: 10%)
(3) Management of Time and Resources (Minimum Weight: 15%)
(4) Customer Satisfaction (Minimum Weight: 10%)
(5) Team/Project Leadership (Minimum Weight: 15%)
(6) Supervision/EEO (Minimum Weight: 25%)

All employees will be rated against the first four performance elements. Team/Project Leadership is mandatory for team leaders and Supervision/EEO is mandatory for all managers/supervisors. At the beginning of the rating period, Pay Pool Managers will review the objectives and weights assigned to employees within the pay pool, to verify consistency and appropriateness.

4. Performance Feedback and Formal Ratings

The most effective means of communication is person-to-person discussion between supervisors and employees of requirements, performance goals and desired results. Employees and supervisors alike are expected to actively participate in these discussions for optimum clarity regarding expectations and identify potential obstacles to meeting goals. In addition, employees should explain (to the extent possible) what they need from their supervisor to support goal accomplishment. The timing of these discussions will vary based on the nature of work performed, but will occur at least at the mid-point and end of the rating period. The supervisor and employee will discuss job performance and accomplishments in relation to the performance objectives and elements. At least one review, normally the mid-point review, will be documented as a formal progress review. More frequent, task specific, discussions may be appropriate in some organizations. In cases where work is accomplished by a team, team discussions regarding goals and expectations will be appropriate.

The employee will provide a list of his/her accomplishments to the supervisor at both the mid-point and end of the rating period. An employee may elect to provide self-ratings on the performance elements and/or solicit input from team members, customers, peers, supervisors in other units, subordinates, and other sources which will permit the supervisor to fully evaluate accomplishments during the rating period.

At the end of the rating period, following a review of the employee's accomplishments, the supervisor will rate each of the performance elements by assigning a score between 0 and 50. Benchmark performance standards have been developed that describe the level of performance associated with a score. Using these benchmarks, the supervisor decides where (at any point on a scale of 0 to 50) the performance of the employee fits and assigns an appropriate score. It should be noted that these scores are not discussed with the employee or considered final until all scores are reconciled and approved by the Pay Pool Manager. The element scores will then be multiplied by the element-weighting factor to determine the weighted score expressed to two decimal points. The weighted scores for each element will then be totaled to determine the employees' overall appraisal score and rounded to a whole number as follows: if the digit to the right of the decimal is between five and nine, it should be rounded to the next higher whole number; if the digit to the right of the decimal is between one and four, it should be dropped.

A total score of 10 or above will result in a rating of acceptable. A total score of 9 or below will result in a rating of unacceptable, and requires the employee be placed on a Performance Improvement Plan (PIP) immediately or following a temporary assignment. A

score of 9 or below in a single element will also result in a rating of unacceptable, and requires the employee be placed on a PIP. A new rating of record will be issued if the employee's performance improves to an acceptable level at the conclusion of the PIP.

5. Unacceptable Performance

Informal employee performance reviews will be a continuous process so that corrective action, to include placing an employee on a Performance Improvement Plan (PIP), may be taken at any time during the rating cycle. Whenever a supervisor recognizes an employee's performance on one or more performance elements is unacceptable, the supervisor should immediately inform the employee. Efforts will be made to identify the possible reasons for the unacceptable performance.

As an informal first step, the supervisor and employee may explore a temporary assignment to another unit in the organization. This recognizes that conflicts sometimes occur between a supervisor and an employee, or that an employee may be assigned to a position for which they are not suited. The supervisor is under no obligation to explore this option prior to taking more formal action. If the temporary assignment is not possible or has not worked out, and the employee continues to perform at an unacceptable level or has received an unacceptable rating, written notification outlining the unacceptable performance will be provided to the employee. At this point an opportunity to improve will be structured in a PIP. The supervisor will identify the items/actions that need to be corrected or improved, outline required time frames (no less than 30 days) for such improvement, and provide the employee with any available assistance as appropriate. Progress will be monitored during the PIP, and all counseling sessions will be documented.

If the employee's performance is acceptable at the conclusion of the PIP, no further action is necessary. If a PIP ends prior to the end of the annual performance cycle and the employee's performance improves to an acceptable level, the employee is appraised again at the end of the annual performance cycle.

If the employee fails to improve during the PIP, the employee will be given notice of proposed appropriate action. This action can include removal from the Federal service, placement in a lower pay band with a corresponding reduction in pay (demotion), reduction in pay within the same pay band, or change in position or occupational family. For the most part, employees with an unacceptable rating will not be permitted to remain at their current salary and may be reduced in pay band. Reductions in salary within the same pay band or changes to a lower pay band will be accomplished with a minimum of a 5 percent decrease in an employee's base pay.

Note: Nothing in this subsection will preclude action under Title 5, United States Code, Chapter 75, when appropriate.

All relevant documentation concerning a reduction in pay or removal based on unacceptable performance will be preserved and made available for review by the affected employee or a designated representative. As a minimum, the record will consist of a copy of the notice of proposed personnel action, the employee's written reply, if provided, or a summary when the employee makes an oral reply. Additionally, the record will contain the written notice of decision and the reasons therefor along with any supporting material (including documentation regarding the opportunity afforded the employee to demonstrate improved performance).

If the employee's performance deteriorates to an unacceptable level, in any element, within two years from the beginning of a PIP, follow-on actions may be initiated with no additional opportunity to improve. If an employee's performance is at an acceptable level for two years from the beginning of the PIP, and performance once again declines to an unacceptable level, the employee will be given an additional opportunity to improve, before management proposes follow-on actions.

6. Reconciliation Process

Following the initial scoring of each employee by the rater, the rating officials in an organizational unit, along with their next level of supervision, will meet to ensure consistency and equity of the ratings. In this step, each employee's performance objectives, accomplishments, preliminary scores and current salary are compared. Through discussion and consensus building, consistent and equitable ratings are reached. Managers will not prescribe a distribution of total scores. The Pay Pool Manager will then chair a final review with the rating officials who report directly to him or her to validate these ratings and resolve any scoring issues. If consensus cannot be reached in this process, the Pay Pool Manager makes all final decisions. After this reconciliation process is complete, scores are finalized. Payouts proceeds according to each employee's final score and current salary. Upon approval of this plan, implementing procedures and regulations will provide details on this process to employees and supervisors.

7. Pay Pools

Employees within the CECOM RDE organizations will be placed into pay pools. Pay pools are combinations of organizational elements (e.g., Directorates, Divisions, Branches, Offices, etc.) that are defined for the purpose of determining performance payouts under the PFP system. The guidelines in the next paragraph are provided for determining pay pools. These guidelines will normally be followed. However, RDE Center Directors may deviate from the guidelines if they determine that there is a compelling need to do so and document their rationale in writing.

The RDE Center Directors will establish pay pools within their respective organizations. Typically, pay pools will have between 35 and 300 employees. A pay pool should be large enough to encompass a reasonable distribution of ratings but not so large as to compromise rating consistency. Supervisory personnel will be placed in a pay pool separate from subordinate non-supervisory personnel. Team leaders classified by the GS Leader Grade-Evaluation Guide will be included in a supervisory pay pool. Those team leaders who have project responsibility but who do not actually lead other workers will be included in a non-supervisory pay pool. Neither the Pay Pool Manager nor supervisors within a pay pool will recommend or set their own individual pay. Decisions regarding the amount of the performance payout are based on the established formal payout calculations.

Funds within a pay pool available for performance payouts are calculated from anticipated pay increases under the existing system and divided into two components, base pay and bonus. The funds within a Pay Pool used for base pay increases, are those that would have been available from within-grade increases, quality step increases and promotions (excluding the costs of promotions still provided under the banding system). This amount will be defined based on historical data and set between 2.0 percent '' 2.4 percent of total salary annually. The funds available to be used for bonus payouts are funded separately within the constraints of the organization's overall award budget. This amount will be defined based on historical data and set between 1.0 percent—1.4 percent of total salary annually. The sum of these

two factors is referred to as the pay pool percentage factor. The RDE Personnel Management Board will annually review the pay pool funding formula and recommend adjustments to the RDE Center Directors to ensure cost discipline over the life of the demonstration project. Cost discipline is assured within each pay pool by limiting the total base pay increase to the funds available, based on what would have been available in the General Schedule system from within-grade increases, quality step increases and within-band promotions. RDE Center Directors may reallocate the amount of funds assigned to each pay pool as necessary to ensure equity and to meet unusual circumstances.

8. Performance Payout Determination

The performance payout an employee will receive is based on the total performance score from the Pay for Performance assessment process. An employee will receive a performance payout as a percentage of current salary. This percentage is based on the number of shares that equates to their final appraisal score. Shares will be awarded on a continuum as follows:

Score = Shares

50 = 3
40 = 2
30 = 1
21 = .1
10–20 = 0
<=9 = 0 (Performance Improvement Plan required)

Fractional shares will be awarded for scores that fall in between these scores. For example: a score of 38 will equate to 1.8 shares, and a score of 44 will equate to 2.4 shares.

The value of a share cannot be exactly determined until the rating and reconciliation process is completed and all scores are finalized. The share value is expressed as a percentage. The formula that computes the value of each share is based on (1) the value of pay pool, (2) the employee's pay, (3) the number of shares awarded to each employee in the pay pool, and (4) the total number of shares awarded in the pay pool. This formula assures that each employee within the pool receives a share amount equal to all others in the same pool who are at the same rate of basic pay and receiving the same score. The formula is shown in figure 3.

Figure 3. Formula

$$\text{Individual Pay Increase} = \frac{\text{Pool Value}}{\text{SUM (tSAL} * \text{tN)}}$$

Where:

F = Payout Factor; initially 3.8 percent of combined basic rates of pay of the assigned employees in a pay pool
SUM = Summation of entities within parenthesis
SAL = An individual's basic rate of pay
tSAL = Total of basic rates of pay in a pay pool
Pool Value = F * (tSAL)
N = Number of shares (0 to 3) earned by an individual employee based on his/her score (0 to 50)
tN = Total of shares earned by employees in pool

A Pay Pool Manager is accountable for staying within pay pool limits. The Pay Pool Manager makes final decisions on pay increases and/or bonuses to individuals based on rater recommendation, the final score, the pay pool funds available, and the employee's current salary. A Pay Pool Manager may request approval from the Personnel Management Board at the Center level or its designee to grant a pay increase to an employee that is higher than the one generated by the compensation formula for that employee. Examples of employees who might warrant such consideration are those making extraordinary achievements or to provide accelerated compensation for a local intern.

9. Base Pay Increases and Bonuses

The amount of money available for performance payouts is divided into two components, base pay increases and bonuses. The base pay and bonus funds are based on the pay pool funding formula established annually. Once the individual performance amounts have been determined, the next step is to determine what portion of each payout will be in the form of a base pay increase as opposed to a bonus payment. The payouts made to employees from the pay pool may be a mix of base pay and bonus, such that all of the allocated funds are disbursed as intended. To continue to provide performance incentives while also ensuring cost discipline, base pay increases may be limited or capped. Certain employees will not be able to receive the projected base pay increase due to base pay caps. Base pay is capped when an employee reaches the maximum rate of pay in an assigned pay band, when the mid-point rule applies (see below) or when the Significant Accomplishment/Contribution rule applies (see below). Also, for employees receiving retained rates above the applicable pay band maximum, the entire performance payout will be in the form of a bonus payment.

When capped, the total payout an employee receives will be in the form of a bonus versus the combination of base pay and bonus. Bonuses are cash payments and are not part of the basic pay for any purpose (e.g., lump sum payments of annual leave on separation, life insurance, and retirement). The maximum base pay rate under this demonstration project will be the unadjusted base pay rate of GS–15/Step 10, except for employees in Pay Band V of the E&S Occupational Family. In this case, the salary range is a minimum of 120 percent of the minimum rate of basic pay for GS–15 with a maximum rate of basic pay established at the rate of basic pay (excluding locality pay) for ES–4.

If the organization determines it is appropriate, it may re-allocate a portion (up to the maximum possible amount) of the unexpended base pay funds for capped employees to uncapped employees. This re-allocation will be determined by the Pay Pool Manager. Any dollar increase in an employee's projected base pay increase will be offset, dollar for dollar, by an accompanying reduction in the employee's projected bonus payment. Thus, the employee's total performance payout is unchanged.

10. Mid-Point Rule

To provide added performance incentives as an employee progresses through a pay band, a mid-point rule will be used to determine base pay increases. The mid-point rule dictates that any employee must receive a score of 30 or higher for their base pay to cross the salary midpoint of their pay band. Also, once an employee's base pay exceeds the salary midpoint of their band, the employee must receive a score of 30 or higher to receive any additional base pay increases. Any amount of an

employee's performance payout, not paid in the form of a base pay increase because of the mid-point rule, will be paid as a bonus. This rule effectively raises the standard of performance expected of an employee once the salary midpoint of a band is crossed. This applies to all employees in every occupational family and pay band.

11. Significant Accomplishment/ Contribution Rule

The purpose of this rule is to maintain cost discipline while ensuring that employee payouts are in consonance with accomplishments and levels of responsibility. The rule will apply only to employees in E&S Band III whose base salary falls within the top 15 percent of the band. For employees meeting these criteria, the following provisions will apply:

If an employee's score falls in the top third of scores received in his/her pay pool, he/she will receive the full allowable base pay increase portion of the performance payout. The balance of the payout will be paid as a lump sum bonus.

If an employee's score falls in the middle third of scores received in his/her pay pool, the base pay increase portion will not exceed 1% of base salary. The balance of the payout will be paid as a lump sum bonus.

If an employee's appraisal score falls in the bottom third of scores received in his/her pay pool, the full payout will be paid as a lump sum bonus.

12. Awards

To provide additional flexibility in motivating and rewarding individuals and groups, some portion of the performance award budget will be reserved for special acts and other categories as they occur. Awards may include, but are not limited to, special acts, patents, suggestions, on the spot, and time-off. The funds available to be used for awards are separately funded within the constraints of the organization's overall award budget.

While not directly linked to the pay for performance system, this additional flexibility is important to encourage outstanding accomplishments and innovation in accomplishing the diverse mission of the CECOM RDE organizations. Additionally, to foster and encourage teamwork among its employees, organizations may give group awards. Under the demonstration project, a team may elect to distribute such awards among themselves.

Thus, a team leader or supervisor may allocate a sum of money to a team for outstanding performance, and the team may decide the individual distribution of the total dollars among themselves. The Commanding General, CECOM will have the authority to grant special act awards to covered employees of up to $10,000 IAW the criteria of AR 672–20, Incentive Awards.

13. General Pay Increase

Employees, who are on a PIP at the time pay determinations are made, do not receive performance payouts or the General Pay Increase. An employee who receives an unacceptable rating of record will not receive any portion of the General Pay Increase or RIF service credit until such time as their performance improves to the acceptable level and remains acceptable for at least 90 days. When the employee has performed acceptably for at least 90 days, the General Pay Increase will not be retroactive but will be granted at the beginning of the next pay period after the supervisor authorizes its payment.

These actions may result in a base salary that is identified in a lower pay band. This occurs because the minimum rate of basic pay in a pay band increases as the result of the General Pay Increase (5 U.S.C. 5303). This situation (a reduction in band level with no reduction in pay) will not be considered an adverse action, nor will band retention provisions apply.

14. Reverse Feedback

Employee feedback to supervisors is considered essential for the success of the Pay for Performance System. A feedback instrument for subordinates to anonymously evaluate the effectiveness of their supervisors is being developed and shall be implemented as part of the demonstration project. Supervisors and their managers will be provided the results of that feedback in a format that does not identify individual raters or ratings. The data will be aggregated into a summary and used to establish both personal and organizational performance development goals. The use of this type of instrument will help focus attention on desired leadership behaviors, structure the feedback in a constructive manner, and offset the power imbalance that often prevents supervisors from getting useful feedback from their employees.

15. Grievances and Disciplinary Actions

An employee may grieve the performance rating /score received under the PFP system. Non-bargaining unit employees, and bargaining unit employees covered by a negotiated grievance procedure that does not permit grievances over performance ratings, must file under administrative grievance procedures. Bargaining unit employees whose negotiated grievance procedures cover performance-rating grievances must file under those negotiated procedures.

Except where specifically waived or modified in this plan, adverse action procedures under 5 CFR part 752 remain unchanged.

D. Hiring Authority

1. Qualifications

The qualifications required for placement into a position in a pay band within an occupational family will be determined using the OPM Operating Manual for Qualification Standards for General Schedule (GS) Positions. Since the pay bands are anchored to the GS grade levels, the minimum qualification requirements for a position will be the requirements corresponding to the lowest GS grade incorporated into that pay band. For example, for a position in the E&S occupational family, Pay Band II individuals must meet the basic requirements for a GS–5 as specified in the qualification standard for Professional and Scientific Positions.

Selective factors may be established for a position in accordance with the OPM Qualification Standards Operating Manual, when determined to be critical to successful job performance. These factors will become part of the minimum requirements for the position, and applicants must meet them in order to be eligible. If used, selective factors will be stated as part of the qualification requirements in vacancy announcements and recruiting bulletins.

2. Delegated Examining

Competitive service positions with the CECOM RDE Demonstration Project will be filled through Merit Staffing or under Delegated Examining. The ''Rule of Three'' will be eliminated. When there are no more than 15 qualified applicants and no preference eligibles, all eligible applicants are immediately referred to the selecting official without rating and ranking. Rating and ranking will be required only when the number of qualified candidates exceeds 15 or there is a mix of preference and non-preference applicants. Statutes and regulations covering veterans' preference will be observed in the selection process and when rating and ranking are required. If the candidates are rated and ranked, a random number selection method using the application control number will be used to determine which applicants will be referred when scores are tied after the rating process. Veterans will be referred ahead of non-veterans with the same score.

3. Legal Authority

For actions taken under the auspices of the Demonstration Project, the legal authority, Public Law 103–337 will be used. For all other actions, the CECOM RDE organizations will continue to use the nature of action codes and legal authority codes prescribed by OPM, DoD, or DA.

4. Revisions to Term Appointments

The CECOM RDE organizations conduct a variety of projects that range from three to six years. The current four-year limitation on term appointments often forces the termination of term employees prior to completion of projects they were hired to support. This disrupts the research and development process and affects the organization's ability to accomplish the mission and serve its customers.

CECOM RDE organizations will continue to have career and career conditional appointments and temporary appointments not to exceed one year. These appointments will use existing authorities and entitlements. Under the demonstration project, CECOM RDE organizations will have the added authority to hire individuals under a modified term appointment. These appointments will be used to fill positions for a period of more than one year, but not more than a total of five years when the need for an employee's services is not permanent. The modified term appointments differ from term employment as described in 5 CFR part 316 in that they may be made for a period not to exceed five, rather than four years. RDE Directors are authorized to extend a term appointment one additional year.

Employees hired under the modified term appointment authority are in a non-permanent status, but may be eligible for conversion to career-conditional appointments. To be converted, the employee must (1) have been selected for the term position under competitive procedures, with the announcement specifically stating that the individual(s) selected for the term position may be eligible for conversion to a career-conditional appointment at a later date; (2) have served two years of continuous service in the term position; (3) be selected under merit promotion procedures for the permanent position; and (4) be performing at the acceptable level of performance with a current score of 30 or greater.

Employees serving under regular term appointments at the time of conversion to the demonstration project will be converted to the new modified term appointments provided they were hired for their current positions under competitive procedures. These employees will be eligible for conversion to career-conditional appointments if they (1) have served two years of continuous service in the term position; (2) are selected under merit promotion procedures for the permanent position; and (3) are performing at the acceptable level of performance with a current score of 30 or greater (or equivalent if not yet rated under the demonstration project). Time served in term positions prior to conversion to the modified term appointment is creditable, provided the service was continuous. Employees serving under modified term appointments under this plan will be covered by the plan's pay for performance system.

5. Extended Probationary Period

The current one year probationary period will be extended to three years for all newly hired permanent career-conditional employees in the Engineering and Science occupational family. The purpose of extending the probationary period is to allow supervisors an adequate period of time to fully evaluate an employee's ability to complete a cycle of work and to fully assess an employee's contribution and conduct. The three-year probationary period will apply only to new hires subject to a probationary period.

If a probationary employee's performance is determined to be satisfactory at a point prior to the end of the three year probationary period, a supervisor has the option of ending the probationary period at an earlier date, but not before the employee has completed one year of continuous service. If the probationary period is terminated before the end of the three-year period, the immediate supervisor will provide written reasons for his/her decision to the next level of supervision for concurrence prior to implementing the action.

Aside from extending the time period for all newly hired permanent career-conditional employees in the Engineering and Science occupational family, all other features of the current probationary period are retained including the potential to remove an employee without providing the full substantive and procedural rights afforded a non-probationary employee. Any employee appointed prior to the implementation date will not be affected.

6. Termination of Probationary Employees

Probationary employees may be terminated when they fail to demonstrate proper conduct, technical competency, and/or acceptable performance for continued employment, and for conditions arising before employment. When a supervisor decides to terminate an employee during the probationary period because his/her work performance or conduct is unacceptable, the supervisor shall terminate the employee's services by written notification stating the reasons for termination and the effective date of the action. The information in the notice shall, at a minimum, consist of the supervisor's conclusions as to the inadequacies of his/her performance or conduct, or those conditions arising before employment that support the termination.

7. Supervisory Probationary Periods

Supervisory probationary periods will be made consistent with 5 CFR 315. Employees who have successfully completed the initial probationary period will be required to complete an additional one-year probationary period for initial appointment to a supervisory position. If, during this probationary period, the decision is made to return the employee to a non-supervisory position for reasons related to supervisory performance, the employee will be returned to a comparable position of no lower pay than the position from which they were promoted or reassigned.

8. Volunteer Emeritus Corps

Under the demonstration project, RDE Directors will have the authority to offer retired or separated employees voluntary positions. Voluntary Emeritus Corps assignments are not considered employment by the Federal government (except for purposes of injury compensation). Thus, such assignments do not affect an employee's entitlement to buyouts or severance payments based on an earlier separation from Federal service.

The Voluntary Emeritus Corps will ensure continued quality services while reducing the overall salary line by allowing higher paid employees to accept retirement incentives with the opportunity to retain a presence in the RDE community. The program will be beneficial during manpower reductions, as employees accept retirement and return to provide a continuing source of corporate knowledge and valuable on-the-job training or mentoring to less experienced employees.

To be accepted into the emeritus corps, a volunteer must be recommended by an RDE manager to a directorate director. Not everyone who applies is entitled to an emeritus position. The responsible director must document acceptance or rejection of the applicant. For acceptance, documentation must be retained throughout the assignment. For rejection, documentation will be maintained for two years.

To ensure success and encourage participation, the volunteer's federal retirement pay (whether military or civilian) will not be affected while serving in a voluntary capacity. Retired or separated federal employees may accept an emeritus position without a break or mandatory waiting period.

Voluntary Emeritus Corps volunteers will not be permitted to monitor contracts on behalf of the Government or to participate on any contracts or solicitations where a conflict of interest exists. The volunteers may be required to submit a financial disclosure form annually. The same rules that currently apply to source selection members will apply to volunteers.

An agreement will be established between the volunteer, the responsible director, and the Civilian Personnel Operations Center (CPOC). The agreement must be finalized before the assumption of duties and shall include:

(a) A statement that the voluntary assignment does not constitute an appointment in the Civil Service, is without compensation, and the volunteer waives any claims against the Government based on the voluntary assignment;

(b) A statement that the volunteer will be considered a federal employee only for the purpose of injury compensation;

(c) The volunteer's work schedule;

(d) Length of agreement (defined by length of project or time defined by weeks, months, or years);

(e) Support provided by the organization (travel, administrative support, office space, and supplies);

(f) A statement of duties;

(g) A statement providing that no additional time will be added to a volunteer's service credit for such purposes as retirement, severance pay, and leave as a result of being a volunteer;

(h) A provision allowing either party to void the agreement with 2 working days written notice;

(i) The level of security access required by the volunteer (any security clearance required by the position will be managed by the employing organization);

(j) A provision that any publication(s) resulting from his/her work will be submitted to the RDE Center Directors for review and approval;

(k) A statement that he/she accepts accountability for loss or damage to Government property occasioned by his/her negligence or willful action;

(l) A statement that his/her activities on the premises will conform to the regulations and requirements of the organization;

(m) A statement that he/she will not release any sensitive or proprietary information without the written approval of the employing organization and further agrees to execute additional non-disclosure agreements as appropriate, if required, by the nature of the anticipated services; and,

(n) A statement that he/she agrees to disclose any inventions made in the course of work performed at the RDEC/SEC. The RDE Center Directors have the option to obtain title to any such invention on behalf of the U.S. Government. Should the RDE Center Directors elect not to take title, the RDE Centers shall at a minimum retain a non-exclusive, irrevocable, paid up, royalty-free license to practice or have practiced the invention worldwide on behalf of the U.S. Government.

Exceptions to the provisions in this procedure may be granted by the RDE Center Directors on a case-by-case basis.

E. Internal Placement and Pay Setting

1. Promotions

A promotion is the movement of an employee to a higher pay band in the same occupational family or to another pay band in a different occupational family, wherein the band in the new family has a higher maximum salary than the band from which the employee is moving. The move from one band to another must result in an increase in the employee's salary to be considered a promotion. Positions with known promotion potential to a specific band within an occupational family will be identified when they are filled. Not all positions in an occupational family will have promotion potential to the same band. Movement from one occupational family to another will depend upon individual knowledge, skills, and abilities, qualifications and needs of the organization. Supervisors may consider promoting employees at any time, since promotions are not tied to the pay for performance system. Progression within a pay band is based upon performance pay increases; as such, these actions are not considered promotions and are not subject to the provisions of this section. Except as specified below, promotions will be processed under competitive procedures in accordance with merit principles and requirements and the local merit promotion plan.

To be promoted competitively or non-competitively from one band to the next, an employee must meet the minimum qualifications for the job and have a current performance rating of ''acceptable'' with a score of 30 or better, or equivalent under a different performance appraisal system. If an employee does not have a current performance rating, the employee will be treated the same as an employee with an ''acceptable'' rating as long as there is no documented evidence of unacceptable performance.

The following actions are excepted from competitive procedures:

(a) Re-promotion to a position which is in the same pay band or GS equivalent and occupational family as the employee previously held on a permanent basis within the competitive service.

(b) Promotion, reassignment, demotion, transfer or reinstatement to a position having promotion potential no greater than the potential of a position an employee currently holds or previously held on a permanent basis in the competitive service.

(c) A position change permitted by reduction in force procedures.

(d) Promotion without current competition when the employee was appointed through competitive procedures to a position with a documented career ladder.

(e) A temporary promotion, or detail to a position in a higher pay band, of 180 days or less.

(f) A promotion due to the reclassification of positions based on accretion (addition) of duties.

(g) A promotion resulting from the correction of an initial classification error or the issuance of a new classification standard.

(h) Consideration of a candidate who did not receive proper consideration in a competitive promotion action.

(i) Impact of person in the job and Factor IV process (application of the Research Grade-Evaluation Guide, Equipment Development Grade-Evaluation Guide, Part III, or similar guides) promotions.

2. Supervisory and Team Leader Pay Adjustments

Supervisory and team leader pay adjustments may be approved by the RDE Center Directors based on the recommendation of the Personnel Management Board at the Center level to compensate employees with supervisory or team leader responsibilities. Only

employees in supervisory or team leader positions as defined by the OPM GS Supervisory Guide or GS Leader Grade-Evaluation Guide may be considered for the pay adjustment. These pay adjustments are funded separately from Performance Pay Pools. These pay adjustments are increases to the basic rate of pay, ranging up to 10 percent of that pay rate for supervisors and up to 5 percent of that pay rate for team leaders. Pay adjustments are subject to the constraint that the adjustment may not cause the employee's basic rate of pay to exceed the pay band maximum rate. Criteria to be considered in determining the pay increase percentage include: (1) Needs of the organization to attract, retain, and motivate high quality supervisors/team leaders; (2) budgetary constraints; (3) years and quality of related experience; (4) relevant training; (5) performance appraisals and experience as a supervisor/team leader; (6) organizational level of position; and (7) impact on the organization. The pay adjustment will not apply to employees in Pay Band V of the E&S Occupational Family.

After the date of conversion into the demonstration project, a pay adjustment may be considered under the following conditions:

(1) New hires into supervisory/team leader positions will have their initial rate of base pay set at the supervisor's discretion within the pay range of the applicable pay band. This rate of pay may include a pay adjustment determined by using the ranges and criteria outlined above.

(2) A career employee selected for a supervisory/team leader position that is within the employee's current pay band may also be considered for a pay adjustment. If a supervisor/team leader is already authorized a pay adjustment and is subsequently selected for another supervisor/team leader position within the same pay band, then the pay adjustment will be re-determined.

Upon initial conversion into the demonstration project into the same or substantially similar position, supervisors/team leaders will be converted at their existing basic rate of pay and will not be eligible for a pay adjustment.

The supervisor/team leader pay adjustment will be reviewed annually, with possible increases or decreases based on the appraisal scores for the performance elements Team/Project Leadership and Supervision/EEO. The initial dollar amount of a pay adjustment will be removed when the employee voluntarily leaves the position. The cancellation of the adjustment under these circumstances is not an adverse action and is not subject to appeal. If an employee is removed from a supervisory/team leader position for personal cause (performance or conduct), the adjustment will be removed under adverse action procedures. However, if an employee is removed from a non-probationary supervisory/team leader position for conditions other than voluntary or for personal cause, then grade and pay retention will follow current law and regulations at 5 U.S.C. 5362, 5363, and 5 CFR part 536, except as waived or modified in section IX.

3. Supervisory/Team Leader Pay Differentials

Supervisory and team leader pay differentials may be used by RDE Center Directors to provide an incentive and reward supervisors and team leaders as defined by the OPM GS Supervisory Guide and GS Leader Grade-Evaluation Guide. Pay differentials are not funded from Performance Pay Pools. A pay differential is a cash incentive that may range up to 10 percent of base pay for supervisors and up to 5 percent of base pay for team leaders. It is paid on a pay period basis with a specified not-to-exceed (NTE) of one year or less and is not included as part of the base pay. Criteria to be considered in determining the amount of the pay differential are the same as those identified for Supervisory/Team Leader Pay Adjustments. The pay differential will not apply to employees in Pay Band V of the E&S occupational family.

The pay differential may be considered, either during conversion into or after initiation of the demonstration project, if the supervisor/team leader has subordinate employees in the same pay band. The differential must be terminated if the employee is removed from a supervisory/team leader position, regardless of cause.

After initiation of the demonstration project, all personnel actions involving a supervisory/team leader differential will require a statement signed by the employee acknowledging that the differential may be terminated or reduced at the discretion of the RDE Center Directors. The termination or reduction of the differential is not an adverse action and is not subject to appeal.

4. Pay Administration

Pay administration policies will be established by the RDE Personnel Management Board, which conform to basic governmental pay fixing policy; however, these policies will be exempt from Army Regulations or CECOM local pay fixing policies. Upon initial appointment, the individual's pay may be set anywhere within the band level consistent with the special qualifications of the individual and the unique requirements of the position. These special qualifications may be in the form of education, training, experience, or any combination thereof that is pertinent to the position in which the employee is being placed. Guidance on hiring salaries will be established by the RDE Personnel Management Board.

CECOM RDE organizations may make full use of recruitment, retention and relocation payments as currently provided for by OPM.

Highest Previous Rate (HPR) will be considered in placement actions authorized under rules similar to the HPR rules in 5 CFR 531.203 (c) and (d). Use of HPR will be at the supervisor's discretion, but if used, HPR is subject to policies established by the RDE Personnel Management Board. Pay band and pay retention will follow current law and regulations at 5 U.S.C. 5362, 5363, and 5 CFR part 536, except as waived or modified in section IX, the waiver section of this plan. RDE Center Directors may also grant pay retention to employees who meet general eligibility requirements, but do not have specific entitlement by law, provided they are not specifically excluded.

5. Pay and Compensation Ceilings

An employee's total monetary compensation paid in a calendar year may not exceed the basic pay of level I of the Executive Schedule consistent with 5 U.S.C. 5307 and 5 CFR part 530 subpart B. In addition, each pay band will have its own pay ceiling, just as grades do in the current system. Pay rates for the various pay bands will be directly keyed to the GS rates, except the maximum range for Pay Band V of the Engineer and Scientist occupational family, which cannot exceed ES–4. Basic pay will be limited to the maximum rates payable for each pay band, except for retained rates.

6. Pay Setting for Promotion

The minimum basic pay increase upon promotion to a higher pay band will be 6 percent or the minimum rate of the new pay band, whichever is greater. The maximum amount of pay increases will not exceed $10,000, or other such amount as established by the RDE Personnel Management Board. However, for employees assigned to occupational categories and geographic areas covered by special rates, the minimum salary rate in the pay band to which promoted is the minimum salary for the corresponding special rate or locality rate, whichever is greater. For

employees covered by a staffing supplement, the demonstration staffing adjusted pay is considered basic pay for promotion calculations. When a temporary promotion is terminated, the employee's pay entitlements will be re-determined based on the employee's position of record, with appropriate adjustments to reflect pay events during the temporary promotion, subject to the specific policies and rules established by the RDE Personnel Management Board. In no case may those adjustments increase the pay for the position of record beyond the applicable pay range maximum rate.

7. Pay Setting for Demotion or Placement in a Lower Pay Band

A demotion is a placement into a lower pay band within the same occupational family or placement into a pay band in a different occupational family with a lower salary. Demotions may be for cause (performance or conduct) or for reasons other than cause (e.g., erosion of duties, reclassification of duties to a lower pay band, application under competitive announcements or at the employee's request, or placement actions resulting from RIF procedures). Employees demoted for cause are not entitled to pay retention. Employees demoted for reasons other than cause may be entitled to pay retention in accordance with the provisions of 5 U.S.C. 5363 and 5 CFR part 536, except as waived or modified in section IX of this plan.

Employees who receive an unacceptable rating or who are on a performance improvement plan at the time pay determinations are made, do not receive performance payouts or the general pay increase. This action may result in a base salary that is identified in a lower pay band. This occurs because the minimum rate of basic pay in a pay band increases as the result of the General Pay Increase (5 U.S.C. 5303). This situation (a reduction in band level with no reduction in pay) will not be considered an adverse performance based action, nor will band retention provisions apply.

8. Staffing Supplements

Employees assigned to occupational categories and geographic areas covered by special rates will be entitled to a staffing supplement if the maximum adjusted rate for the banded GS grades to which assigned is a special rate that exceeds the maximum GS locality rate for the banded grades. The staffing supplement is added to the base pay, much like locality rates are added to base pay. For employees being converted into the demonstration project, total pay immediately after conversion will be the same as immediately before, but a portion of the total pay will be in the form of a staffing supplement. Adverse action and pay retention provisions will not apply to the conversion process, as there will be no change in total salary.

The staffing supplement is calculated as follows. Upon conversion, the demonstration base rate will be established by dividing the employee's former GS adjusted rate (the higher of special rate or locality rate) by the staffing factor. The staffing factor will be determined by dividing the maximum special rate for the banded grades by the GS unadjusted rate corresponding to that special rate (step 10 of the GS rate for the same grade as the special rate). The employee's demonstration staffing supplement is derived by multiplying the demonstration base rate by the staffing factor minus one. Therefore, the employee's final demonstration special staffing rate equals the demonstration base rate plus the staffing supplement. This amount will equal the employee's former GS adjusted rate. Simplified, the formula is this:

$$\text{Staffing factor} = \frac{\text{Maximum Special Rate for the banded grades}}{\text{GS unadjusted rate corresponding to that special rate}}$$

$$\text{Demonstration base rate} = \frac{\text{Former GS adjusted rate (special or locality rate)}}{\text{Staffing factor}}$$

$$\text{Staffing Supplement} = \text{Demonstration base rate} \times (\text{Staffing factor} - 1)$$

$$\text{Salary upon conversion} = \text{Demonstration base rate} + \text{Staffing supplement (sum will equal existing rate)}$$

Example: Assume there is a GS–854–11, step 03 employee assigned to Fort Monmouth, NJ, who is entitled to the greater of a special salary rate of $53,648 or a locality rate of $48,763 ($42,918+13.62 percent). The maximum special rate for a GS–854–11, step 10 is $65,381, and the corresponding regular rate is $52,305. The maximum GS–11 locality rate in Fort Monmouth is $59,429 ($52,305+13.62 percent), which is less than the maximum special salary rate. Thus, a staffing supplement is payable. The staffing factor is computed as follows:

Staffing factor = $65,381/$52,305 = 1.2500

Demonstration base rate = $53,648/1.2500 = $42,918

Then to determine the staffing supplement, multiply the demonstration base by the staffing factor minus 1.

Staffing supplement = $42,918 × 0.2500 = $10,730

The staffing supplement of $10,730 is added to the demonstration base rate of $42,918, and the total salary is $53,648, which is the salary of the employee before conversion.

If an employee is in a band where the maximum GS adjusted rate for the banded grades is a locality rate, when the employee enters into the demonstration project, the demonstration base rate is derived by dividing the employee's former GS adjusted rate (the higher of locality rate or special rate) by the applicable locality pay factor. The employee's demonstration locality-adjusted rate will equal the employee's former GS adjusted rate. Any GS or special rate schedule adjustment will require computing the staffing supplement again. Employees receiving a staffing supplement remain entitled to an underlying locality rate, which may over time supersede the need for a staffing supplement. If OPM discontinues or decreases a special rate schedule, pay retention provisions will be applied. Upon geographic movement, an employee who receives the staffing supplement will have the supplement recomputed. Any resulting reduction in pay will not be considered an adverse action or a basis for pay retention.

The calculation of a staffing supplement as previously illustrated was presented in the context of a GS employee entering the demonstration project. Application of the staffing supplement is normally intended to maintain pay comparability for GS employees entering the demonstration. However, the staffing supplement formulas must be compatible with non-Government employees entering the demonstration and also be adaptable to the special circumstances of employees already in the demonstration. The following principles will govern the modifications necessary to the previous

staffing supplement calculations to apply the staffing supplement to circumstances other than a GS employee entering the demonstration project. No adjustment under these provisions will provide an increase greater than that provided by the special salary rate. An increase provided under this authority is not an equivalent increase, as defined by 5 CFR 531.403. These principles are stated with the understanding that the necessary conditions exist that require the application of a staffing supplement.

1. If a non-Government employee is hired into the demonstration, then the employee's entry salary will be used for the term, ''former GS adjusted rate'' to calculate the demonstration base rate.

2. If a current employee is covered by a new or modified special salary rate table, then the employee's current demonstration base rate is used to calculate the staffing supplement percentage. The employee's new demonstration adjusted base salary is the sum of the current demonstration base rate and the calculated staffing supplement.

3. If a current employee is in an occupational category that is covered by a special salary rate table and subsequently, the occupational category becomes covered by a different special salary rate table with a higher value (e.g., a DB 854 originally covered by table 422 is subsequently covered by table 999E, which is a higher rate schedule), then the following steps must be applied to calculate a new demonstration base rate:

Step 1. To obtain a relevance factor, divide the staffing factor that will become applicable to the employee by the staffing factor that would have applied to the employee. For example, table 999E (Special Salary Rate Table for Certain Information Technology employees, containing 2001 rates for New Jersey) is applicable to a DB 854–II employee, and the applicable staffing factor is 1.25 ($65,381 /$52,305). For table 0422 (the table that would have applied if table 999E had not been implemented), the applicable staffing factor is 1.1281 ($59,010/$52,305). Thus:

Relevance factor = 1.25 / 1.281 = 1.108

Step 2. Multiply the relevance factor resulting from step 1 by the employee's current adjusted demonstration rate to determine a new adjusted demonstration rate.

Step 3. Divide the result from step 2 by the applicable staffing factor to derive a new demonstration base rate. This new demonstration base rate will be used to calculate the staffing supplement and the new demonstration adjusted base salary.

4. If, after the establishment of a new or adjusted special salary rate table, an employee enters the demonstration (whether converted from GS or hired from outside Government) prior to this intervention, then the employee's current adjusted base salary is used for the term ''former GS adjusted rate'' to calculate the demonstration base rate. This principle prevents double compensation due to the single event of a new or adjusted special salary rate table.

5. If an employee is in an occupational category covered by a new or modified special salary rate table, and the pay band to which assigned is not entitled to a staffing supplement, then the employee's salary may be reviewed and adjusted to accommodate the salary increase provided by the special salary rate. The review may result in a one-time pay increase if the employee's salary equals or is less than the highest special salary grade and step that exceeds the comparable locality grade and step. Demonstration project operating procedures will identify the officials responsible to make such reviews and determinations. The applicable salary increase will be calculated by determining the percentage difference between the highest step 10 special salary rate and the comparable step 10 locality rate and applying this percentage to the demonstration base rate.

An established salary including the staffing supplement will be considered basic pay for the same purposes as a locality rate under 5 CFR 531.606(b), i.e., for purposes of retirement, life insurance, premium pay, severance pay, and advances in pay. It will also be used to compute worker's compensation payments and lump-sum payments for accrued and accumulated annual leave.

9. Simplified Assignment Process

Today's environment of downsizing and workforce fluctuations mandates that the organization have maximum flexibility to assign duties and responsibilities to individuals. Pay banding can be used to address this need, as it enables the organization to have maximum flexibility to assign an employee with no change in basic pay, within broad descriptions, consistent with the needs of the organization and the individual's qualifications and level. Subsequent assignments to projects, tasks, or functions anywhere within the organization requiring the same level, area of expertise, and qualifications would not constitute an assignment outside the scope or coverage of the current position description. For instance, a technical expert could be assigned to any project, task, or function requiring similar technical expertise. Likewise, a manager could be assigned to manage any similar function or organization consistent with that individual's qualifications. This flexibility allows broader latitude in assignments and further streamlines the administrative process and system.

10. Details

Under this plan employees may be detailed to a position in the same band (requiring a different level of expertise and qualifications) or lower pay band (or its equivalent in a different occupational family) for up to one year. Details may be implemented through an official personnel action to cover the one-year period. Details to a position in a higher pay band up to 180 days will be made non-competitively. Beyond 180 days requires competitive procedures.

F. Employee Development

1. Expanded Developmental Opportunity Program

The Expanded Developmental Opportunity Program will be available to all demonstration project employees. Expanded developmental opportunities complement existing developmental opportunities such as long-term training, rotational job assignments, developmental assignments to AMC/Army/DoD, and self-directed study via correspondence courses and local colleges and universities. Each developmental opportunity must result in a product, service, report or study that will benefit the RDE or customer organization as well as increase the employee's individual effectiveness. The developmental opportunity period will not result in loss of (or reduction) in basic pay, leave to which the employee is otherwise entitled, or credit for service time. The positions of employees on expanded developmental opportunities may be back-filled (i.e., with temporarily assigned, detailed or promoted employees or with term employees). However, that position or its equivalent must be made available to the employee upon return from the developmental period. The RDE Personnel Management Board will provide written guidance for employees on application procedures and develop a process that will be used to review and evaluate applicants for development opportunities.

a. Sabbaticals. RDE Center Directors will have the authority to grant paid or unpaid sabbaticals to all career employees. The purpose of a sabbatical

will be to permit employees to engage in study or uncompensated work experience that will benefit the organization and contribute to the employee's development and effectiveness. Each sabbatical must result in a product, service, report, or study that will benefit the CECOM RDE mission as well as increase the employee's individual effectiveness. Various learning or developmental experiences may be considered, such as advanced academic teaching; study; research; self-directed or guided study; and on-the-job work experience with public, private, commercial, or private non-profit organizations.

Paid sabbaticals of up to 12 months in duration and unpaid sabbaticals of up to 6 months in a calendar year may be granted to an employee in any 7-year period. Employees will be eligible to request a sabbatical after completion of seven years of Federal service. Employees approved for a paid sabbatical must sign a service obligation agreement to continue in service in the CECOM RDE for a period of three times the length of the sabbatical. If an employee voluntarily leaves the CECOM RDE organization before the service obligation is completed he/she is liable for repayment of expenses associated with training during the sabbatical such as, registration fees, tuition and matriculation fees, library and laboratory fees, purchase or rental of books, materials, supplies, travel, per diem, and miscellaneous other related training program costs. Expenses do not include salary costs. The RDE Center Directors have the authority to waive this requirement.

Specific procedures will be developed for processing sabbatical applications upon implementation of the demonstration project.

b. Critical Skills Training (Training for Degrees). Training is an essential component of an organization that requires continuous acquisition of advanced and specialized knowledge. Degree training is also a critical tool for recruiting and retaining employees with or requiring critical skills. Until 2000, 5 U.S.C. 4107 limited degree payment to those employees in shortage occupations with a recruitment or retention problem. Degree payment was not permitted for non-shortage occupations involving critical skills. In section 1121 of the National Defense Authorization Act for FY 01, the Congress approved legislation sought by DoD to link degree payment to programs of systematic professional development, dropping the shortage occupation constraint. This demonstration project exempts CECOM from both conditions—linkage to professional development programs or to a shortage occupation.

The CECOM RDE organizations are expanding the authority to provide degree or certificate payment for non-shortage occupations for purposes of meeting critical skill requirements. This will ensure continuous acquisition of advanced specialized knowledge essential to the organization, and enhance our ability to recruit and retain personnel critical to the present and future requirements of the organization. Degree or certificate payment may not be authorized where it would result in a tax liability for the employee without the employee's express and written consent. Any variance from this policy must be rigorously determined and documented. Guidelines will be developed to ensure competitive approval of degree or certificate payment and that such decisions are fully documented. Employees approved for degree training must sign a service obligation agreement to continue in service in a CECOM RDE organization for a period of three times the length of the training period. If an employee voluntarily leaves the CECOM RDE organization before the service obligation is completed, the employee is liable for repayment. The repayment amount will be based on the additional expenses or direct costs of the training, such as registration fees; tuition and matriculation fees; library and laboratory fees; purchase or rental of books, materials, and supplies; travel and per diem; and miscellaneous other related training program costs. The RDE Center Directors have the authority to waive this requirement.

G. Reduction-in-Force (RIF) Procedures

RIF procedures will be used when a CECOM RDE employee faces separation or downgrading due to lack of work, shortage of funds, reorganization, insufficient personnel ceiling, the exercise of re-employment or restoration rights, or furlough for more than 30 calendar days or more than 22 discontinuous days. The procedures in 5 CFR 351 will be followed with slight modifications pertaining to the competitive areas, assignment rights, the calculation of adjusted service computation date and grade/pay band retention. Modified term appointment employees are in Tenure Group III for RIF purposes. RIF procedures are not required when separating these employees when their appointments expire.

1. Competitive Areas

Separate competitive areas for RIF purposes will be established at each geographic location. Separate RIF competitive areas for demo and non-demo employees will be established at each geographic location. Bumps and retreats will occur only within the same competitive area and only to positions for which the employee meets all qualification standards including medical and/or physical qualifications.

Within each competitive area, competitive levels will be established based on the occupational family, pay band and series which are similar enough in duties and qualifications that employees can perform the duties and responsibilities of any other position in the competitive level upon assignment to it, without any loss of productivity beyond what is normally expected.

2. Assignment Rights

An employee may displace another employee by bump or retreat to one band below the employee's existing band. A preference eligible with a compensable service-connected disability of 30 percent or more may retreat to positions two bands (or equivalent to five grades) below his/her current band.

3. Crediting Performance in Reductions in Force (RIF)

Reductions in force are accomplished using the existing procedures with the retention factors of: tenure, veteran's preference and length of service as adjusted by performance ratings, in that order. However, the additional RIF service credit for performance will be based on the last three total performance scores during the preceding 4 years and will be applied as follows:

Total Performance Scores = Years of Service Credit

48 − 50 = 10
45 − 47 = 9
42 − 44 = 8
39 − 41 = 7
36 − 38 = 6
33 − 35 = 5
30 − 32 = 4
27 − 29 = 3
24 − 26 = 2
20 − 23 = 1

A score of below 20 adds no credit for RIF retention. (Note: The additional years of service credit are added, not averaged. Ratings given under non-demonstration systems will be converted to the demonstration-rating scheme and provided the equivalent rating credit.)

Employees who have been rated under different patterns of summary

rating levels will receive RIF appraisal credit based on the following:

If there are any ratings to be credited for the RIF given under a rating system, which includes one or more levels above fully successful (Level 3), employee will receive:

10 years for Level 5
7 years for Level 4
3 years for Level 3

If an employee comes from a system with no levels above Fully Successful (Level 3), they will receive credit based on the demonstration project's modal score for the employee's competitive area.

In some cases, an employee may not have three (3) ratings of record. If an employee has less than three annual ratings of record, then for each missing rating, an average of the scores received for the past four years will be used. When the score is calculated to be a decimal, it should be rounded to the next higher whole number using the method described in paragraph III.C.4. For an employee who has no ratings of record, all credit will be based on the repeated use of a single modal rating from the most recently completed appraisal period on record.

An employee who has received a written decision that their performance is unacceptable has no bump or retreat rights. Employees who have been demoted for unacceptable performance, and as of the date of the issuance of the RIF notice have not received a performance rating in the position to which demoted, will receive the same additional retention service credit granted for a level 3 rating of record. An employee who has received an acceptable rating following a PIP will have that rating considered as the current rating of record.

An employee with a current unacceptable rating of record has assignment rights only to a position held by another employee who has an unacceptable rating of record.

4. Pay Band and Pay Retention

Pay band and pay retention will follow current law and regulations at 5 U.S.C. 5362, 5363, and 5 CFR part 536, except as waived or modified in section IX of this plan.

IV. Implementation Training

Critical to the success of the demonstration project is the training developed to ensure understanding of the broad concepts and finer details needed to implement and successfully execute this project. Pay banding, a new job classification and performance management system all represent a significant cultural change to the organization. Training will be tailored to fit the requirements of every employee and will fully address employee concerns to ensure a comprehensive understanding of the program. Training will be required both prior to implementation and at various times during the life of the demo.

A training program will begin prior to implementation and will include modules tailored for employees, supervisors, senior managers, and administrative staff. Typical modules are:

An Overview of the Personnel System
How Employees Are Converted into and out of the System
Pay Banding
The Pay for Performance System
Defining Performance Objectives
How to Assign Weights
Assessing Performance—Giving Feedback
New Position Descriptions
Demonstration Project Administration and Formal Evaluation

Various types of training are being considered, including videos, on-line tutorials, and train the trainer concepts.

V. Conversion

A. Conversion to the Demonstration Project

Initial entry into the demonstration project will be accomplished through a full employee-protection approach that ensures each employee an initial place in the appropriate pay band without loss of pay. Employees serving under regular term appointments at the time of the implementation of the demonstration project will be converted to the modified term appointment if all requirements in III.D.4. (Revisions to Term Appointments) have been satisfied. Position announcements, etc., will not be required for these term appointments.

Conversion from current GS/GM grade and pay into the new pay band system will be accomplished upon implementation of the demonstration project. Each employee's initial total salary under the demonstration project will equal the total salary received immediately before conversion. Special conversion rules apply to special salary rate employees, which are described in III.E.8. (Staffing Supplements). Employees who enter the demonstration project later by lateral transfer, reassignment or realignment will be subject to the same pay conversion rules. If conversion into the demonstration project is accompanied by a geographic move, the employee's GS pay entitlements in the new geographic area must be determined before performing the pay conversion.

Employees who are covered by special salary rates prior to entering the demonstration project will no longer be considered a special rate employee under the demonstration project. These employees will, therefore, be eligible for full locality pay or a staffing supplement. The adjusted salaries of these employees will not change. Rather, the employees will receive a new basic pay rate computed under the staffing supplement rules in section III. E. 8. Adverse action and pay retention provisions will not apply to the conversion process, as there will be no change in total salary.

Employees who are on temporary promotions at the time of conversion will be converted to a pay band commensurate with the grade of the position to which temporarily promoted. At the conclusion of the temporary promotion, the employee will revert to the grade or pay band that corresponds to the position of record. When a temporary promotion is terminated, pay will be determined based on the position of record, with appropriate adjustments to reflect pay events during the temporary promotion, subject to the specific policies and rules established by the CECOM RDE Personnel Management Board. In no case may those adjustments increase the pay for the position of record beyond the applicable pay range maximum rate. The only exception will be if the original competitive promotion announcement stipulated that the promotion could be made permanent; in these cases, actions to make the temporary promotion permanent will be considered, and if implemented, will be subject to all existing priority placement programs.

During the first 12 months following conversion, employees will receive pay increases for non-competitive promotion equivalents when the grade level of the promotion is encompassed within the same pay band, the employee's performance warrants the promotion and promotions would have otherwise occurred during that period. Employees who receive an in-level promotion at the time of conversion will not receive a prorated step increase equivalent as defined below.

Under the current pay structure, employees progress through their assigned grade in step increments. Since this system is being replaced under the demonstration project, employees will be awarded that portion of the next higher step they have completed up until the effective date of implementation. As under the current system, supervisors will be able to withhold these partial step increases if

the employee's performance is below an acceptable level of competence.

Rules governing WGIs under the current Army performance plan will continue in effect until the implementation date. Adjustments to the employee's base salary for WGI equity will be computed effective the date of implementation to coincide with the beginning of the first formal PFP assessment cycle. WGI equity will be acknowledged by increasing base salaries by a prorated share based upon the number of weeks an employee has completed toward the next higher step. Payment will equal the value of the employee's next WGI times the proportion of the waiting period completed (weeks completed in waiting period/weeks in the waiting period) at the time of conversion. Employees at step 10, or receiving retained rates, on the day of implementation will not be eligible for WGI equity adjustments since they are already at or above the top of the step scale. Employees serving on retained grade will receive WGI equity adjustments provided they are not at step 10 or receiving a retained rate.

Employees who enter the demonstration project after initial implementation by lateral transfer, reassignment, or realignment will be subject to the same pay conversion rules as above. Specifically, adjustments to the employee's base salary for a step increase and a non-competitive career ladder promotion will be computed as a prorated share of the current value of the step or promotion increase based upon the number of weeks an employee has completed toward the next higher step or grade at the time the employee moves into the project.

B. Conversion Out Of The Demonstration Project

If a demonstration project employee is moving to a GS position not under the demonstration project, or if the project ends and each project employee must be converted back to the GS system, the following procedures will be used to convert the employee's project pay band to a GS-equivalent grade and the employee's project rate of pay to the GS-equivalent rate of pay. The converted GS grade and GS rate of pay must be determined before movement or conversion out of the demonstration project and any accompanying geographic movement, promotion, or other simultaneous action. For conversions upon termination of the project and for lateral reassignments, the converted GS grade and rate will become the employee's actual GS grade and rate after leaving the demonstration project (before any other action). For transfers, promotions, and other actions, the converted GS grade and rate will be used in applying any GS pay administration rules applicable in connection with the employee's movement out of the project (e.g., promotion rules, highest previous rate rules, pay retention rules), as if the GS converted grade and rate were actually in effect immediately before the employee left the demonstration project.

1. Grade-Setting Provisions

An employee in a pay band corresponding to a single GS grade is converted to that grade. An employee in a pay band corresponding to two or more grades is converted to one of those grades according to the following rules:

(a) The employee's adjusted rate of basic pay under the demonstration project (including any locality payment or staffing supplement) is compared with step 4 rates in the highest applicable GS rate range. (For this purpose, a GS rate range includes a rate in (1) the GS base schedule, (2) the locality rate schedule for the locality pay area in which the position is located, or (3) the appropriate special rate schedule for the employee's occupational series, as applicable.) If the series is a two-grade interval series, only odd-numbered grades are considered below GS–11.

(b) If the employee's adjusted project rate equals or exceeds the applicable step 4 rate of the highest GS grade in the band, the employee is converted to that grade.

(c) If the employee's adjusted project rate is lower than the applicable step 4 rate of the highest grade, the adjusted rate is compared with the step 4 rate of the second highest grade in the employee's pay band. If the employee's adjusted rate equals or exceeds step 4 rate of the second highest grade, the employee is converted to that grade.

(d) This process is repeated for each successively lower grade in the band until a grade is found in which the employee's adjusted project rate equals or exceeds the applicable step 4 rate of the grade. The employee is then converted at that grade. If the employee's adjusted rate is below the step 4 rate of the lowest grade in the band, the employee is converted to the lowest grade.

(e) Exception: If the employee's adjusted project rate exceeds the maximum rate of the grade assigned under the above-described step 4 rule but fits in the rate range for the next higher applicable grade (i.e., between step 1 and step 4), then the employee shall be converted to that next higher applicable grade.

(f) Exception: An employee will not be converted to a lower grade than the grade held by the employee immediately preceding a conversion, lateral reassignment, or lateral transfer into the project, unless since that time the employee has undergone a reduction in band.

2. Pay-Setting Provisions

An employee's pay within the converted GS grade is set by converting the employee's demonstration project rates of pay to GS rates of pay in accordance with the following rules:

(a) The pay conversion is done before any geographic movement or other pay-related action that coincides with the employee's movement or conversion out of the demonstration project.

(b) An employee's adjusted rate of basic pay under the project (including any locality payment or staffing supplement) is converted to a GS-adjusted rate on the highest applicable GS rate range for the converted GS grade. (For this purpose, a GS rate range includes a rate range in (1) the GS base schedule, (2) an applicable locality rate schedule, or (3) an applicable special rate schedule.)

(c) If the highest applicable GS rate range is a locality pay rate range, the employee's adjusted project rate is converted to a GS locality rate of pay. If this rate falls between two steps in the locality-adjusted schedule, the rate must be set at the higher step. The converted GS unadjusted rate of basic pay would be the GS base rate corresponding to the converted GS locality rate (i.e., same step position). (If this employee is also covered by a special rate schedule as a GS employee, the converted special rate will be determined based on the GS step position. This underlying special rate will be basic pay for certain purposes for which the employee's higher locality rate is not basic pay.)

(d) If the highest applicable GS rate range is a special rate range, the employee's adjusted project rate is converted to a special rate. If this rate falls between two steps in the special rate schedule, the rate must be set at the higher step. The converted GS unadjusted rate of basic pay will be the GS rate corresponding to the converted special rate (i.e., same step position).

(e) E&S Pay Band V Employees: An employee in Pay Band V of the E&S Occupational Family will convert out of the demonstration project at the GS–15 level. Procedures will be developed to ensure that employees entering Pay Band V understand that if they leave the demonstration project and their

adjusted project pay exceeds the GS–15, Step 10 rate, there is no entitlement to retained pay. Their GS equivalent rate will be deemed to be the rate for GS–15, Step 10. For those Pay Band V employees paid below the adjusted GS–15, Step 10 rate, the converted rates will be set in accordance with paragraph b.

(f) Employees with Pay Retention: If an employee is receiving a retained rate under the demonstration project, the employee's GS-equivalent grade is the highest grade encompassed in his or her band level. Demonstration project operating procedures will outline the methodology for determining the GS-equivalent pay rate for an employee retaining a rate under the demonstration project.

3. Within Grade Increase—Equivalent Increase Determinations

Service under the demonstration project is creditable for within-grade increase purposes upon conversion back to the GS pay system. Performance pay increases (including a zero increase) under the demonstration project are equivalent increases for the purpose of determining the commencement of a within-grade increase waiting period under 5 CFR 531.405(b).

C. Personnel Administration

All personnel laws, regulations, and guidelines not waived by this plan will remain in effect. Basic employee rights will be safeguarded and merit principles will be maintained. Servicing CPOCs/CPACs will continue to process personnel-related actions and provide consultative and other appropriate services.

D. Automation

The CECOM RDE organizations will continue to use the Defense Civilian Personnel Data System (DCPDS) for the processing of personnel-related data. Payroll servicing will continue from the respective payroll offices.

Local automated systems will be developed to support computation of performance related pay increases and awards and other personnel processes and systems associated with this project.

E. Experimentation and Revision

Many aspects of a demonstration project are experimental. Modifications may be made from time to time as experience is gained, results are analyzed, and conclusions are reached on how the new system is working. The provisions of this project plan will not be modified, duplicated in organizations not listed in the project plan, or extended to individuals or groups of employees not included in the project plan without the approval of the Deputy Assistant Secretary of Defense (Civilian Personnel Policy). ODASD(CPP) will inform DA of requirements for notification to stakeholders, which may include Congress, employees, labor organizations, and the public. The extent of notification requirements will depend on the nature and extent of the requested project modification. As a minimum, however, major changes and modifications will be published in the **Federal Register**, subject to ODASD(CPP) approval.

VI. Project Duration

Public Law 103–337 removed any mandatory expiration date for this demonstration. CECOM, DA and DoD will ensure this project is evaluated for the first five years after implementation in accordance with 5 U.S.C. 4703. Modifications to the original evaluation plan or any new evaluation will ensure the project is evaluated for its effectiveness, its impact on mission and any potential adverse impact on any employee groups. Major changes and modifications to the interventions can be made through announcement in the **Federal Register** and would be made if formative evaluation data warranted. At the 5-year point, the demonstration will be reexamined for permanent implementation, modification and additional testing, or termination of the entire demonstration project.

VII. Evaluation Plan

A. Overview

Chapter 47 of 5 U.S.C. requires that an evaluation be performed to measure the effectiveness of the demonstration project, and its impact on improving public management. A comprehensive evaluation plan for the entire demonstration program, originally covering 24 DoD laboratories, was developed by a joint OPM/DoD Evaluation Committee in 1995. This plan was submitted to the Office of Defense Research & Engineering and was subsequently approved. The main purpose of the evaluation is to determine whether the waivers granted result in a more effective personnel system and improvements in ultimate outcomes (i.e. organizational effectiveness, mission accomplishment, and customer satisfaction).

B. Evaluation Model

Appendix D shows an intervention model for the evaluation of the demonstration project. The model is designated to evaluate two levels of organizational performance: intermediate and ultimate outcomes. The intermediate outcomes are defined as the results from specific personnel system changes and the associated waivers of law and regulation expected to improve human resource (HR) management (i.e. cost, quality, timeliness). The ultimate outcomes are determined through improved organizational performance, mission accomplishment, and customer satisfaction. Although it is not possible to establish a direct causal link between changes in the HR management system and organizational effectiveness, it is hypothesized that the new HR system will contribute to improved organizational effectiveness.

Organizational performance measures established by the organization will be used to evaluate the impact of a new HR system on the ultimate outcomes. The evaluation of the new HR system for any given organization will take into account the influence of three factors on organizational performance: context, degree of implementation, and support of implementation. The context factor refers to the impact which intervening variables (i.e., downsizing, changes in mission, or the economy) can have on the effectiveness of the program. The degree of implementation considers: (1) The extent to which the HR changes are given a fair trial period; (2) the extent to which the changes are implemented; and (3) the extent to which the changes conform to the HR interventions as planned. The support of implementation factor accounts for the impact that factors such as training, internal regulations and automated support systems have on the support available for program implementation. The support for program implementation factor can also be affected by the personal characteristics (e.g., attitudes) of individuals who are implementing the program.

The degree to which the project is implemented and operated will be tracked to ensure that the evaluation results reflect the project as it was intended. Data will be collected to measure changes in both intermediate and ultimate outcomes, as well as any unintended outcomes, which may happen as a result of any organizational change. In addition, the evaluation will track the impact of the project and its interventions on veterans and other EEO groups, the Merit Systems Principles, and the Prohibited Personnel Practices. Additional measures may be added to the model in the event that changes or modifications are made to the demonstration plan.

The intervention model at Appendix D will be used to measure the

effectiveness of the personnel system interventions implemented. The intervention model specifies each personnel system change or ''intervention'' that will be measured and shows: (1) The expected effects of the intervention, (2) the corresponding measures, and (3) the data sources for obtaining the measures. Although the model makes predictions about the outcomes of specific intervention, causal attributions about the full impact of specific interventions will not always be possible for several reasons. For example, many of the initiatives are expected to interact with each other and contribute to the same outcomes. In addition, the impact of changes in the HR system may be mitigated by context variables (e.g., the job market, legislation, and internal support systems) or support factors (e.g., training, automation support systems).

C. Evaluation

A modified quasi-experimental design will be used for the evaluation of the S&T Personnel Demonstration Program. Because most of the eligible laboratories are participating in the program, a Title 5 U.S.C. comparison group will be compiled from the Civilian Personnel Data File (CPDF). This comparison group will consist of workforce data from Government-wide research organizations in civilian Federal agencies with missions and job series matching those in the DoD laboratories. This comparison group will be used primarily in the analysis of pay banding costs and turnover rates. The original ''China Lake'' project will serve as a second comparison group that can be used as a benchmark representing a stable pay banding system.

D. Method of Data Collection

Data from several sources will be used in the evaluation. Information from existing management information systems and from personnel office records will be supplemented with perceptual survey data from employees to assess the effectiveness and perception of the project. The multiple sources of data collection will provide a more complete picture as to how the interventions are working. The information gathered from one source will serve to validate information obtained through another source. In so doing, the confidence of overall findings will be strengthened as the different collection methods substantiate each other.

Both quantitative and qualitative data will be used when evaluating outcomes. The following data will be collected: (1) Workforce data; (2) personnel office data; (3) employee attitude surveys; (4) focus group data; (5) local site historian logs and implementation information; (6) customer satisfaction surveys; and (7) core measures of organizational performance.

The evaluation effort will consist of two phases, formative and summative evaluation, covering at least 5 years to permit inter- and intra-organizational estimates of effectiveness. The formative evaluation phase will include baseline data collection and analysis, implementation evaluation, and interim assessments. The formal reports and interim assessments will provide information on the accuracy of project operation, and current information on impact of the project on veterans and EEO groups, Merit System Principles, and Prohibited Personnel Practices. The summative evaluation will focus on an overall assessment of project outcomes after five years. The final report will provide information on how well the HR system changes achieved the desired goals, which interventions were most effective, and whether the results can be generalized to other Federal installations.

VIII. Demonstration Project Costs

A. Cost Discipline

An objective of the demonstration project is to ensure in-house cost discipline. A baseline will be established at the start of the project and salary expenditures will be tracked yearly. Implementation costs (including project development, automation costs, step buy-in costs, and evaluation costs) are considered one-time costs and will not be included in the cost discipline.

The RDE Personnel Management Board will track personnel cost changes and recommend adjustments if required to achieve the objective of cost discipline.

B. Developmental Costs

Costs associated with the development of the personnel demonstration project include software automation, training, and project evaluation. All funding will be provided through the organization's budget. The projected annual expenses are summarized in Table 1. Project evaluation costs are not expected to continue beyond the first 5 years unless the results warrant further evaluation.

TABLE 1.—PROJECTED DEVELOPMENTAL COSTS (THEN YEAR DOLLARS)

[In thousands of dollars]

	FY 00	FY01	FY 02	FY 03	FY 04
Training	.....	40	232	10	
Project Evaluation	40	40	40	40	40
Automation	.....	495	383	202	.....
Totals	40	575	655	252	40

IX. Required Waivers to Law and Regulation

Public Law 106–398 gave the DoD the authority to experiment with several personnel management innovations. In addition to the authorities granted by the law, the following are waivers of law and regulation that will be necessary for implementation of the demonstration project. In due course, additional laws and regulations may be identified for waiver request.

The following waivers and adaptations of certain Title 5, U.S.C., provisions are required only to the extent that these statutory provisions limit or are inconsistent with the actions contemplated under this demonstration project. Nothing in this plan is intended to preclude the demonstration project from adopting or incorporating any law or regulation enacted, adopted, or amended after the effective date of this demonstration project.

A. Waivers to Title 5, U.S. Code

Chapter 31, section 3111: Acceptance of Volunteer Service— Amended to allow for a Voluntary Emeritus corps in addition to student volunteers.

Chapter 31, Section 3132: The Senior Executive Service: Definitions and Exclusions.

Chapter 33, Subchapter 1, section 3318(a): Competitive Service, Selection from Certificate.

Chapter 33, Section 3324: Appointments to Positions Classified Above GS–15.

Chapter 33, Section 3341: Details. This waiver applies to the extent necessary to waive the time limits for details.

Chapter 41, Section 4107(a) and (b) (1) Restriction on Degree Training.

Chapter 43, Section 4302: To the extent necessary to substitute ''pay band'' for ''grade.''

Chapter 43, Section 4303: To the extent necessary to (1) substitute ''pay band'' for ''grade'' and (2) provide that moving to a lower pay band as a result of not receiving the general pay increase because of poor performance is not an action covered by the provisions of section 4303 (a)—(d).

Chapter 43, Section 4304(b)(1) and (3): Responsibilities of the OPM.

Chapter 51, Sections 5101–5111, Classification.

Chapter 53, Sections 5301, 5302 (8) and (9), 5303 and 5304: Pay Comparability System-Sections 5301, 5302, and 5304 are waived only to the extent necessary to allow (1) demonstration project employees to be treated as General Schedule employees, (2) basic rates of pay under the demonstration project to be treated as scheduled rates of pay, and (3) employees in Pay Band V of the E&S Occupational Family to be treated as ST employees for the purposes of these provisions.

Chapter 53, Section 5305: Special Rates.

Chapter 53, Sections 5331–5336: General Schedule Pay Rates.

Chapter 53, Sections 5361–5366 Grade and Pay Retention: This waiver applies only to the extent necessary to (1) replace ''grade'' with ''pay band''; (2) allow demonstration project employees to be treated as General Schedule employees; (3) provide that pay band retention provisions do not apply to conversions from General Schedule special rates to demonstration project pay, as long as total pay is not reduced, to reductions in pay due solely to the removal of a supervisory pay adjustment upon voluntarily leaving a supervisory position; and to movements to a lower pay band as a result of not receiving the General Increase due to a rating of record of ''Unacceptable''; (4) provide that an employee on pay retention whose rating of record is ''Unacceptable'' is not entitled to 50 percent of the amount of the increase in the maximum rate of basic pay payable for the pay band of the employee's position; (5) provide that pay retention does not apply to reduction in basic pay due solely to the reallocation of demonstration project pay rates in the implementation of a staffing supplement; and (6) ensure that for employees of Pay Band V of the E&S occupational family, pay retention provisions are modified so that no rate established under these provisions may exceed the rate of basic pay for GS–15, step 10 (i.e., there is no entitlement to retained rate). This waiver applies to ST employees only if they move to a GS-equivalent position within the demonstration project under conditions that trigger entitlement to pay retention.

Chapter 55, Section 5542(a)(1)–(2): Overtime rates; computation. This waiver applies only to the extent necessary to provide that the GS–10 minimum special rate (if any) for the special rate category to which a project employee belongs is deemed to be the ''applicable special rate'' in applying the pay cap provisions in 5 U.S.C. 5542.

Chapter 55, Section 5545(d): Hazardous duty differential. This waiver applies only to the extent necessary to allow demonstration project employees to be treated as General Schedule employees. This waiver does not apply to employees in Pay Band V of the E&S occupational family.

Chapter 55, Section 5547 (a)–(b): Limitation on premium pay. This waiver applies only to the extent necessary to provide that the GS–15 maximum special rate (if any) for the special rate category to which a project employee belongs is deemed to be the ''applicable special rate'' in applying the pay cap provisions in 5 U.S.C. 5547.

Chapter 57, Section 5753, 5754, and 5755: Recruitment and relocation, bonuses, retention allowances and supervisory differentials. (This waiver applies only to the extent necessary to allow (1) employees and positions under the demonstration project to be treated as employees and positions under the General Schedule and (2) employees in Pay Band V of the E&S occupational family to be treated as ST employees.)

Chapter 59, Section 5941: Allowances based on living costs and conditions of environment; employees stationed outside continental U.S. or Alaska. This waiver applies only to the extent necessary to provide that COLAs paid to employees under the demonstration project are paid in accordance with regulations prescribed by the President (as delegated to OPM).

Chapter 75, Section 7512(3): Adverse actions—This provision is waived only to the extent necessary to replace ''grade'' with ''pay band.''

Chapter 75, Section 7512(4): Adverse actions (This waiver applies only to the extent necessary to provide that adverse action provisions do not apply to (1) conversions from General Schedule special rates to demonstration project pay, as long as total pay is not reduced and (2) reductions in pay due to the removal of a supervisory or team leader pay adjustment upon voluntary movement to a non-supervisory or non-team leader position.)

B. Waivers to Title 5, Code of Federal Regulations

Part 300, sections 300.601 through 605: Time-in-Grade restrictions. Time in grade restrictions are eliminated in the demonstration project.

Part 308, sections 308.101 through 308.103: Volunteer service. Amended to allow for a Voluntary Emeritus Corps in addition to student volunteers.

Part 315, section 315.801 and 315.802: Probationary Period—(This waiver applies only to the extent necessary to extend probationary periods from one year to a maximum of three years for newly-hired permanent career-conditional employees in the E&S occupational family.)

Part 315, section 315.901: Statutory requirements—(This waiver applies only to the extent necessary to replace ''grade'' with ''pay band.'')

Part 316, section 316.301: Term Appointments for more than 4 years.

Part 316, section 316.303: Converting Terms to Status.

Part 316, section 316.305: Eligibility for Within-Grade Increases.

Part 332, subpart D., section 332.404: Order of Selection from Certificates.

Part 335, section 335.103: Covering the length of details and temporary promotions.

Part 337, subpart A, section 337.101(a): Rating Applicants. Waive when 15 or fewer qualified candidates.

Part 351.402(b): Competitive Area.

Part 351.403: Competitive Level—(This waiver applies only to the extent necessary to replace ''grade'' with ''pay band.'')

Part 351, section 351.504: As it relates to years of credit.

Part 351, section 351.701: Assignment Involving Displacement—(This waiver applies to the extent that employee bump and retreat rights will be limited to one pay band except in the case of 30 percent preference eligible, and to include employees with an unsatisfactory current rating of record.)

Part 410, section 410.308(a–f): Training to obtain an academic degree.

Part 410, section 410.309: Agreements to Continue in Service—(This waiver applies to that portion that pertains to the authority of the head of the agency to determine continued service requirements, to waive repayment of

such requirements, and to the extent that the service obligation is to the CECOM RDE organizations.)

Part 430, section 430.203: Rating of Record—(This waiver applies to the extent that the definition shall also include ratings for interns that are based on less than the whole appraisal period and improved ratings following an opportunity to demonstrate acceptable performance as provided for in the waiver of 351.504.)

Part 430, section 430.210: OPM Responsibilities

Part 432, section 432.102: (This waiver applies to the extent that the term ''grade level'' is replaced with ''pay band.'')

Part 432: Modified to the extent that an employee may be removed, reduced in pay band level with a reduction in pay, reduced in pay without a reduction in pay band level and reduced in pay band level without a reduction in pay based on unacceptable performance. Also modified to delete reference to critical element. For employees who are reduced in pay band level without a reduction in pay, Sections 432.105 and 432.106(a) do not apply.

Part 432, sections 432.104 Addressing unacceptable performance. References to ''critical elements'' are deleted as all elements are critical and adding that the employee may be ''reduced in pay band level, or pay, or removed'' if performance does not improve to an acceptable level during a reasonable opportunity period.

Part 432, section 432.105(a) (2): Waive ''If an employee has performed acceptably for 1 year'' to allow for ''within two years from the beginning of a PIP.''

Part 511, subpart A: General Provisions, and subpart B: Coverage of the General Schedule.

Part 511, section 511.601: Classification Appeals modified to the extent that white collar positions established under the project plan, although specifically excluded from Title 5, are covered by the classification appeal process outlined in this section, as amended below.

Part 511, section 511.603(a): Right to appeal—substitute ''pay band'' for ''grade.''

Part 511, section 511.607(b): Non-Appealable Issues—add to the list of issues that are neither appealable nor reviewable, the assignment of series under the project plan to appropriate occupational families.

Part 530, subpart C: Special salary rates.

Part 531, subparts B, D, and E: Determining rate of basic pay, within-grade increases, and quality step increases.

Part 531, subpart F: Locality pay—(This waiver applies only to the extent necessary to allow (1) demonstration project employees, except employees in Pay Band V of the E&S occupational family, to be treated as General Schedule employees; (2) basic rates of pay under the demonstration project to be treated as scheduled annual rates of pay; and (3) employees in Pay Band V of the E&S occupational family to be treated as ST employees for the purposes of these provisions.)

Part 536: Grade and pay retention:—(This waiver applies only to the extent necessary to (1) replace ''grade'' with ''pay band''; (2) provide that pay retention provisions do not apply to conversions from General Schedule special rates to demonstration project pay, as long as total pay is not reduced, and to reductions in pay due solely to the removal of a supervisory pay adjustment upon voluntarily leaving a supervisory position; (3) allow demonstration project employees to be treated as General Schedule employees; (4) provide that pay retention provisions do not apply to movements to a lower pay band as a result of not receiving the general increase due to an annual performance rating of ''Unacceptable''; (5) provide that an employee on pay retention whose rating of record is ''Unacceptable'' is not entitled to 50 percent of the amount of the increase in the maximum rate of basic pay payable for the pay band of the employee's position; (6) ensure that for employees of Pay Band V in the E&S occupational family, pay retention provisions are modified so that no rate established under these provisions may exceed the rate of basic pay for GS–15, step 10 (i.e., there is no entitlement to retained rate); and (7) provide that pay retention does not apply to reduction in basic pay due solely to the reallocation of demonstration project pay rates in the implementation of a staffing supplement. This waiver applies to ST employees only if they move to a GS-equivalent position within the demonstration project under conditions that trigger entitlement to pay retention.

Part 550, sections 550.105 and 550.106: Bi-weekly and annual maximum earnings limitations—This waiver applies only to the extent necessary to provide that the GS–15 maximum special rate (if any) for the special rate category to which a project employee belongs is deemed to be the ''applicable special rate'' in applying the pay cap provisions in 5 U.S.C. 5547.

Section 550.703: Severance Pay—(This waiver applies only to the extent necessary to modify the definition of ''reasonable offer'' by replacing ''two grade or pay levels'' with ''one band level'' and ''grade or pay level'' with ''band level.'')

Section 550.902: Hazardous Duty Differential—(This waiver applies only to the extent necessary to allow demonstration project employees to be treated as General Schedule employees. This waiver does not apply to employees in Pay Band V of the E&S occupational family.)

Part 575, subparts A, B, C, and D: Recruitment Bonuses, Relocation Bonuses, Retention Allowances and Supervisory Differentials. (This waiver applies to the extent necessary to allow (1) employees and positions under the demonstration project covered by pay banding to be treated as employees and positions under the General Schedule and (2) employees in Pay Band V of the E&S occupational family to be treated as ST employees for the purposes of these provisions.)

Part 591, subpart B: Cost-of-Living Allowances and Post Differential—Non-foreign Areas (This waiver applies only to the extent necessary to allow (1) demonstration project employees to be treated as employees under the General Schedule and (2) employees in Band V of the E&S occupational family to be treated as ST employees for the purposes of these provisions.

Section 752.401 (a)(3): Adverse Actions. (This waiver applies only to the extent necessary to replace ''grade'' with ''pay band,'' and to provide that a reduction in pay band level is not an adverse action if it results from the employee's rate of basic pay being exceeded by the minimum rate of basic pay for his/her pay band.)

Section 752.401(a)(4): Adverse Actions. (This waiver applies only to the extent necessary to provide that adverse action provisions do not apply to (1) conversions from General Schedule special rates to demonstration project pay, as long as total pay is not reduced and (2) reductions in pay due to the removal of a supervisory or team leader pay adjustment upon voluntary movement to a non-supervisory or non-team leader position).

Appendix A: RDE Employees by Duty Location

Duty Location	CECOM employees
Fort Huachuca, AZ	24
Melbourne, FL	2
Miami, FL	1
Valparaiso, FL	1
Fort Benning, GA	1
Fort Wayne, IN	1

Duty Location	CECOM employees
Fort Meade, MD	81
Fort Monmouth, NJ	1315
Fort Monmouth	1315
Lakehurst, NJ	14
Zimmerman, OH	1
Fort Sill, OK	29
Arlington, VA	1
Fairfax, VA	6
Fort AP Hill, VA	1
Fort Belvoir, VA	571
McLean, VA	2
Fort Monroe, VA	1
Total All Employees 2052	2052

Note: Totals exclude SES, ST, DCIPS and FWS Employees.

Appendix B: Occupational Series by Occupational Family

I. Engineering & Science

0180 Psychologist Series
0801 General Engineering Series
0810 Civil Engineering Series
0830 Mechanical Engineering Series
0850 Electrical Engineering Series
0854 Computer Engineering Series
0855 Electronics Engineering Series
0893 Chemical Engineering Series
0892 Ceramic Engineering Series
0896 Industrial Engineering Series
0899 Engineering and Architecture Student Trainee Series
1301 General Physical Science Series
1306 Health Physics Series
1310 Physics Series
1320 Chemistry Series
1515 Operations Research Series
1520 Mathematics Series
1550 Computer Science Series
1599 Mathematics and Statistics Student Trainee Series

II. Business/Technical

0018 Safety and Occupational Health Management Series
0028 Environmental Protection Specialist Series
0301 Miscellaneous Administration and Program Series
0334 Computer Specialist Series
0340 Program Management Series
0341 Administrative Officer Series
0342 Support Services Administration Series
0343 Management and Program Analysis Series
0346 Logistics Management Series
0391 Telecommunications Series
0501 Financial Administration and Program Series
0510 Accounting Series
0560 Budget Analysis Series
0802 Engineering Technician Series
0818 Engineering Drafting Series
0856 Electronics Technician Series
1001 General Arts and Information Series
1082 Writing and Editing Series
1083 Technical Writing and Editing Series
1084 Visual Information Series
1101 General Business and Industry Series
1102 Contracting Series
1150 Industrial Specialist Series
1152 Production Control Series
1311 Physical Science Technician Series
1410 Librarian Series
1412 Technical Information Services Series
1499 Library and Archives Student Trainee Series
1521 Mathematics Technician Series
1601 General Facilities and Equipment Series
1640 Facility Management Series
1670 Equipment Specialist Series
1910 Quality Assurance Series
2001 General Supply Series
2003 Supply Program Management Series
2010 Inventory Management Series
2101 Transportation Specialist Series
2130 Traffic Management Series
2181 Aircraft Operation Series
2210 Information Technology Management Series

III. General Support

0085 Security Guard Series
0086 Security Clerical and Assistance Series (Non–CIPMS)
0302 Messenger Series
0303 Miscellaneous Clerk and Assistant Series
0305 Mail and File Series
0312 Clerk-Stenographer and Reporter Series
0318 Secretary Series
0326 Office Automation Clerical and Assistance Series
0332 Computer Operation Series
0335 Computer Clerk and Assistant Series
0344 Management Clerical and Assistance Series
0394 Communications Clerical Series
0399 Administration and Office Support Student Trainee Series
0525 Accounting Technician Series
0561 Budget Clerical and Assistance Series
1087 Editorial Assistance Series
1411 Library Technician Series
2005 Supply Clerical and Technician Series
2102 Transportation Clerk and Assistant Series

Appendix C: Performance Elements

Each performance element is assigned a minimum weight. The total weight of all elements in a performance plan is 100. The supervisor assigns percentage of the 100 in accordance with individual duties/responsibilities objectives and the organization's mission and goals. All employees will be rated against the first four performance elements listed below. Those employees whose duties require team leader responsibilities will be rated on element 5. All managers/supervisors will be rated on element 6.

1. Technical Competence

Exhibits and maintains knowledge, skills, abilities and initiative to produce quality work as defined in individual performance objectives. Assignments are completed in a timely manner with an appropriate level of supervision. The quality and quantity of work meets expectations. Makes prompt, technically sound decisions and recommendations that get the desired results. Where appropriate, seeks and accepts developmental and/or special assignments.—*Minimum Weight:* 15%.

2. Interpersonal Skills

Provides or exchanges oral/written ideas and information in a manner that is timely, accurate and easily understood. Listens effectively so that resultant actions show complete comprehension. Coordinates actions appropriately so that others are included in, and informed of, decisions and actions. Is an effective team player. Accepts personal responsibility for assigned tasks. Is considerate of differing viewpoints, exhibiting willingness to compromise on areas of difference. Exercises tact and diplomacy and maintains effective relationships both within and external to the organization. Readily gives assistance and shows appropriate respect and courtesy.—*Minimum Weight:* 10%.

3. Management of Time and Resources

Meets schedules and deadlines. Arranges work schedules to effectively balance difficult and time-consuming high priority tasks with other lower priority and less time consuming tasks. Generates and accepts new ideas and methods for increasing work efficiency. Effectively utilizes and, where appropriate, properly controls available resources.—*Minimum Weight:* 15%.

4. Customer Satisfaction

Demonstrates care for customers through responsive, courteous, and reliable actions. Promotes relationships of trust and respect. Maintains solid working relationship with existing customers and where appropriate seeks out and develops new customers. Responds to taskings and develops practical solutions to satisfy those needs. Keeps customer informed. Within the scope of job responsibility seeks out and develops new programs and/or reimbursable customer work.—*Minimum Weight:* 10%.

5. Team/Project Leadership

Ensures that the organization/project strategic plan, mission, vision, and values are communicated into the team work plans, products, and services. Provides advice on work methods practices and procedures. Assists members in identifying viable solutions to work issues. As appropriate, distributes and balances workload, checks on work in progress, makes adjustments as needed. Reports to the supervisor on team and individual work accomplishments, problems and training needs. Resolves simple, informal complaints, informs supervisor of performance management issues/problems. (Mandatory for team leaders optional for others, e.g. project leaders.)—*Minimum Weight:* 15%.

6. Supervision and EEO

Plans, develops, communicates and directs the implementation of strategic and operational goals and objectives of the organization. Allocates, and monitors resources and equitably distributes work to subordinates. Initiates personnel actions to recruit, select, promote and/or reassign employees in a timely manner. Develops subordinates, through counseling and positive motivational techniques on job expectations, identification of training needs, and attainment of career goals. Recognizes

and rewards quality performance. Takes corrective action to resolve inadequate performance or behavioral issues. Applies EEO and Merit Principles. Creates a positive, safe and challenging work environment. Ensure appropriate internal controls to prevent fraud, waste or abuse and to safeguard assigned property and resources. (Mandatory for managers/supervisors)—*Minimum Weight:* 25%.

Appendix D: Intervention Model

Intervention	Expected effects	Measures	Data sources
1. Compensation:			
a. Paybanding	—Increased organizational flexibility.	—Perceived flexibility	—Attitude survey.
	—Reduced administrative workload, paperwork reduction.	—Actual/perceived time savings	—Personnel office data, PME results, attitude survey.
	—Advanced in-hire rates	—Starting salaries of banded v. non-banded employees.	—Workforce data.
	—Slower pay progression at entry levels.	—Progression of new hires over time by band, career path.	—Workforce data.
	—Increased pay potential	—Mean salaries by band, career path, demographics.	—Workforce data.
		—Total payroll costs	—Personnel office data.
	—Increased satisfaction with advancement.	—Employee perceptions of advancement.	—Attitude survey.
	—Increased pay satisfaction	—Pay satisfaction, internal/external equity.	—Attitude survey.
	—Improved recruitment	—Offer/acceptances rations	—Personnel office data.
		—Percent declinations	
b. Conversion buy-in	—Employee acceptance	—Employee perceptions of equity, fairness.	—Attitude survey.
		—Cost as a percent of payroll	—Workforce data.
c. Pay differentials/adjustments.	—Increased incentive to accept supervisory/team leader positions.	—Perceived motivational power	—Attitude survey.
2. Performance Management:			
a. Cash awards/bonuses	—Reward/motivate performance	—Perceived motivational power	—Attitude survey.
	—To support fair and appropriate distribution of awards.	—Amount and number of awards by career path, demographics.	—Workforce data.
		—Perceived fairness of awards	—Attitude survey.
		—Satisfaction with monetary awards.	—Attitude survey.
b. Performance based pay progression.	—Increased pay-performance link	—Perceived pay-performance link	—Attitude survey.
		—Perceived fairness of ratings	—Attitude survey.
	—Improved performance feedback.	—Satisfaction with ratings	—Attitude survey.
		—Employee trust in supervisors	—Attitude survey.
		—Adequacy of performance feedback.	—Attitude survey.
	—Decreased turnover of high performers/increased turnover of low performers.	—Turnover by performance rating category.	—Workforce data.
	—Differential pay progression of high/low performers.	—Pay progression by performance score, career path.	—Workforce data.
	—Alignment of organizational and individual performance expectations and results.	—Linkage of performance expectations to strategic plans/goals.	—Performance expectations, strategic plans.
	—Increased employee involvement in performance planning and assessment.	—Perceived involvement	—Attitude survey/focus group.
		—Performance management	—Personnel regulations.
c. New appraisal process	—Reduced administrative burden	—Employee and supervisor perceptions of revised procedures.	—Attitude survey.
	—Improved communication	—Perceived fairness of process	—Focus groups.
d. Performance development	—Better communications of performance expectations.	—Feedback and coaching procedures used.	—Focus groups.
			—Personnel office data.
		—Time, funds spent on training by demographics.	—Training records.
	—Improved satisfaction and quality of workforce.	—Perceived workforce quality	—Attitude survey.
3. Classification:			
a. Improved classification system with generic standards in an automated mode.	—Reduction in amount of time and paperwork spent on classification.	—Time spent on classification procedures.	—Personnel office data.
		—Reduction of paper work/number of personnel actions (classification/promotion).	—Personnel office data.
	—Ease of use	—Managers' perceptions of time savings, ease of use.	—Attitude survey.

Intervention	Expected effects	Measures	Data sources
b. Classification authority delegated to managers.	—Increased supervisory authority/accountability.	—Perceived authority	—Attitude survey.
	—Decreased conflict between management and personnel staff.	—Number of classification disputes/appeals pre/post.	—Personnel records.
		—Management satisfaction with service provided by personnel office.	—Attitude survey.
	—No negative impact on internal pay equity.	—Internal pay equity	—Attitude survey.
c. Dual career ladder	—Increased flexibility to assign employees.	—Assignment flexibility	—Focus groups, surveys.
	—Improved internal mobility	—Perceived internal mobility	—Attitude survey.
	—Increased pay equity	—Perceived pay equity	
	—Flatter organizational structure	—Supervisory/non-supervisory ratios.	Workforce data.
	—Improved quality of supervisory staff.	—Employee perceptions of quality of supervisory.	—Attitude survey.
4. Modified RIF:	—Minimize loss of high performing employees with needed skills.	—Separated employees by demographics, performance scores.	—Workforce data. —Attitude survey/focus group.
	—Contain costs and disruption	—Satisfaction with RIF process	—Attitude survey/focus group.
		—Cost comparison of traditional vs. modified RIF.	—Personnel office/budget data.
		—Time to conduct RIF	—Personnel office data.
		—Number of appeals/reinstatements.	—Personnel office data.
5. Hiring and Authority:			
a. Delegated Examining	—Improved ease and timeliness of hiring process.	—Perceived flexibility in authority to hire.	—Attitude survey.
	—Improved recruitment of employees in shortage categories.	—Offer/accept ratios	—Personnel office data.
		—Percent declinations	—Personnel office data.
		—Timeliness of job offers	—Personnel office data.
		—GPAs of new hires, educational levels.	—Personnel office data.
	—Reduced administrative workload/paperwork reduction.	—Actual/perceived skills	—Attitude survey.
b. Term Appointment Authority	—Increased capability to expand and contract workforce.	—Number/percentage of conversions from modified term to permanent appointments.	—Workforce data. —Personnel office data.
c. Flexible Probationary Period	—Expanded employee assessment.	—Average conversion period to permanent status.	—Workforce data. —Personnel office data.
		—Number/percentage of employees completing probationary period.	—Workforce data. —Personnel office data.
		—Number of separations during probationary period.	—Workforce data. —Personnel office data.
6. Expanded Development Opportunities:			
a. Sabbaticals	—Expanded range of professional growth and development.	—Number and type of opportunities taken.	—Workforce data.
	—Application of enhanced knowledge and skills to work product.	—Employee and supervisor perceptions.	—Attitude survey.
b. Critical Skills Training	—Improved organizational balance.	—Number and type of training	—Personnel office data.
		—Placement of employees, skills imbalances corrected.	—Personnel office data.
		—Employee and supervisor perceptions.	—Attitude survey.
		—Application of knowledge gained from training.	—Attitude survey/focus groups.
7. Combination of All Interventions:			
All	—Improved organizational effectiveness.	—Combination of personnel measures.	—All data sources.
	—Improved management of the workforce.	—Employee/management job satisfaction (intrinsic/extrinsic).	—Attitude survey.
	—Improved planning	—Planning procedures	—Strategic planning documents.
		—Perceived effectiveness of planning procedures.	—Organizational charts.
	—Improved cross functional coordination.	—Actual/perceived coordination	—Attitude survey.
	—Increased product success	—Customer satisfaction	—Customer satisfaction surveys.

Intervention	Expected effects	Measures	Data sources
	—Cost of innovation	—Project training/development costs (staff salaries, contract costs, training hours per employee).	—Demo project records. —Contract documents.
8. Context: Regionalization	—Reduced servicing rations/costs	—HR servicing ratios	—Personnel office data, workforce data.
		—Average cost per employee served.	—Personnel office data, workforce data.
	—No negative impact on service quality.	—Service quality, timeliness	—Attitude survey/focus groups.

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