OFFICE OF PERSONNEL MANAGEMENT

U.S. Naval Research Laboratory (NRL) Personnel Management Demonstration Project; Department of the Navy (DON), Washington, DC

(Authority: 5 U.S.C. 4703)

AGENCY: Office of Personnel Management.

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

SUMMARY: Title VI of the Civil Service Reform Act, 5 U.S.C. 4703, authorized the Office of Personnel Management (OPM) to conduct demonstration projects that experiment with new and different personnel management concepts to determine whether such changes in personnel policy or procedures would result in improved Federal personnel management. Section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Pub. L. 103–337, October 5, 1994) permits the Department of Defense (DoD), with the approval of the OPM, to carry out personnel demonstration projects at DoD laboratories designated as Science and Technology (S&T) Demonstration Project Reinvention Laboratories. The NRL was designated as one of these laboratories. This notice establishes the personnel management demonstration project designed by NRL, with the participation of, review by, and approval of the DON, the DoD, and the OPM.

DATES: Implementation of this demonstration project will begin no earlier than 90 days after the date of congressional notification.

FOR FURTHER INFORMATION CONTACT: NRL: Ms. Betty A. Duffield, Director, Strategic Workforce Planning, Code 1001.2, 4555 Overlook Avenue, SW, Washington, DC 20375–5320, 202–767–3421. OPM: Mr. John André, Office of Merit Systems Oversight and Effectiveness, Demonstration Project Team, U.S. Office of Personnel Management, 1900 E Street, NW, Room 7460, Washington, DC 20415–6000, 202–606–1255.

SUPPLEMENTARY INFORMATION:

1. Background

Title VI of the Civil Service Reform Act, 5 U.S.C. 4703, authorized OPM to conduct demonstration projects that experiment with new and different personnel management concepts to determine whether such changes in personnel policy or procedures would result in improved Federal personnel management. Section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Pub. L. 103–337, October 5, 1994) permits the DoD, with the approval of the OPM, to carry out personnel demonstration projects at DoD laboratories designated as S&T Demonstration Project Reinvention Laboratories. The NRL was designated as one of these laboratories.

The purpose of the NRL project is to demonstrate a flexible and responsive personnel system that will enhance the Laboratory's ability to attract, retain, and motivate a high-quality workforce. To this end, the project involves:

(1) Streamlined hiring processes,
(2) Broadbanding,
(3) Simplified position classification,
(4) A Contribution-based Compensation System (CCS),
(5) extended probationary period for new employees, and
(6) modified reduction-in-force (RIF) procedures.

2. Overview

On February 23, 1999, OPM published the proposed demonstration project in the **Federal Register**, Volume 64, No. 35, Part III, pages 8964 through 9027. During the public comment period ending April 9, 1999, OPM received comments from seventeen individuals, including two who presented oral comments at a public hearing held on March 25, 1999. All comments were carefully considered.

A few of the commenters made statements concerning or suggested changes to areas that lie outside the project's scope or the demonstration project authority of 5 U.S.C. Chapter 47. These comments are not included in the summary below. Most of the commenters raised questions to clarify the philosophical and procedural aspects of the innovations. In many instances, these comments are more suitably addressed in internal guidance and are not included in the summary below. Several acknowledged that the demonstration did have benefits in many areas. The following summary addresses the comments received appropriate for the **Federal Register**, provides responses, and notes resultant changes to the original project plan in the first **Federal Register** Notice. Most commenters addressed several topics which are counted separately. Thus, the total number of comments exceeds the number of individuals cited earlier.

A. Positive Comments

Five commenters were generally supportive of the demonstration. They saw its various features as beneficial to employees, managers, and the Laboratory. Specific innovations cited included improvements in personnel practices such as streamlined hiring processes, simplified position classification, paybanding, compensation based on contribution to the organization, pay pool panel review of contribution assessments to better assure fairness and accuracy, and better alignment of responsibility, authority, and accountability.

B. General Project Comments

(1) *Comment:* Two commenters addressed the necessity of implementing a demonstration project for NRL considering that the studies cited to evidence the need for change were conducted in the 1980's; that NRL has been able to attract and retain a highly-qualified motivated workforce; and that a ''revenue neutral'' plan could not improve overall performance of an above-average organization and could only provide more money for top contributors by providing less money to others.

Response: There have been three recent studies (which confirm the findings in 100+ reports issued over the last 30 years) addressing science and engineering salary shortfall, especially for entry-level and senior personnel and those in high-demand disciplines; excessive recruitment delays resulting in loss of top tiered, highly sought after candidates; and inadequate workforce reshaping tools. These studies are: Naval Research Advisory Committee, ''Report on the Department of the Navy Science and Technology Base,'' 1996; FY–98 Defense Authorization Act, Section 912(c) ''Technology Leaders'' Working Group Reports, February 1999; and A Report from a Panel of the National Academy of Public Administration, ''Naval Research Laboratory: Position Management Analysis,'' March 1999.

Regarding the ''revenue neutral'' aspects of demonstration projects, NRL has always followed a practice of cost containment being an industrially-funded activity. NRL will try to maintain the demonstration as relatively cost neutral to the degree it can be measured given productivity increases, the effect of workforce reshaping, and other such circumstances.

The demonstration project provides that high contributors should be rewarded more than low contributors as it should be. By combining within grade increases (WGI's), quality step increases (QSI's), and career promotion increases into one merit increase fund, this provides the supervisors the flexibility and means to assign all permanent basic pay increases based on the actual level of contributions made to the

organization's mission, not merely longevity or a combination of longevity and performance.

C. Employee Participation

(1) *Comment:* Two commenters requested clarifying information regarding bargaining unit employee and union participation in the demonstration process.

Response: During the initial design phase, the union representative elected from NRL's bargaining units served on the Staffing Design Team. He attended the staffing design team meetings, participated in discussion of proposed human resource design initiatives, provided recommendations, and voted on the version he felt most beneficial to the Laboratory when several options were on the table. He also served on one of the subcommittees. Also, during development of the proposed design, the decision was made that NRL would not include the guard and trade and craft occupations within the demonstration project. Since NRL's bargaining units are within these occupations, NRL has not negotiated any inclusion. NRL determined that potential inclusion would be better negotiated once actual experience had been gained with proposed initiatives. Unions have been kept informed of the progress of the demonstration efforts as well as any potential impact it may have on bargaining unit employees.

(2) *Comment:* One commenter argues that NRL has failed to meet statutory requirements to consult with employees who will be covered under the demonstration.

Response: In addition to including approximately 60 employees on the initial design teams, NRL consulted with NRL employees in the following ways:

—Met with each NRL division head to brief the initial demonstration proposal. This resulted in substantial changes to the proposed RIF process.
—Prepared and distributed an Employee Briefing Handbook for all NRL employees.
—Conducted a series of briefings in 1996 to which all NRL employees were invited (approximately 1,600, over 50 percent attended). During the early stages of project development, published several articles in NRL publications provided to all employees.
—Conducted trials of CCS in 1995 and 1996, each involving 9 to 10 NRL divisions. Significant changes were made to CCS based on the feedback from those involved in these trials, including reduction in the number of critical elements to reduce redundancy and better reflect the balance of different types of NRL work.
—In the last 2 years as the structure of the project has solidified, NRL has continued to communicate regularly with the workforce about the project. Articles have been written in lab-wide publications, a web site established, supervisory training provided, and briefings given to employees in many NRL divisions.

In all of the above instances, employees were encouraged to provide comments and suggestions, and were given phone numbers, e-mail and mail addresses of individuals to whom they could comment. In addition, input from employees and supervisors continues to mold details of the project in terms of how the automation and standard operating procedures will be developed to best assist and support the operation of the project.

D. Accessions and Internal Placements

(1) *Comment:* Three individuals stated that the hiring of non-citizens should not be allowed.

Response: The goal of the NRL is to locate, hire, and retain the best qualified employees to accomplish the esoteric and highly technical research performed at the Laboratory. In order to attract and hire top notch scientists and engineers and to satisfy merit principles, the NRL advertises most of its science and engineering positions, many times on a nationwide basis, using paid advertisement in major newspapers and scientific journals. In some cases, the advertisement yields only one qualified candidate who is, on occasion, a non-citizen. The Federal government gives strong priority to hiring U.S. citizens and nationals, but allows for hiring of non-citizens in certain circumstances if the requirements of the following are met: immigration law; appropriations act ban on paying certain non-citizens; and executive order restriction on appointing non-citizens in the competitive service. If agencies find no qualified citizens available to fill a competitive service position, and if they meet all of the requirements of the appropriations ban and immigration rules, they may hire a non-citizen under an excepted appointment. It is only under these circumstances that the NRL hires non-citizens. Non-citizens have historically contributed to U.S. military research in very significant ways.

(2) *Comment:* One commenter requested clarification of NRL's maintained pay provision and the reasons for exceptions to this provision, particularly the exception relating to the DoD Priority Placement Program (PPP).

Response: Although participation of all covered employees is mandatory, acceptance of the new system is essential for the success of the project. For this reason, the NRL provided a ''grandfather'' clause for NRL employees on retained grade and pay immediately prior to implementation of the project by providing indefinite maintained pay entitlement if their rate of basic pay exceeds the maximum rate for their career level. However, if these same employees are in a RIF situation after the demonstration project is implemented, they will be subject to the demonstration project maintained pay rules while employed by NRL under the demonstration.

The PPP is the Defense Department's job assistance program for employees who are facing separation or demotion as a result of a RIF. Individuals placed through the PPP in lower-graded positions, unless otherwise ineligible, are entitled by law to retain their grade for a 2-year period or are entitled to indefinite pay retention. Notwithstanding the requirements of the NRL proposal as it affects its current employees, longstanding DoD policy has been to protect an employee's grade or pay to the maximum extent permitted by law. The NRL's exception to the maintained pay provision as it affects PPP placements affords this statutory entitlement. The same pay protection will be afforded NRL employees at the time they are affected by a RIF and are placed in non-NRL-demonstration positions.

(3) *Comment:* One commenter requested clarification as to whether employees who are failing to contribute enough to justify their existing pay can contribute enough to justify a promotion.

Response: Regarding whether an overcompensated employee may be promoted, overcompensation would typically suggest that an employee should not be promoted from his or her current position because he or she is not contributing at a level that justifies his or her current salary under the demonstration system. However, there may be circumstances under which an overcompensated employee would be an appropriate selectee for a vacancy even into a higher career level. For example, the new position might be in a different career field in which the employee had previously been successful. In addition, employees on maintained pay who are in a career level lower than their target career level, could receive a CCS promotion up to their target career level.

(4) *Comment:* One commenter expressed concern that the plan denies

placement rights to employees in RIF Assessment Category 0 (overcompensated employees who do not receive any portion of a general increase) even though these employees may be satisfactory performers.

Response: NRL agrees with the commenter. It is not NRL's intent to penalize satisfactory performers in a RIF situation. The plan does have a mechanism in place to identify unsatisfactory performers. Thus, only those employees who have been identified as unsatisfactory performers will be denied RIF assignment rights.

(5) *Comment:* One commenter suggested that the conversion plan for movement to a position outside the demonstration project should be simplified.

Response: NRL is required to use the standardized conversion plan the OPM developed for all activities under a demonstration project.

(6) *Comment:* One commenter requested clarification of why the date of the last equivalent pay increase is based on eligibility for a pay raise rather than for actual receipt of a pay raise.

Response: The date of the last equivalent increase is used to determine an employee's date of eligibility for a within-grade increase should they return to a position under the traditional General Schedule (GS) pay system. Unlike the GS pay system, the CCS system does not have a predetermined equivalent increase dollar amount. Under the CCS, an employee could receive a pay increase of $0 up to 20 percent (or more with the Director of Research approval) of their basic pay. Thus, it is reasonable to consider date of eligibility for a pay raise as the date of last equivalent increase.

(7) *Comment:* One commenter questioned whether rating and ranking would occur under the project when rating and ranking is limited to those instances when more than 15 candidates apply.

Response: The plan calls for rating and ranking to be done when there are more than 15 qualified applicants and/or qualified preference eligibles. Being able to refer up to 15 qualified applicants without rating and ranking allows the manager a broader pool of applicants from which to select which is one of the key objectives of this initiative, i.e., to give the manager the broadest possible range of qualified candidates from which to choose. Moreover, under the traditional system, it is conceivable to have 15 qualified applicants with the *same score* after the rating and ranking process. When this happens, we are required to use a tie-breaking method to determine the order in which candidates are listed on the referral certificate and the rule of three governs, i.e., selection must be from the top three candidates and a nonpreference applicant may not be selected over a preference eligible applicant. Thus, under the traditional system, it can be argued that equally qualified candidates are not given an equal opportunity to compete for selection.

E. Compensation

(1) *Comment:* One commenter suggested that Reductions in Pay owing to ''Serious Medical Problem or Injury'' should be obviated by ''Reasonable Accommodation.''

Response: Although NRL attemps to accommodate employees with medical impairments in their position of record, this is not always feasible. There are circumstances in which a change to a lower level position is an appropriate way to resolve a situation of medical inability to perform the original job. Such actions are properly taken under 5 CFR Chapter 752.

(2) *Comment:* Two commenters addressed the use of a single action to consolidate various types of pay actions. One commenter felt this could be done without the need to implement CCS and the other commenter was concerned that the different types of pay actions and deductions would not be visible to employees.

Response: The single pay action is not connected to the CCS but to the annual determination of total compensation. The demonstration project consolidates the various compensation decisions currently made at various times during a year into a decision made on an annual basis. (By law, GS WGI's are tied to individual employee service accrual.) As far as visibility of pay actions, each employee will receive a Notice of Personnel Action, SF–50, that will describe the general increase, merit increase, locality pay, award and/or allowance situation. Deductions from salary for health insurance, etc., are reported to employees through the biweekly leave and earnings statement issued by the Defense Finance and Accounting Service.

(3) *Comment:* Three commenters raised questions regarding how NRL would use market references to establish pay under the demonstration project.

Response: NRL managers and supervisors will reference market salary data when making personnel and organizational decisions. As part of the CCS process, managers and supervisors will refer to the market salary data to determine if the proposed salary for an individual is comparable to similar work in the marketplace. In addition, top management may be able to use market salary data as a factor in determining the appropriate budget allocation for the merit increase category for each NRL pay pool. The time after degree (or work experience) of the workforce may be able to be factored into the decision process, using the market salary data. As part of the position management process, managers and supervisors will also consult market salary data to assist in determining the appropriate Career Level for a proposed new position. It is NRL's goal to create and maintain a position and organizational structure that is effective, efficient, and competitive with similar organizations in private industry and academia.

(4) *Comment:* Three commenters raised various issues regarding the operation of the Distinguished Contributions Allowance (DCA). Two commenters indicated that the DCA would not be administered in a uniform fashion particularly if an employee leaves; one other questioned the calculation to fund the DCA pool, asking why this quite generous bonus system is only available to such a limited number of employees.

Response: Before discussing the Distinguished Contributions Allowance, there is some philosophy that needs to be pointed out. It is intended that supervisors and managers utilize fully the base salary ranges of the career levels and merit increases to move employees through the career levels as their level of work and contributions grow to their target career levels or the top of their assigned level. In addition, contribution, time-off, and special act awards are mechanisms by which highly deserving employees can be rewarded and recognized for work accomplished. The Distinguished Contributions Allowance, on the other hand, is designed to provide compensation for those professional employees who have attained the highest levels of their career fields; and because of high grade billet constraints or pay band salary limitations, NRL cannot adequately compensate them (in light of industry standards) for the superior, higher level of work (above their current career level) they are performing and are expected to perform over the next one to three years (S&E Professional Career Track employees could receive an extension up to two years for a total of five years). The DCA is not a part of basic salary; it is not a bonus or award; and the budget allocation for payment of a DCA is separate and apart from the other four

pay categories under the demonstration project.

An employee receiving a DCA is required to sign a memorandum of understanding because the DCA is a temporary allowance for higher-level work yet to be performed. If the employee leaves NRL, the DCA would be terminated because the terms of the DCA would no longer be met (i.e., an allocation for contributions made here at NRL). If an employee is no longer performing work at the higher career level; or is no longer working on a special project (which was recognized as the reason for allocating a DCA), the DCA would be terminated. One is only eligible to receive this allocation as long as the terms of the DCA are being met. If the employee is not meeting the terms of the DCA, it may be terminated. This action is not grievable or appealable.

Regarding the funding of the DCA, it was decided that in order to provide a meaningful allowance for the high level of work expected, NRL would need the flexibility to set allowances along a continuum up to 25 percent of basic pay. Since the DCA would be reserved for those who had reached the top of their career levels, it was decided to take a snapshot of the current population to determine how many employees were at this level and what their total annual basic salaries were. Using various percentages of the total annual basic salaries and what the charge would be (depending on the percentage) to establish the budget allocation for DCA's, it was determined that a percentage *never greater than 10%* of the total annual basic salaries of eligible employees on a given date would establish the DCA budget allocation. For information purposes, there were 334 employees at the top of their career levels on the date of the calculation who would be eligible for DCA consideration. This is about 11 percent of the NRL workforce.

The DCA budget allocation was established as never greater than 10 percent of the total annual basic salaries of eligible employees. It was felt that this allocation would provide a pool of funds that could be used to better compensate extremely high-level contributors when their contributions are expected to continue for a short period of time and existing methods do not adequately compensate them (in light of industry standards). The approval of DCA's rests with the Director of Research who can incorporate a global perspective to the level of contributions and allowances being granted. In addition, this initiative will be evaluated as part of the normal demonstration project evaluation process.

(5) *Comment:* One commenter asked why all references to pay throughout the plan are given in ''basic pay'' without inclusion of locality-based adjustments.

Response: Basic pay is used throughout the plan because it is constant, i.e., it does not vary by locality pay area. It is the rate used government-wide to compute pay actions for employees paid under the General Schedule pay system before locality pay is applied. Basic pay, locality pay, and total salary are recorded separately on the employee's Notification of Personnel Action (SF 50) under the current system. This will not change under the demonstration project. Since the information provided the employee concerning pay under the project will be the same as the information provided under the current system, the wording in the project should not present a problem to employees.

(6) *Comment:* One commenter stated that the rules NRL will establish relating to severance pay for separated employees should be currently available for review as part of the demonstration process public comment period.

Response: The commenter is referring to the criteria NRL will need to define in order to make a reasonable job offer that parallels that now offered under Title 5 in a reduction-in-force situation. This level of detail is generally found in the internal operating documents.

(7) *Comment:* One commenter suggested that NRL should explain whether, under the process to convert special salary rate employees to the demonstration project, there are any combinations of factors that could result in an employee being assigned into a lower equivalent grade.

Response: The special salary rate conversion process explains that GS employees will be moved into the career track and career level which corresponds to their current GS grade and basic pay. Paragraph VI.A.4 further explains that if the new basic pay rate after conversion to the demonstration project pay schedule exceeds the maximum basic pay authorized for the career level, the employee will be granted maintained pay.

(8) *Comment:* One commenter stated that NRL should clarify whether in VI.A.4. example, step b., the digit ''1'' in the factor ''1.0787'' is an error.

Response: 1.0787 is correct. To increase an existing quantity (in this case 1.00 for basic salary) by a percentage (in this case .0787 for DC locality pay), and retain the existing quantity (1.00 for basic salary), it is proper to multiply by one, plus the percentage to be increased times the original amount. To increase basic salary by the additional amount of locality pay (for DC), it is therefore proper to multiply 1.0787 times the salary. This is so that the original amount of pay is kept, with the percentage of locality pay added. (This is equivalent to salary+.0787*salary; 1.0787*basic salary is a simple operation.)

(9) *Comment:* Three questions were received on how the 2.4% merit pay allocation would be distributed among the pay pools.

Response: The method(s) to be used to distribute funds among the various pay pools will be defined in the NRL Demonstration Standard Operating Procedures so they may be easily modified throughout the life of the demonstration without having to publish a new **Federal Register**. The actual methodology that will be used for initial implementation of the demonstration is still being determined. During the life of the demonstration the distribution of funds and the method(s) to determine that distribution can be modified as experience dictates. Within the funds available to a pay pool, the pay pool manager can distribute funds among occupational, organizational, or other groups.

F. Classification

(1) *Comment:* One commenter requested detailed information on the ''pending position management study.''

Response: The National Academy of Public Administration Center for Human Resources Management issued its position management analysis report for NRL in March 1999. The information gained from this report will be considered and addressed in appropriate internal operating guidelines on position management.

(2) *Comment:* One commenter stated that NRL should articulate the rationale and equality of applying different high grade constraints to administrative and technical occupations.

Response: In developing the career tracks and levels for the demonstration project, an analysis was made of the career progression of employees under the traditional classification system. It was found that the science and engineering professionals in the research divisions actually have a normal career progression to the non-supervisory ''journeyman'' level of GS–13. Therefore, under the demonstration, GS–13 was included in the target career level, with no interim competition or higher-level approval required. At the GS–14 and 15 levels, however, the DoD issues high-grade controls which limit the number of positions NRL may have

at these levels and the competition for these billets is keen. In addition, these positions are beyond the normal progression for the majority of S&E professionals and many of them are supervisory. Thus, the GS–14 and 15 positions were combined into one career level. The Director of Research maintains approval authority over these positions because of their limited number and because these are the positions from which many of the senior managers for NRL are chosen.

In the Administrative Specialist and Professional Career Track, the career progression for employees is generally to the GS–12 level. This is considered the non-supervisory, ''journeyman'' level for the vast majority of positions covered by this career track. The GS–13 level is normally the supervisory level and forms the applicant pool for filling the senior managerial positions in this career track. While this level is not considered a high-grade level for DoD high-grade controls, it does constitute NRL's pool of applicants for the senior administrative managerial positions and requires Director of Research approval for movement into this level just as for the S&E Professional Career Track level that constitutes the pool of applicants for senior S&E managerial positions. Just as the GS–14 and 15 S&E professional career level is under the DoD high-grade controls, so is the GS–14 and 15 administrative specialist and professional career level; and the Director of Research approval is required for movement into this career level.

(3) *Comment:* One commenter asked if there were no longer controls on movement to the top career level in the Administrative Support Career Track.

Response: Every position at NRL will be assigned a target career level which is the top level to which an incumbent can progress without further competition and Position Management Officer approval. These target career levels vary by occupation and sometimes by position within an occupation and serve as a control just as the current full performance level of a position serves as a control.

(4) *Comment:* Two commenters requested clarification on the Advanced Research Scientists and Engineers, Career Level V of the S&E Professional Career Track. Specifically, one asked why this was a DoD Program and both asked how many positions would be allocated to NRL.

Response: All but one of the current S&T reinvention demonstration project laboratories requested a Level V or equivalent for their S&T professional career track. Since this level would place employees in two of the DoD components in positions equivalent to executive positions which are tightly controlled, the DoD determined that this new category of executive resources should be limited until it could be tested over a 5-year period. Therefore, DoD allocated a total of 40 positions DoD-wide. It is up to NRL (as well as other affected demonstration projects) to submit requests to DoD for approval of these positions. DoD has not made specific number allocations to each demonstration project. It is our understanding that DoD will be allocating these positions based on merit. Therefore, NRL does not know how many positions will be approved.

G. CCS Appraisal Process

A total of fifteen commenters provided over forty comments on the CCS appraisal process. Two commenters praised the process. One believed CCS had the potential to significantly improve productivity and morale at NRL, and the second commenter was looking forward to CCS with optimism. Other comments are related to ten subtopics as follows:

(1) *Comments:* CCS Complexity: Two commenters believed the system to be too complicated. One commenter, who did not believe the system was overly complicated, pointed out that it was based on the current GS grade and step system.

Response: Any new appraisal system requires a ''learning curve.'' NRL has worked to reduce this by training supervisors (including a pay pool panel exercise), and by encouraging and supporting trials of CCS within many NRL pay pools over several years. In addition, NRL conducted a series of briefings in 1996 to which all NRL employees were invited (over 50 percent attended), published articles in NRL publications, provided a handbook to all employees, made available a videotape and training materials to those seeking more information, established a demonstration project web site, conducted additional supervisor and employee briefings in 1998 and 1999, and developed a question and answer guide for frequently asked questions. NRL plans to continue its efforts until managers are satisfied with their understanding of the program.

(2) *Comments:* Longevity: Five commenters noted that CCS eliminates salary growth based on longevity. Two were pleased with this approach. Three viewed this as a negative feature of CCS or at least as having a potential negative impact on employees transitioning into the demonstration. Two commenters pointed out that within CCS, a higher contribution was expected from employees at the 10th step of their grade as compared to employees at the first step. One suggested an approach that would convert GS grades to the CCS system in a manner that would minimize the impact on employees transitioning into the demonstration and retain the effect of rewarding longevity.

Response: This suggestion was not adopted. It is true that CCS does not reward longevity, but neither is it designed to penalize longevity. It is a contribution to organizational mission assessment system, designed to pay employees for the level of work which they are contributing to the mission. Since a step 10 pay level in any GS grade is approximately 30 percent higher than the same grade's step 1 pay level, it is reasonable to expect a higher level or higher quality contribution from the higher paid employee.

(3) *Comments:* Score and Salary Caps: Four commenters expressed concern about the CCS scoring and the resulting salary implications. Three of the commenters believed that if they are currently being paid at the top of their career level, they must score beyond their level in order not to be considered overcompensated and lose their annual inflation increase. The fourth commenter was concerned that the score cap of 80 created a negative psychological impact for those employees who are paid at the GS–15, step 10 level, since the maximum score places the employee at the top of their normal pay range which creates the appearance of the employee being almost overpaid. This commenter suggested a change to the pay and score line which would allow employees at the GS–15, step 10 level, access to a few scores above 80.

Response: Three of the commenters apparently misunderstood the scoring process. Scores within each level encompass the salary spread of the GS-grades banded together for that level. The highest score within each level has a salary equivalent that includes the salary of the top step of the highest GS grade contained in the band. Therefore, an employee earning a salary at the top of his or her band will not be considered overcompensated if he or she earns the top score within the band. All employees who score within their normal pay range will be granted the annual general increase. Even for employees who score below their normal pay range and are determined to be overcompensated, denial of the general increase is not automatic, but is at the discretion of the pay pool manager.

The commenter's suggestion for changing the pay line is not adopted. NRL believes it is necessary to cap the score at 80 to protect the efficacy and integrity of job or pay classification of NRL positions. NRL recognizes the effect on employees at the GS–15, step 10 level, i.e., the score of 80 brings employees paid at this level near the overcompensated range. However, the benefits of protecting the process outweigh any negative psychological impact the capped scoring may create. Further, such negative impact may be overcome through education of the process. The actual monetary impact for employees is no different from the current system where the awards program is used to distinguish performance among the employees at the top of their career level. Also, under CCS, these employees may be eligible (depending upon their performance and contribution level) for a Distinguished Contributions Allowance (DCA).

(4) *Comments:* General Increase Pay: Two commenters believed that placing the general increase pay at risk by including it in the merit pool would help to more fairly compensate NRL employees. Five additional commenters opposed inclusion. One believed that no other demonstration project included the general increase and that any denial of general increase is an adverse action that requires a finding of unsatisfactory performance. Another commenter believed that denial of general increases with its potential for employees to regress into a lower career level could create the problem of appealable actions becoming non-appealable actions.

Response: Several demonstration projects that include denial of general increase have already been approved and implemented. Such denials do not constitute an adverse action under 5 CFR Part 432 or Part 752. NRL considers this to be an important and valuable component of its demonstration project; therefore, no change is made to eliminate this provision.

(5) *Comment:* Yearly Accomplishment Report (YAR): One commenter stated that mandatory YAR's may not be necessary for all positions at NRL and suggested several other alternatives which would limit this requirement.

Response: NRL agrees with the commenter's point and has made a change that will allow pay pool managers to exempt groups of positions from the requirement to submit a YAR, and to allow employees to submit YAR's at their own option in cases where they are not required.

(6) *Comment:* Contribution Awards: One commenter wanted clarification on when a contribution award would be granted to an employee who was in the normal pay range (and therefore already fully compensated) and when an award would be granted to an overcompensated employee. The same commenter also questioned the reasoning behind allowing overcompensated employees on maintained pay to receive awards and not allowing awards to otherwise overcompensated employees.

Response: Contribution awards may be based on many aspects of contributions, including quality, productivity, value to a sponsor, etc., and need not be based solely on the employee's degree of undercompensation. Employees in the normal pay range may do an outstanding job that deserves recognition but not necessarily a higher permanent pay. The project grants pay pool managers and panel members the authority to determine the factors they will consider in granting contribution awards, much the same as the authority exists in the present system.

Overcompensated employees on maintained pay are eligible for contribution awards since they are employees displaced from their original positions unrelated to their own levels of performance or contribution. These employees may be in positions where they do not have access to higher level work equivalent to their maintained pay yet they are outstanding performers in the level of work available to them. Therefore, they should be allowed the opportunity to be recognized for such performance in the new position, even if it is at a lower pay level than the one from which they were displaced.

(7) *Comments:* Fairness: Eight commenters stated several concerns about the equitable application of CCS elements. Some thought the system was too subjective and favoritism would drive the process. Some believed equitable consideration would not be given to research employees working primarily off-site (with non-NRL sponsors or in long-term training). Some expressed concern that more credit would be given to scientific than support personnel. One questioned what would prevent managers from inverting the process, i.e., allowing budgets to dictate appraisals. One commenter was also concerned about the difference in the sizes of the pay pool and two commenters thought that the panel makeup would be a conflict of interest for supervisors competing for the same funds as their subordinates. Three commenters discussed the 360 degree performance evaluation plan; one commented that CCS was contrary to this philosophy as well as other enlightened philosophies. The other two commenters strongly recommended using such a process in connection with CCS.

Response: NRL recognizes the subjective nature of CCS appraisals. By and large, NRL employees are not ''widget makers.'' Meaningful assessment demands consideration of quality, value, customer service and other criteria that are subjective by nature. To reduce favoritism and promote fairness, the CCS process provides for review of employee assessments by a group of supervisory officials who are in the same pool. In the pay pool panel process scores assigned by individual supervisors are reviewed by other supervisors in the same pay pool. The supervisors work to apply the CCS level descriptors consistently within their pay pool, and to identify and correct any inappropriately inflated or deflated scores. The pay pool manager is a further review and ultimate approval level.

CCS contains various mechanisms to ensure employees receive proper credit under the generic elements, descriptors, and discriminators. Critical elements may be weighted, supplemental criteria can be used to identify actual work employees are responsible for carrying out, and discriminators may be considered either separately or in a more integrated manner for groups of employees. Flexibility was deemed necessary for individual divisions to tailor the system to their special needs. Supervisors will continue to determine the value of employees' accomplishments when assessing their contributions. Work valued under the current system will likely continue to be valued under CCS. The CCS elements and level descriptors specifically include expectations regarding sponsor/customer service to recognize the importance of this value at NRL. In addition, supervisors and employees will be encouraged to communicate throughout the appraisal period to avoid misunderstandings at the end of the year.

Supervisors have always been free to solicit feedback from sponsors and other customers to consider in employee appraisals. This will continue to be an option under CCS. However, a formal program providing for 360 degree evaluations has not currently been implemented. NRL may consider some type of 360 degree evaluation pilot in the future and will outline any such plan in the standard operating procedures.

Most pay pools will consist of all employees within an NRL division;

standard operating procedures will identify the pay pools more specifically. A few pay pools, as presently planned, will include fewer than the recommended 35 employees. These pools will consist of about 25 employees each. NRL believes that keeping employees in the same supervisory chain together for comparison purposes outweighs the disadvantage of a smaller pool. Panels are made up of supervisors or managers from the division. While NRL recognizes the possible appearance of a conflict of interest, the risk is deemed minimal since pay pool managers have ultimate approval over appraisal and pay decisions. In addition, pay pool panel members and managers must be able to explain any unusual findings to a third party evaluator who will be monitoring compensation trends.

(8) *Comments:* Team work: Three commenters raised concerns that CCS might serve as a disincentive for scientific collaboration and team work as employees compete for available funds.

Response: The CCS is a ''contribution to organizational mission'' assessment program which is what team building and Total Quality Leadership espouse. Scientific collaboration, cooperation and team work should be encouraged among all employees. This is why each career track under CCS has a critical element that addresses these values specifically.

(9) *Comments:* Equitable Pay Distribution: Two commenters were concerned that no firm rules existed for increasing employees' pay or denying general increase. One of the commenters wanted clarification on when NRL would *not* award a pay increase to move an undercompensated employee up into the normal pay range, and when it would *not* deny a pay increase to move an overcompensated employee down towards the NPR.

Response: One of the primary objectives of the project is to ''provide NRL management with increased authority to manage human resources * * *.'' While the results of the CCS process provide the framework for pay adjustment decisions, NRL believes it is important that management judgment also be applied in making final decisions. To most effectively accomplish the mission of their organizations, NRL managers need flexibility in managing their most valuable resource, their employees. There are many possible situations in which a pay pool manager might not effect a pay adjustment that moves an over- or undercompensated employee into the normal pay range. One example might be the case of an undercompensated employee who achieved a significant increase in score over the previous year. The pay pool manager may determine that this employee is unlikely to be in a position to repeat this level of contribution the next year (perhaps because of a special project that is ending); therefore, a permanent pay increase that moved the employee all the way into the normal pay range would be inappropriate.

(10) *Comments:* Employee Rights: One commenter asserted that CCS provisions violate merit principles. The same commenter questioned the applicability of performance-based action procedures, requested clarification on what type of actions will no longer have appeal rights, and offered an alternative approach to limiting appeal rights, i.e., allow NRL to recover attorney fees from employees if they lose their appeal and meet certain other conditions. A second commenter believed that NRL's project provides for reducing employees' pay through adverse action by 6 percent and denying appeal rights on such actions. This same commenter suggested merit principles were not being followed and questioned why all avenues of appeal are being removed. A third commenter believes there must be an official grievance procedure for CCS, and suggests that grievances (and decisions to deny the general increase) be reviewed by a committee consisting of employee peers, the head of a different division, and someone from OPM or EEO.

Response: Merit principles provide that ''Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector . . ., and appropriate incentives and recognition should be provided for excellence in performance.'' This is precisely what NRL seeks to do with the merit increase provisions of CCS. Since CCS does not provide for automatic within-grade increases, appeal rights do not exist for denial of any set increase. ''Regression'' into a lower career level resulting from an employee's pay being frozen is not appealable to the Merit Systems Protection Board (MSPB). Any actual reduction in pay will be taken through adverse or performance-based action procedures and will continue to be appealable to the MSPB. There is precedent for limiting appeal rights when no reduction in pay occurs. Several S&T reinvention laboratory demonstration projects, as well as China Lake, one of the earliest projects tested, have similar pay for performance or contribution to organizational mission methods and do not allow outside appeal rights for regression into a lower pay level. An NRL employee retains his or her grievance rights concerning CCS scores which serve as the basis of pay determinations. Concerning the applicability of performance regulations, CCS critical elements, descriptors, and discriminators do meet the definition of 5 CFR 430 and appropriate steps will be taken before taking any performance-based action under 5 CFR 432. The suggestion to recover attorney fees from employees is not deemed feasible and will not be adopted.

The suggestion regarding the content of a committee to review CCS grievances and general increase denials is not adopted. NRL believes that these tasks properly belong to managers in the employee's chain (particularly the pay pool manager), who are responsible for the effective management of their human resources. The demonstration does include a procedure for complaints regarding CCS appraisals, which requires the pay pool panel and pay pool manager to consider the grievance first. If the employee is not satisfied with the result, he or she may escalate the grievance to the next level supervisor.

3. Demonstration Project Notice Changes

The following is a summary of substantive changes and clarifications which have been made to the project proposal.

A. II. Introduction, E. Participating Organizations and Employees. Wording changed to clarify participation of union representative.

B. III. Accessions and Internal Placement, E. Expanded Detail Authority. Clarified approval authority on details beyond one year and limit on details to higher-level positions.

C. III. Accessions and Internal Placements, G. Definitions, 6. Pay Adjustment. Added a statement that termination of maintained pay is also a pay adjustment.

D. III. Accessions and Internal Placements, G. Definitions, 9. Approving Manager. Clarified definition of approving manager and personnel actions.

E. III. Accessions and Internal Placements, H. Pay Setting Determinations Outside the CCS, 2. Internal Actions. Added a statement to clarify that these actions cover employees within the NRL demonstration.

F. III. Accessions and Internal Placements, J. Expanded Temporary Promotions. Clarified limit on

temporary promotions within a 24-month period.

G. IV. Sustainment, B. Integrated Pay Schedule (IPS). Clarified adjusted basic pay cap.

H. IV. Sustainment, C. Contribution-based Compensation System (CCS), 2. CCS Process and 4. Annual CCS Appraisal Process. Modified to clarify that the appropriate discriminators to the position need to be considered in the assessment process.

I. IV. Sustainment, B. IPS, 5. Distinguished Contributions Allowance (DCA). Clarified conditions for which a DCA may be appropriate and clarified eligibility.

J. IV. Sustainment, C. Contribution-based Compensation System (CCS), 4. Annual CCS Appraisal. Modified to allow exceptions to the mandatory yearly accomplishment report requirement.

K. IV. Sustainment, C. Contribution-based Compensation System (CCS), 7. Compensation, c. Locality Increases. Clarified adjusted basic pay cap.

L. V. Separations, B. RIF, 2. RIF Definitions, c. Service Computation Date, (1) CCS Process Results Credit, Figure 11. Clarified eligibility for RIF assessment categories 2. and 3.

M. V. Separations, B. RIF, 3. Displacement Rights, (d) Ineligible for Displacement Rights. Changed to allow displacement rights to individuals in Assessment Category 0.

N. VI. Demonstration Project Transition, A. Initial Conversion or Movement to the Demonstration Project, 3. WGI Buy-in. Clarified eligibility for the WGI buy-in.

O. VI. Demonstration Project Transition, C. Training. Modified to clarify degree of training that will be available to various Laboratory groups.

P. IX. Demonstration Project Costs, A. Transition. Clarified eligibility for the WGI buy-in.

Q. X. Automation Support, D. RIF Support System (RIFSS). Removed reference to an Appendix J.

R. Appendix E, Computation of the IPS and the NPR. Illustrative normal pay range rails redrawn on charts to more accurately reflect scores and salaries.

Dated: June 17, 1999.

Office of Personnel Management.

Janice R. Lachance,

Director.

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I. Executive Summary

Over the last 30 years, many studies of the DoD laboratories have been conducted on laboratory quality and personnel. Virtually all of these studies have recommended improvements in personnel policies, organization, and management. In order to respond to the findings of these studies, this proposed personnel demonstration project encompasses streamlined hiring processes, simplified position classification, the CCS, and modified RIF procedures.

The demonstration project described herein was designed by the NRL, with the participation of and review by the DoN, the DoD, and the OPM. The purpose of the demonstration project is to develop and implement a personnel management system that will enable NRL to obtain, maintain, and retain the highest quality workforce possible to accomplish its mission in support of national defense. There are four primary objectives of the demonstration project:

(1) Provide NRL increased authority to manage human resources,

(2) Enable NRL to hire and retain the best qualified employees,

(3) Enable NRL to compensate its employees equitably at a rate that is more competitive with the labor market, and

(4) Provide a direct link between levels of individual contribution and the compensation received.

Initially, the demonstration project will cover all NRL employees except Senior Executive Service (SES) members, scientific and professional (ST) employees (above GS-15), guards, and trade and craft employees. The guards and trade and craft employees may be included at a later time, after more experience is gained in the operation of the CCS. The project will be reviewed and evaluated throughout its duration by OPM, DoD, DoN, and NRL. In addition to evaluation topics, such as goal attainment and employee and management acceptance, the project will be assessed for cost containment. After 5 years, the project will be evaluated to determine if it is to be made permanent, modified, or terminated. Areas not specifically addressed will use provisions that currently exist in 5 United States Code (U.S.C.) and 5 Code of Federal Regulations (CFR).

II. Introduction

A. Purpose

The goal of this personnel demonstration project is to develop and implement a human resources management system that will enable NRL to obtain, maintain, and retain, into the 21st century, the highest quality workforce possible to accomplish its mission in support of national defense. NRL's mission is to conduct a broadly-based multidisciplinary program of scientific research and advanced technological development directed toward new and improved materials, equipment, techniques, systems, and related operational procedures for the DoN. The human resources management system must enable NRL to attract and retain the best scientists, engineers, and support personnel available in the labor market.

The demonstration project has the following four primary objectives:

a. Provide NRL management with increased authority to manage human resources consistent with its operation under the Navy Working Capital Fund (NWCF) as an industrially-funded activity;

b. Provide a recruitment process, within the context of merit principles, that will enable NRL to hire the best qualified employees at a reasonable cost and for competitive compensation;

c. Provide a compensation system that will enable NRL to compensate its employees equitably at a rate that is commensurate with their levels of responsibility and contribution, and is competitive with those found in the labor market; and

d. Provide a direct link between levels of individual contribution and the compensation received.

B. Problems With the Current System

The demonstration project addresses a set of issues regarding human resources in the Federal laboratory system. These problems have been extensively documented in a long series of reports by blue-ribbon panels. These include the following: the Packard Report,* the Grace Commission Report,** the Fowler Report,*** and other high-level analyses of the state of Federal research capabilities. In all of these reports, there is a common theme * * * 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.

The NRL 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 compensation that attracts high-quality employees. Once hired, NRL must have the means to motivate and reward employees for their innovative contributions to ensure that the creative process is continually renewed. Compensation levels must be directly linked to the levels of individual contributions. High contributors must be rewarded both to encourage their continued contributions and to ensure their retention at NRL. Similarly, lower contributing individuals should receive less compensation, or, in some cases, be encouraged to seek other employment.

C. Waivers Required

NRL proposes changes in the following broad areas to address its problems in human resources management: accessions and internal placements, sustainment, and separations. Appendix A lists the laws,

* White House Science Council, ''Report of the White House Science Council, Federal Laboratory Review Panel,'' (Packard Report), May 1983.

** Task Force on Research and Development (R&D), ''President's Private Sector Survey on Cost Control, Task Force Report on R&D,'' (Grace Commission Report), 8 December 1983.

*** Defense Science Board, ''Report of the Defense Science Board 1987 Summer Study on Technology Base Management,'' (Fowler Report), December 1987.

rules and regulations requiring waivers to enable NRL to implement the proposed system.

D. Expected Benefits

The demonstration project is expected to result in:

(1) Maintaining the quality of the NRL workforce in the scientific and engineering disciplines as well as administrative specialist and professional and support professions;

(2) More timely processing of personnel actions;

(3) Increased retention of high-level contributors and wider distribution of salaries; and

(4) increased satisfaction with human resources management processes by employees and managers.

E. Participating Organizations and Employees

Initially, the demonstration project would cover all NRL employees except SES members, ST employees, guards, and trade and craft employees. The guards and trade and craft employees may be included at a later time, after more experience is gained in the operation of the CCS. Figure 1 identifies the employees by group for major geographic locations. NRL sites with less than 10 employees each are identified as ''Other'' in Figure 1.

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NRL Demonstration Project Employees by Group and Geographic Site

(as of 30 September 1998)

	EMPLOYEES				
	S&E Prof	S&E Tech	Admin Spec and Prof	Admin Suppt	Total
Washington, DC	1531	160	378	470	2543
Chesapeake Beach, MD	1	6	2	2	11
Stennis Space Ctr., MS	148	22	34	62	266
Monterey, CA	52	0	3	7	62
Mobile, AL	3	4	0	2	9
Arlington, VA	5	0	13	4	23
Other	27	9	12	4	52
All Sites	1767	201	442	551	2966

Figure 1. NRL Demonstration Project Employees by Group and Geographic Site

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A union representative elected from the following bargaining units served on the Staffing Design Team and participated in the development of the accession and internal placement interventions proposed in this plan:

Federal Firefighters Association—Firefighters, Chesapeake Beach, MD (as of 6/23/98 this function was transferred to another activity)

Washington Area Metal Trades Council—Trades and Crafts Employees, Washington, DC

International Association of Machinists and Aerospace Workers—Guards, Washington, DC

F. Project Design

In response to the authority granted by Congress to develop a demonstration project, NRL's Director of Research (DOR) set up five design teams to develop the project plan. Each team was led by a senior NRL manager from outside the Human Resources Office (HRO), and was responsible for developing project proposals in one of the five primary functional areas of the project. Each team was comprised of two human resources advisors, an Equal Employment Opportunity (EEO) advisor, several midlevel supervisors or managers, an NRL Administrative Council representative, and several employee representatives (including bargaining unit representatives when appropriate).

III. Accessions and Internal Placements

A. Hiring Authority

1. Background

Private industry and academia are the principal recruiting sources for scientists and engineers at NRL. It is extremely difficult to make timely offers of employment to hard-to-find scientists and engineers. Even when a candidate is identified, he or she often finds another job opportunity before the lengthy recruitment process can be completed.

2. Delegated Examining

a. Competitive service positions within the NRL Demonstration Project will be filled through Merit Staffing or under Delegated Examining.

b. 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 nonpreference 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.

B. Legal Authority

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

C. Determining Employee and Applicant Qualifications

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MINIMUM QUALIFICATIONS REQUIREMENTS

Level	Min. Qualifications Requirement Equiv.
S&E Professional	
I	GS-1
II	GS-5
III	GS-11
IV	GS-14
V	Appropriate Exp.
S&E Technical	
I	GS-1
II	GS-5
III	GS-9
IV	GS-11
Administrative Specialist and Professional	
I	GS-1
II	GS-5
III	GS-11
IV	GS-13
V	GS-14
Administrative Support	
I	GS-1
II	GS-5
III	GS-8

Figure 2. Minimum Qualifications Requirements

BILLING CODE 6325–01–C

Special DoN or DoD requirements not covered by the OPM Qualification Standards Operating Manual for GS Positions, such as Defense Acquisition Workforce Improvement Act (DAWIA) qualification requirements for acquisition positions and physical performance requirements for sea duty, work on board aircraft, etc., must be met.

D. Noncitizen Hiring

Where Executive Orders or other regulations limit hiring noncitizens, NRL will have the authority to approve the hiring of noncitizens into competitive service positions when qualified U.S. citizens are not available. Under the demonstration project, as with the current system, a noncitizen may be appointed only if it has been determined there are no qualified U.S. citizens. In order to make this determination, the position will be advertised extensively throughout the nation using paid advertisements in major newspapers or scientific journals, etc., as well as the ''normal'' recruiting methods. If a noncitizen is the only qualified candidate for the position, the candidate may be appointed. The selection is subject to approval by the NRL approving manager. The demonstration project constitutes a delegated examining agreement from OPM for the purposes of 5 CFR 213.3102(bb).

E. Expanded Detail Authority

Under the demonstration project, NRL's approving manager would have the authority:

(1) To effect details up to 1 year to demonstration project positions without the current 120-day renewal requirement; and

(2) To effect details to a higher level position in the demonstration project up to 1 year within a 24-month period without competition.

Details beyond one-year require the approval of the Commanding Officer (CO), NRL and are not subject to the 120-day renewal requirement.

F. Extended Probationary Period

All current laws and regulations for the current probationary period are retained except that nonstatus candidates hired under the demonstration project in occupations where the nature of the work requires the manager to have more than one year to assess the employee's job performance will serve a 3-year probationary period. Employees with veterans' preference will maintain their rights under current law and regulation.

G. Definitions

1. Basic Pay

The total amount of pay received at the rate fixed through CCS adjustment for the position held by an employee including any merit increase but before any deductions and exclusive of additional pay of any other kind.

2. Maintained Pay

An employee may be entitled to maintain his or her rate of basic pay if

that rate exceeds the maximum rate of basic pay for his or her career level as a result of certain personnel actions (as described in this plan). An employee's initial maintained pay rate is equal to the lesser of (1) the basic pay held by the employee at the time an action is taken which entitles the employee to maintain his or her pay or (2) 150 percent of the maximum rate of basic pay of the career level to which assigned. The employee is entitled to maintained pay for 2 years or until the employee's basic pay is equal to or more than the employee's maintained pay, whichever occurs first. Exceptions to the 2-year limit include employees on grade and pay retention ''grandfathered'' in upon initial conversion into the demonstration project, former special rate employees receiving maintained pay as a result of conversion into the project, and employees placed through the priority placement programs. Employees will receive half of the across-the-board GS percentage increase in basic pay and the full locality pay increase while on maintained pay. Upon termination of maintained pay, the employee's basic pay will be adjusted according to the CCS appraisal process. If the employee's basic pay exceeds the maximum basic pay of his or her career level upon expiration of the 2-year period, the employee's pay will not be reduced; the employee will be in the overcompensated range of basic pay category for CCS pay increase purposes, see Figure 10.

Maintained pay shall cease to apply to an employee who:

(1) has a break in service of 1 workday or more; or

(2) is demoted for personal cause or at the employee's request.

The employee's maintained rate of pay is basic pay for purposes of locality pay (locality pay is basic pay for purposes of retirement, life insurance, premium pay, severance pay, advances in pay, workers' compensation, and lump-sum payments for annual leave but not for computing promotion increases). Employees promoted while on maintained pay may have their basic pay (excluding locality pay) set up to 20 percent greater than the maximum basic pay for their current career level or retain their ''maintained pay,'' whichever is greater.

3. Promotion

The movement of an employee to a higher career level within the same career track or to a different career track and career level in which the new career level has a higher maximum basic salary rate than the career level from which the employee is leaving.

4. Reassignment

The movement of an employee from one position to another position within the same career level in the same career track or to a position in another career track and career level in which the new career level has the same maximum basic salary rate as the career level from which the employee is leaving.

5. Change to Lower Career Level

The movement of an employee to a lower career level within the same career track or to a different career track and career level in which the new career level has a lower maximum basic salary range than the career level from which the employee is leaving.

6. Pay Adjustment

Any increase or decrease in an employee's rate of basic pay where there is no change in the employee's position. Termination of maintained pay is also a pay adjustment.

7. Detail

The temporary assignment of an employee to a different demonstration project position for a specified period when the employee is expected to return to his or her regular duties at the end of the assignment. (An employee who is on detail is considered for pay and strength purposes to be permanently occupying his or her regular position.)

8. Highest Previous Rate

NRL will establish maximum payable rate rules that parallel the rules in 5 CFR 531.202 and 531.203 (c) and (d).

9. Approving Manager

Managers at the directorate, division head, division superintendent, or directorate-level staff offices who have budget allocation/execution; position management; position classification; recruitment; and staffing authorities for their organization.

H. Pay Setting Determinations Outside the CCS

1. External New Hires

a. This includes reinstatements. Initial basic pay for new appointees into the demonstration project may be set at any point within the basic pay range for the career track, occupation, and career level to which appointed that is consistent with the special qualifications of the individual and the unique requirements of the position. These special qualifications may be consideration of education, training, experience, scarcity of qualified applicants, labor market considerations, programmatic urgency, or any combination thereof which is pertinent to the position to which appointed. Highest previous rate may be used to set the pay of new appointees into the demonstration project. (The approving manager authorizes the basic pay.)

b. Transfers from within DoD and other Federal agencies will have their pay set using pay setting policy for internal actions based on the type of pay action.

c. A recruitment or relocation bonus may be paid using the same provisions available for GS employees under 5 U.S.C. 5753. Employees placed through the DoD Priority Placement Program (PPP), the DoN Reemployment Priority List (RPL), or the Federal Interagency Career Transition Assistance Plan are entitled to the last earned rate if they have been separated.

2. Internal Actions

These actions cover employees within the demonstration project, including demonstration project employees who apply and are selected for a position within the project.

a. Promotion. When an employee is promoted, the basic pay after promotion may be up to 20 percent greater than the employee's current basic pay. However, if the minimum rate of the new career level is more than 20 percent greater than the employee's current basic pay, then the minimum rate of the new career level is the new basic pay. The employee's basic pay may not exceed the basic pay range of the new career level. Highest previous rate may be applied, if appropriate. (The approving manager authorizes the basic pay.) Note: Most target career level promotions will be accomplished through the CCS appraisal and pay adjustment process (see section IV.C.8).

b. Pay Adjustment (Voluntary Change to Lower Pay) or Change to Lower Career Level (except RIF). When an employee accepts a voluntary change to lower pay or lower career level, basic pay may be set at any point within the career level to which appointed, except that the new basic pay will not exceed the employee's current basic pay or the maximum basic pay of the career level to which assigned, whichever is lower. Highest previous rate may be applied, if appropriate. (The approving manager authorizes the basic pay.)

(1) Examples of Voluntary Change to a Lower Career Level. An employee in an Administrative Specialist and Professional Career Track, Career Level III, position may decide he or she would prefer a Career Level II position in the Administrative Support Career Track because it offers a different work

schedule or duty station. An employee in Level IV of the Administrative Specialist and Professional Career Track who has a family member with a serious medical problem and wants to be relieved of supervisory responsibilities may request a change to Career Level III.

(2) Example of Pay Adjustment (Voluntary Change to Lower Pay) or Change to a Lower Career Level. An employee may accept a change to lower pay or to a lower career level through a settlement agreement. A Research Physicist who is in Level III and is being paid near the top of Level III, is rated unacceptable in the critical element Research and Development (R&D) Business Management. In settlement of a proposal to remove this employee for unacceptable performance, an agreement is reached which reduces the employee's pay to a rate near the beginning of Level III.

c. Pay Adjustment (Involuntary Change to Lower Pay) or Change to Lower Career Level Due to Adverse or Performance-based Action. When an employee is changed to a lower career level, or receives a change to lower pay due to an adverse or performance-based action, the employee's basic pay will be reduced by at least 6 percent, but will be set at a rate within the rate range for the career level to which assigned. (The approving manager authorizes the basic pay.) Such employees will be afforded appeal rights as provided by 5 U.S.C. 4303 or 7512.

d. Involuntary Change to Lower Career Level or Reassignment to a Career Track with a Lower Salary Range, Other than Adverse or Performance-based. If the change is not a result of an adverse or performance-based action, the basic pay will be preserved to the extent possible within the basic pay range of the new career level. If the pay cannot be set within the rate range of the new career level, it will be set at the maximum rate of the new career level and the employee's pay will be reduced. If the change is a result of a position reclassification resulting in the employee being assigned to a lower career level or reassigned to a different career track with a lower maximum basic salary range, the employee is entitled to maintained pay if the employee's current salary exceeds the maximum rate for the new band.

e. RIF Action (including employees who are offered and accept a vacancy at a lower career level or in a different career track). The employee is entitled to maintained pay, if the employee's current salary exceeds the maximum rate for the new band.

f. Upward Mobility or Other Formal Training Program Selection. The employee is entitled to maintained pay, if the employee's current salary exceeds the maximum rate for the new band.

g. Return to Limited or Light Duty from a Disability as a Result of Occupational Injury to a Position in a Lower Career Level or to a Career Track with Lower Basic Pay Potential than Held Prior to the Injury. The employee is entitled indefinitely to the basic pay held prior to the injury and will receive full general and locality pay increases. If upon reemployment, an employee was not given the higher basic pay (basic pay received at the time of the injury), any retirement annuity or severance pay computation would be based on his or her lower basic pay (salary based on placement in a lower career level). Even though the Department of Labor (DOL) would make up the difference between the lower basic pay and the higher basic pay earned at the time of injury, the DOL portion is not considered in the retirement or severance pay computation.

h. Reassignment. The basic pay normally remains the same. Highest previous rate may be applied, if appropriate. (The approving manager authorizes the basic pay.)

i. Student Educational Employment Program. Initial basic pay for new appointees may be set at any point within the basic pay range for the career track, occupation, and career level to which appointed. Basic pay may be increased upon return to duty (RTD) or conversion to temporary appointment, in consideration of the student's additional education and experience at the time of the action. Students who work under a parallel work study program may have their basic pay increased in consideration of additional education and/or experience. Basic pay for students may be increased based on their CCS appraisal. (The approving manager authorizes the basic pay.)

j. Hazard Pay or Pay for Duty Involving Physical Hardship. Employees under the demonstration project will be paid hazardous duty pay under the provisions of 5 CFR part 550, subpart I.

I. Priority Placement Program (PPP)

Current PPP procedures apply to new hires and internal actions.

J. Expanded Temporary Promotions

Current regulations require that temporary promotions for more than 120 days to a higher level position than previously held must be made competitively. Under the demonstration project, NRL would be able to effect temporary promotions of not more than 1 year within a 24-month period without competition to positions within the demonstration project.

IV. Sustainment

A. Position Classification

The position classification changes are intended to streamline and simplify the process of identifying and categorizing the work done at NRL. NRL will establish an Integrated Pay Schedule (IPS) for all demonstration project positions in covered occupations. The IPS will replace the current GS and extend the pay schedule to the equivalent of the ES–4 level of the ''Rates of Basic Pay for the Members of the Senior Executive Service (SES).''

1. Career Tracks and Career Levels

Within the IPS, occupations with similar characteristics will be grouped together into four career tracks. Each career track consists of a number of career levels, representing the phases of career progression that are typical for the respective career track. The career levels within each career track are shown in Figure 3, along with their GS equivalents. The equivalents are based on the levels of responsibility as defined in 5 U.S.C. 5104, and not on current basic pay schedules. Appendix B provides definitions for each of the career tracks and the career levels within them.

The career tracks and career levels were developed based upon administrative, organizational, and position management considerations at NRL. They are designed to enhance pay equity and enable a more seamless career progression to the target career level for an individual position or category of positions. This combination of career tracks and career levels allows for competitive recruitment of quality candidates at differing rates of compensation within the appropriate career track, occupation, and career level. It will also facilitate movement and placement based upon contribution, in conjunction with the CCS described in paragraph IV.C. Other benefits of this arrangement include a dual career track for S&E employees and greater competitiveness with academia and private industry for recruitment. Appendix C identifies the occupational series currently within each of the four career tracks.

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CAREER TRACKS AND CAREER LEVELS WITH EQUIVALENTS

S&E Professional (NP)

Career Level	I	II	III[b]	IV[b]	V
GS Equiv.	1-4	5-10	11-13	14-15	ARSAE

S&E Technical (NR)

Career Level	I	II	III	IV	V[a]
GS Equiv.	1-4	5-8	9-10	11-12	13

Administrative Specialist and Professional (NO)

Career Level	I	II	III[b]	IV[b]	V[b]
GS Equiv.	1-4	5-10	11-12	13	14-15

Administrative Support (NC)

Career Level	I	II	III
GS Equiv.	1-4	5-7	8-10

a Temporary career level to accommodate current incumbents. No additional incumbents will be moved into this level; when no incumbents remain in this career level, it will be abolished.

b Promotion beyond these levels will not occur without proper DOR approval and high grade authorization if needed.

Figure 3. Career Tracks and Career Levels with Equivalents

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a. Target Career Level. Each position will have a designated target career level under the demonstration project. This target career level will be identified as the career level to which an incumbent may be advanced without further competition within a career track. These target career levels will be based upon present full performance levels. Target career levels may vary based upon occupation or career track. Employees' basic pay will be capped at the target career level until other appropriate conditions (competition, availability of a high-grade billet, position management approval, increase in or acquisition of higher level duties, approval of an accretion of duties promotion, etc.) have been met, and the employee has been promoted into the next higher level.

b. Occupational Series and Position Titling. Presently, NRL positions are identified by occupational groups and series of classes in accordance with OPM position classification standards. Under the demonstration project, NRL will continue to use occupational series designators consistent with those currently authorized by OPM to identify positions. This will facilitate related personnel management requirements, such as movement into and out of the demonstration project. Other occupational series may be added or deleted as needed to support the demonstration project. Interdisciplinary positions will be accommodated within the system based upon the qualifications of the individual hired.

Titling practices consistent with those established by OPM classification standards will be used to determine the official title. Such practice will facilitate other personnel management requirements, such as the following: movement into and out of the demonstration project, reduction in force, external reporting requirements, and recruitment. CCS career level descriptors and Requirements Document (RD) (see paragraph IV.A.2) information will be used for specific career track, career level, and titling determinations.

c. Classification Standards. Under the proposed demonstration project, the number of classification standards would be reduced from over 70 to 4 (see Figure 2.) Each standard would align with one of the four career tracks and would cover all positions within that career track. Each career track has two or three elements that are considered in both classifying a position and in judging an individual's contributions for pay setting purposes. Each element has generic descriptors for every career level. These descriptors explain the type of work, degree of responsibility and scope of contributions that need to be ultimately accomplished to reach the highest basic pay potential within each career level. (See Appendix D.) To classify a position, a manager would select the career level which is most indicative overall of the type of duties to be performed and the contributions needed. For example: A supervisor needs a secretarial position for a branch. In reading the elements and descriptors for the Administrative Support Career Track, the supervisor determines that the Level II descriptors illustrate the type of work and contributions needed. Therefore, the position would be classified as a Secretary, Level II.

d. Fair Labor Standards Act (FLSA). Demonstration project positions will be covered under the FLSA and 5 CFR part 551. Determination of their status (exempt or nonexempt) will be made based on the criteria contained in 5 CFR Part 551. The status of each new position under the demonstration project will be determined using computer assisted analysis as part of an automated process for preparing the RD. Those positions for which the computer is unable to make the final FLSA determination will be ''flagged'' for referral to a human resources specialist for determination.

(1) Guidelines for FLSA Determinations.

a. Supervisory Information: provided through an automated system in a checklist format; results of this checklist have an impact on FLSA determination.

b. FLSA Information: provided through an automated system in a checklist format; results of this checklist in conjunction with the supervisory information provide a basis for the FLSA determination.

c. If required, the section entitled ''Purpose of Position'' will be used to assist in FLSA determination.

d. RD's requiring additional review before being finalized will be forwarded to a human resources specialist to review the FLSA determination.

(2) Nonsupervisory and Leader Positions. Figure 4 shows the exempt or nonexempt status applicable to nonsupervisory and leader positions in the indicated career track and career level. In those cases where ''Review'' is indicated, the FLSA status must be determined based on the specific duties and responsibilities of the subject position.

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FLSA Status of Nonsupervisory and Leader Positions[a]

	Career Level I	Career Level II	Career Level III	Career Level IV	Career Level V
S&E and Other Prof	FLSA-covered	Review	Exempt	Exempt	Exempt
S&E Tech	FLSA-covered	FLSA-covered	Review	Exempt	Exempt
Admin Spec and Prof	FLSA-covered	Review	Exempt	Exempt	Exempt
Admin Sppt	FLSA-covered	FLSA-covered	Review		

[a] FLSA exemption and nonexemption determinations will be made consistent with criteria found in 5 CFR part 551. All employees are covered by the FLSA unless they meet the executive, administrative, or professional criteria for exemption. As a general rule, the FLSA status can generally be matched to the occupational families and pay bands found in Table 3. Exceptions to these guidelines include supervisors/managers who meet the definitions outlined in the OPM GS Supervisory Guide. The generic position descriptions will not be the sole basis for the FLSA determination. Each position will be evaluated on a case-by-case basis by comparing the duties and responsibilities assigned and the classification standards for each pay band, under 5 CFR part 551 criteria.

Figure 4. FLSA Status of Nonsupervisory and Leader Positions

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(3) Supervisory Positions. FLSA determination for supervisory positions must be made based on the duties and responsibilities of the particular position involved. As a rule, if a position requires supervision of employees who are exempt under FLSA, the supervisory position is likely to be exempt also.

2. Requirements Document (RD)

An RD will replace the Optional Form 8 and position description used under the current classification system. The RD will be prepared by managers using a menu-driven, automated system. The automated system will enable managers to classify and establish many positions without intervention by a human resources specialist. The abbreviated RD will combine the position information, staffing requirements, and contribution expectations into a 1- or 2-page document. Appendix F provides a sample RD for an Electronics Engineer, Level II.

3. Delegation of Classification Authority

Classification authority will be delegated to managers as a means of increasing managerial effectiveness and expediting the classification function. This will be accomplished as follows:

a. Delegated Authority.

1. The NRL Commanding Officer (CO) will delegate classification authority to the management levels shown in Figure 5, i.e., DOR, Associate Directors of Research (ADORS), division superintendents or equivalent levels, and the HRO Director (the HRO Director may further delegate to selected HRO specialists).

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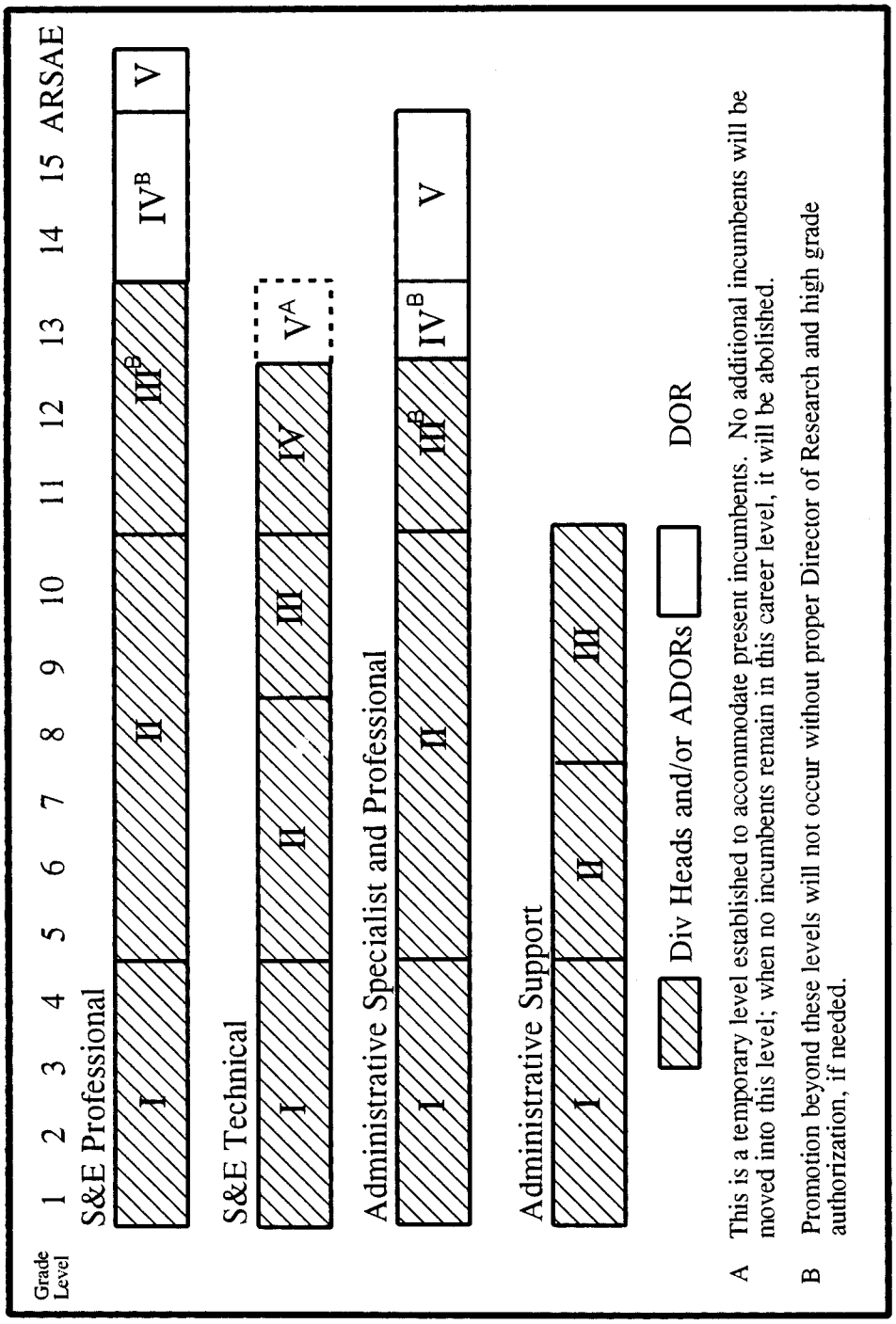

Figure 5. Levels of Delegated Classification Authority

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2. The classification approval must be at least one level above the first-level supervisor of the position.

3. First-line supervisors at any level will provide classification recommendations.

4. HRO support will be available for guidance and recommendations concerning the classification process. (Any dispute over the proper classification between a manager and the HRO will be resolved by the Director of Research [DOR].)

b. Position Classification Accountability. Those to whom authority is delegated are accountable to the DOR. The DOR is accountable to the CO. Those with delegated authority are expected to comply with demonstration project guidelines on classification and position management, observe the principle of equal pay for equal work, and ensure that RD's are current. First-line supervisors will develop positions using the automated system. All positions must be approved through the proper chain of command.

B. Integrated Pay Schedule

Under the demonstration project, an IPS will be established which will cover all demonstration project positions at NRL. This IPS, which does not include locality pay, will extend from the basic pay for GS–1, step 1 to the basic pay for ES–4 (from ''Rates of Basic Pay for Members of the Senior Executive Service (SES)''). The adjusted basic pay cap, which does include locality pay, is Executive Level IV, currently $118,400, for all demonstration project employees except S&E Professional Career Level V employees. The adjusted basic pay cap for S&E Professional Career Level V employees is Executive Level III, currently $125,900.

1. Annual Pay Action

NRL will eliminate separate pay actions for within-grade increases, general and locality pay increases, performance awards, quality step increases, and most career promotions, and replace them with a single annual pay action (including either permanent or bonus pay or both) linked to the CCS. This will eliminate the paperwork and processing associated with multiple pay actions which average 3 per employee per year.

2. Overtime Pay

Overtime will be paid in accordance with 5 CFR part 550, subpart A. All nonexempt employees will be paid overtime based upon their ''hourly regular rate of pay,'' as defined in existing regulation (5 CFR part 551).

3. Classification Appeals

An employee may appeal the occupational series, title, career track, or career level of his or 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 an employee is not satisfied with the supervisory response, he or she may then appeal to the DoD appellate level. If an employee is not satisfied with the DoD response, he or she may then appeal to the OPM only after DoD has rendered a decision under the provisions of this demonstration project. Since OPM does not accept classification appeals on positions which exceed the equivalent of a GS–15 level, appeal decisions involving Career Level V for Advanced Research Scientists and Engineers (ARSAE) will be rendered by DoD and will be final. Appellate decisions from OPM are final and binding on all administrative, certifying, payroll, disbursing, and accounting officials of the Government. Time periods for case processing under 5 CFR subpart F, sections 511.603, 511.604, and 511.605 apply.

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

The evaluation of classification appeals under this demonstration project is based upon the demonstration project classification criteria. Case files will be forwarded for adjudication through the HRO and will include copies of appropriate demonstration project criteria.

4. Advanced Research Scientists and Engineers (ARSAE)

The NRL demonstration project includes a Career Level V for the Science and Engineering (S&E) Professional Career Track. Career Level V is created for ARSAE's.

Current legal definitions of SES and ST positions do not fully meet the needs of NRL. The SES designation is appropriate for executive level managerial positions whose classification exceeds the GS–15 grade level. The primary knowledge and abilities of SES positions relate to supervisory and managerial responsibilities. Positions classified as STs are reserved for bench research scientists and engineers; these positions require a very high level of technical expertise and they have little or no supervisory responsibility.

NRL currently has positions (typically branch head, principal investigator or team leaders) that have characteristics of both SES and ST classifications. Most branch heads in NRL are responsible for supervising other GS–15 positions, including non-supervisory research engineers and scientists and, in some cases, ST positions. Most branch heads are classified at the GS–15 level, although their technical expertise warrants classification beyond GS–15. Because of their management responsibilities, these individuals are excluded from the ST system. Because of management considerations, they cannot be placed in the SES. Management considers the primary requirement for branch heads to have knowledge of and expertise in the specific scientific and technology areas related to the mission of their branches. Historically, the incumbents of these positions have been recognized within the community as scientific and engineering leaders who possess primarily scientific or engineering credentials and are considered experts in their field. However, they must also possess strong managerial and supervisory ability. Therefore, although some of these employees have scientific credentials that might compare favorably with ST criteria, classification of these positions as ST is not an option because the managerial and supervisory responsibilities inherent in the positions cannot be ignored.

Current GS–15 branch heads will convert into the demonstration project at Career Level IV. After conversion they will be reviewed against established criteria to determine if they should be reclassified to Career Level V. Other positions possibly meeting criteria for classification to Career Level V will be reviewed on a case-by-case basis. 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 SES level 4 (ES–4). Vacant positions in Career Level V will be competitively filled to ensure that selectees are preeminent researchers and technical leaders in the specialty fields who also possess substantial managerial and supervisory abilities.

DoD will test Career Level V for a 5-year period. ARSAE positions established in Career Level V will be subject to limitations imposed by OPM and DoD. Career Level V will be established only in an S&T Reinvention Laboratory which employs scientists,

engineers, or both. ARSAE incumbents of Career Level V positions will work primarily in their professional capacity on basic or applied research and secondarily perform managerial or supervisory duties. The number of Career Level V, or equivalent, positions within the DoD will not exceed 40. These 40 positions will be allocated by Assistant Secretary of Defense (Force Management Policy) and administered by the respective services. The number of ARSAE Career Level V positions will be reviewed periodically to determine appropriate position requirements. Career Level V position allocations will be managed separately from SES, ST, and Senior Level (SL) positions. An evaluation of the Career Level V concept will be performed during the fifth year of the demonstration project.

Specific details regarding the control and management of all Level V assets will be included in the demonstration project's operating procedures. Level V is expected to afford NRL the ability to more effectively and efficiently exercise managerial control at the local level, while adhering to merit staffing, affirmative action, and equal employment opportunity principles.

5. Distinguished Contributions Allowance (DCA)

The DCA is a temporary monetary allowance up to 25 percent of basic pay (which, when added to an employee's rate of basic pay, may not exceed the rate of basic pay for ES–4) paid on either a bi-weekly basis (concurrent with normal pay days) or as a lump sum following completion of a designated contribution period(s), or combination of these, at the discretion of NRL. It is not basic pay for any purpose, i.e., retirement, life insurance, severance pay, promotion, or any other payment or benefit calculated as a percentage of basic pay. The DCA will be available to certain employees at the top of their target career levels, whose present contributions are worthy of scores found at a higher career level, whose level of contribution is expected to continue at the higher career level for at least 1 year, and current market conditions require additional compensation.

Assignment of the DCA rather than a change to a higher career level will generally be appropriate for such employees under the following circumstances: employees have reached the top of their target career levels and (1) when it is not certain that the higher level contributions will continue indefinitely (e.g., a special project expected to be of 1- up to 5-year duration), or (2) when no further promotion or compensation opportunities are available or externally imposed limits (such as high-grade restrictions) make changes to higher career levels unavailable, and in either situation, current market conditions compensate similar contributions at a greater rate in like positions in private industry and academia and there is a history of significant recruitment and retention difficulties associated with such positions.

a. Eligibility.

(1) Employees in Levels III and IV of the S&E Professional Career Track and those in Levels III, IV, and V of the Administrative Specialist and Professional Career Track are eligible for the DCA if they have reached the top CCS score for their target career level with a recommendation for a higher Overall Contribution Score (OCS) for their contributions, they have reached the maximum rate of basic pay available for their target career level, there are externally imposed limits to higher career levels or the higher level contributions are not expected to last indefinitely, and market conditions require greater compensation for these contributions.

(2) Employees may receive a DCA for up to 3 years. The DCA authorization will be reviewed and reauthorized as necessary, but at least annually at the time of the CCS appraisal through nomination by the pay pool manager and approval by the DOR. Employees in the S&E Professional Career Track may receive an extension of up to 2 additional years (for a total of 5 years). The DCA extension authorization will be reviewed and reauthorized as necessary, but at least on an annual basis at the time of the CCS appraisal through nomination by the pay pool manager and approval by the DOR.

(3) Monetary payment may be up to 25 percent of basic pay.

(4) Nominees would be required to sign a memorandum of understanding or a statement indicating they understand that the DCA is a temporary allowance; it is not a part of basic pay for any purpose; it would be subject to review at any time, but at least on an annual basis, and the reduction or termination of the DCA is not appealable or grievable.

b. Nomination. In connection with the annual CCS appraisal process, pay pool managers may nominate eligible employees who meet the criteria for the DCA. Packages containing the recommended amount and method of payment of the DCA and a justification for the allowance will be forwarded through the supervisory chain to the DOR. Details regarding this process will be addressed in standard operating procedures. These details will include time frames for nomination and consideration, payout scheme, justification content and format, budget authority, guidelines for selecting employees for the allowance and for determining the appropriate amount, and documentation required by the employee acknowledging he or she understands the criteria and temporary nature of the DCA.

c. Reduction or Termination of a DCA.

(1) A DCA may be reduced or terminated at any time the NRL deems appropriate (e.g., when the special project upon which the DCA was based ends; if performance or contributions decrease significantly; or if labor market conditions change, etc.). The reduction or termination of a DCA is not appealable or grievable.

(2) If an employee voluntarily separates from NRL before the expiration of the DCA, an employee may be denied DCA payment. Authority to establish conditions and/or penalties will be spelled out in the written authorization of an individual's DCA.

d. Lump-Sum DCA Payments.

(1) When NRL chooses to pay part or all of an employee's DCA as a lump sum payable at the end of a designated period, the employee will accrue entitlement to a growing lump-sum balance each pay period. The percentage rate established for the lump-sum DCA will be multiplied by the employee's biweekly amount of basic pay to determine the lump sum accrual for any pay period. This lump-sum percentage rate is included in applying the 25-percent limitation.

(2) If an employee covered under a lump-sum DCA authorization separates, or the DCA is terminated (see paragraph c), before the end of that designated period, the employee may be entitled to payment of the accrued and unpaid balance under the conditions established by NRL. NRL may establish conditions governing lump-sum payments (including penalties in cases such as voluntary separation or separation for personal cause) in general plan policies or in the individual employee's DCA authorization.

e. DCA Budget Allocation. The DOR may establish a total DCA budget allocation that is never greater than 10 percent of the basic salaries of the employees currently at the cap in the S&E Professional Career Track, Career Levels III and IV, and the Administrative Specialist and Professional Career Track, Career Levels III, IV, and V.

f. Concurrent Monetary Payments. Employees eligible for a DCA may be authorized to receive a DCA and a

retention allowance at the same time, up to a combined total of 25 percent of basic pay. A merit increase which raises an employee's pay to the top rate for his or her target career level (thus making the employee eligible for the DCA) may be granted concurrent with the DCA. Receipt of the DCA does not preclude an employee from being granted any award (including a contribution award) for which he or she is otherwise eligible.

C. Contribution-based Compensation System (CCS)

1. General

The purpose of the CCS is to provide an effective means for evaluating and compensating the NRL workforce. It provides management, at the lowest practical level, the authority, control, and flexibility needed to develop a highly competent, motivated, and productive workforce. CCS will promote increased fairness and consistency in the appraisal process, facilitate natural career progression for employees, and provide an understandable basis for career progression by linking contribution to basic pay determinations.

CCS combines performance appraisal and job classification into one annual process. At the end of each CCS appraisal period, basic pay adjustment decisions are made based on each employee's actual contribution to the organization's mission during the period.

A separate function of the process includes comparison of performance in critical elements to acceptable standards to identify unacceptable performance that may warrant corrective action in accordance with 5 CFR part 432. Supervisory officials determine scores to reflect each employee's contribution, considering both how well and at what level the employee is performing. Often the two considerations are inseparable. For example, an employee whose written documents need to be returned for rework more often than those of his or her peers also likely requires a closer level of oversight, an important factor when considering level of pay.

The performance planning and rating portions of the demonstration project's appraisal process constitute a performance appraisal program which complies with 5 CFR part 430 and the DoD Performance Management System, except where waivers have been approved. Performance-related actions initiated prior to implementation of the demonstration project (under DoN performance management regulations) shall continue to be processed in accordance with the provisions of the appropriate system.

2. CCS Process

CCS measures employee contributions by breaking down the jobs in each career track using a common set of ''elements.'' The elements for each career track shown in Figure 6 and described in detail in Appendix D have been initially identified for evaluating the contributions of NRL personnel covered by this initiative. They are designed to capture the highest level of the primary content of the jobs in each career level of each career track. Within specific parameters, elements may be weighted or even determined to be not applicable for certain categories of positions. All elements applicable to the position are critical as defined by 5 CFR part 430.

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CCS ELEMENTS

S&E Professional

- Scientific and Technical Problem Solving
- Cooperation and Supervision
- R&D Business Management

S&E Technical

- Scientific and Technical Problem Solving
- Cooperation, Customer Relations, and Supervision

Administrative Specialist and Professional

- Problem Solving and Program Management
- Cooperation and Customer Relations
- Supervision and Resources Management

Administrative Support

- Problem Solving and Office Administration
- Cooperation, Supervision, and Customer Relations

Figure 6. CCS Elements

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For each element, ''Discriminators'' and ''Descriptors'' are provided to assist in distinguishing low to high contributions. The discriminators (2–4 for each element) break down aspects of work to be measured within the element. The descriptors (one for each career level for each discriminator) define the expected level of contribution at the top of the related career level for that element.

Scores currently range between 0 and 89; specific relationships between scores and career levels are different for each career track. (See Figure 7.) Basic pay adjustments are based on a comparison of the employee's level of contribution to the normal pay range for that contribution and the employee's present rate of basic pay.

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CCS Career Level Scores and Basic Pay Ranges*

LEVEL	SCORE	CCS $K
S&E Professional		
I	0 - 21	13,362 - 24,456
II	18 - 47	20,356 - 44,924
III	44 - 66	37,393 - 70,060
IV	66 - 80	62,553 - 97,201
V	81 - 89	89,728 - 118,000**
S&E Technical		
I	0 - 21	13,362 - 24,456
II	18 - 39	20,356 - 37,258
III	36 - 47	31,012 - 44,924
IV	44 - 59	37,393 - 59,480
V***	59 - 66	53,107 - 70,060
Administrative Specialist and Professional		
I	0 - 21	13,362 - 24,456
II	18 - 47	20,356 - 44,924
III	44 - 59	37,393 - 59,480
IV	59 - 66	53,107 - 70,060
V	66 - 80	62,553 - 97,201
Administrative Support		
I	0 - 21	13,362 - 24,456
II	18 - 34	20,356 - 33,146
III	31 - 47	27,590 - 44,924

*Basic pay based on 1999 GS with no locality adjustment.

**Equivalent to the minimum rate of basic pay for Salary Table 1999-SL/ST, and for Salary Table 1999-ES for ES-4 with no locality adjustment.

*** Temporary career level to accommodate current incumbents.

Figure 7. CCS Career Level Scores and Basic Pay Ranges

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Supervisors and pay pool panels determine an employee's contribution level for each element considering the discriminators as appropriate to the position. A contribution score, available to that level, is assigned accordingly. For example, a scientist whose contribution in the Technical Problem Solving element for S&E Professionals is determined to be at Level II may be assigned a score of 18 to 47. Eighteen reflects the lowest level of responsibility, exercise of independent judgment, and scope of contribution; and 47 reflects the highest. For Level III contributions, a value of 44 to 66 may be assigned. Each higher career level equates to a higher range of values up to a total of 89 points for S&E professionals. The maximum score of (currently) 89 provides for S&E Professional Level V employees the potential for basic pay of SES Level 4, currently $118,000, plus locality pay up to a cap of Executive Level III, currently $125,900. Each element is judged separately and level of work may vary for different elements. The scores for each element are then averaged to determine the Overall Contribution Score (OCS).

The CCS process will be carried out within a pay pool that typically consists of all employees in an NRL division. Pay pools should have a minimum size of about 35 employees; the largest pay pool may have about 300 employees. To facilitate equity and consistency, element weights and applicability and CCS score adjustments are determined by a pay pool panel, rather than by individual supervisors. Basic pay adjustments, contribution awards, and DCA's may be recommended by the pay pool panel or by individual supervisors. Pay pool panels will consist of supervisory officials or other individuals who are familiar with the organization's work and the contributions of its employees. In most cases division heads (mostly SES members) function as pay pool managers, with final authority to decide weights, scores, basic pay adjustments, and awards.

3. Pay Pool Annual Planning

Prior to the beginning of each annual appraisal period, the pay pool manager and panel will review pay pool-wide expectations in the areas described below.

a. Element Weights and Applicability. As written, all elements are weighted equally. If pay pool panels and managers decide that some elements are more important than others or that some do not apply at all to the effective accomplishment of the organization's mission, they may establish element weights including a weight of zero which renders the element not applicable. Element weights are not intended for application to individual employees. Instead, they may be established only for subcategories of positions, not to exceed a maximum of five subcategories in each career track. Subcategories for S&E Professionals might be: Bench Level S&E, Supervisor, Program Manager, and Support S&E. Subcategories should include a minimum of five positions, when possible. Weights must be consistent within the subcategory.

b. Supplemental Criteria. The CCS level descriptors are designed to be general so that they may be applied to all employees in the career track. Supervisors and pay pool panels may establish supplemental criteria to further inform employees of expected contributions. This may include (but is not limited to) examples of contributions which reflect work at each level for each element, taskings, objectives, and/or standards.

4. Annual CCS Appraisal Process (See Figure 8)

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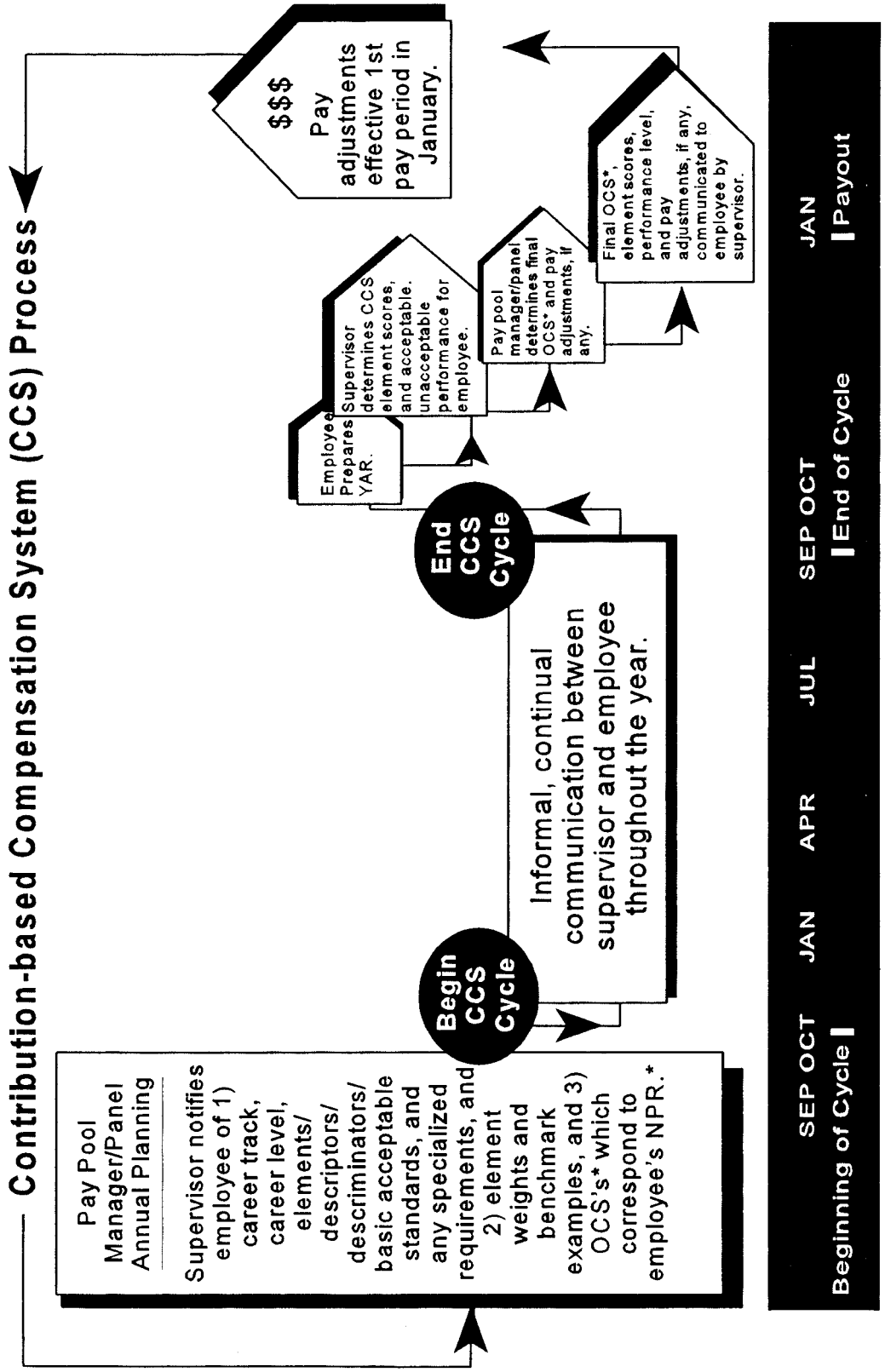

* OCS - Overall Contribution Score
** NPR - Normal Pay Range

Figure 8. Annual CCS Appraisal Process

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The NRL appraisal period will be 1 year, with a minimum appraisal period of 90 days. At the beginning of the appraisal period, or upon an employee's arrival at NRL or into a new position, the following information will be communicated to employees so that they are informed of the basis on which their performance and contributions will be assessed: their career track and career level; applicable elements, descriptors and discriminators; element weights; any established supplemental criteria; OCS's which correspond to each employee's NPR (see section IV.C.6); and basic acceptable performance standards. The CCS Summary Form (Appendix D) will be used to facilitate and document this communication. All employees will be provided this information; however, employees in some situations may not receive CCS scores. These situations are described in section IV.C.5, Exceptions. The communication of information described by this paragraph constitutes performance planning as required by 5 CFR 430.206(b).

Supervisor and employee discussion of organizational objectives, specific work assignments, and individual performance expectations (as needed), should be conducted on an ongoing basis. Either the supervisor or the employee may request a formal review during the appraisal period; otherwise, a documented review is required only at the end of the appraisal period.

At the end of the appraisal period, employees will provide input describing their contributions by preparing a Yearly Accomplishment Report (YAR). Pay pool managers may exempt groups of positions from the requirement to submit YARs; in cases where YARs are not required, employees may submit them at their own discretion. Standard operating procedures will provide guidance for pay pools and employees on the content and format of YARs, and on other types of information about employee contributions which should be developed and considered by supervisors. This will include procedures for capturing contribution information regarding employees who serve on details, who change positions during the appraisal period, who are new to NRL, and other such circumstances.

Supervisors will review the employee's YAR and other available information about the employee's contributions during the appraisal period and determine an initial CCS score for each element considering the discriminators as appropriate to the position. In addition, supervisors will determine whether the employee's performance was acceptable or unacceptable in each element when compared against the basic acceptable performance standards. The rating of the elements (all that are applicable are designated critical as defined by 5 CFR part 430) will serve as the basis for assignment of a summary level of Acceptable or Unacceptable. If any element is rated unacceptable, the summary level will be Unacceptable; otherwise the summary level will be Acceptable. Unacceptable ratings must be reviewed and approved by a higher level than the first-level supervisor.

If an employee changes positions during the last 90 days of the appraisal period, the losing supervisor will conduct a performance rating (i.e., rate each element Acceptable or Unacceptable and determine the summary level) at the time the employee moves to the new position. This will serve as the employee's rating of record. For employees who report to NRL during the last 90 days of the appraisal period, any close-out rating of Acceptable (or its equivalent) or better from another Government agency will serve as the employee's rating of record (the employee will be rated Acceptable). The determination of CCS scores and application of related pay adjustments for such employees is set forth in section IV.C.5, ''Exceptions''.

The pay pool panel will meet to compare scores, make appropriate adjustments, and determine the final OCS for each employee. Final approval of CCS scores and element and summary ratings will rest with the pay pool manager (unless higher level approval is requested or deemed necessary). Supervisors will communicate the element scores, ratings, summary level, and OCS to each employee, and discuss the results and plans for continuing growth. Employees rated Unacceptable will be provided assistance to improve their performance (see paragraph V.A).

The CCS process will be facilitated by an automated system, the CCSDS. During the appraisal process, all scores and supervisory comments will be entered into the CCSDS. The CCSDS will provide supervisors, pay pool panel members, and pay pool managers with background information (e.g., YARS, employees' prior year scores and current basic pay) and spreadsheets to assist them in comparing contributions and determining scores. Records of employee appraisals will be maintained in the CCSDS, and the system will be able to produce a hard copy document for each employee which reflects his or her final approved score.

5. Exceptions

All employees who have worked 90 days or more by the end of the appraisal period will receive a performance rating of record. However, in certain situations NRL does not consider the actual determination of CCS scores to be necessary. In other situations, it may not be feasible to determine a meaningful CCS score. Therefore, the determination of CCS scores will not be required for the following types of employees:

a. Employees on intermittent work schedules;

b. Those on temporary appointments of 1 year or less;

c. Those who work less than 6 months in an appraisal period (e.g., on extended absence due to illness);

d. Those on long-term training for all or much of the appraisal period;

e. Employees who have reported to NRL or to a new position during the 90 days prior to the end of the appraisal period; and

f. Student Educational Employment Program employees.

If supervisors believe that the nature of such an employee's contributions provide a meaningful basis to determine a CCS score, they may appraise employees in the categories listed above, provided that the employee has worked at least 90 days in an NRL position during the appraisal period.

Those employees mentioned above who are not appraised under CCS will not be eligible for merit increases or contribution awards. (This will affect the calculation of service credit for RIF (see section V.C.). All employees listed above will be given full general and locality increases (as described in sections IV.C.7.a, ''General Increases,'' and IV.C.7.c, ''Locality Increases''). All employees are eligible for awards under NRL's Incentive Awards Program, such as ''On-the-Spot'' and Special Act Awards, as appropriate.

6. Normal Pay Range (NPR)—Basic Pay Versus Contribution

The NRL CCS assumes a relationship between the assessed contribution of the employee and a normal range of pay. For all possible contribution scores available to employees, the NPR spans a basic pay range of 12 percent. Employees who are compensated below the NPR for their assessed score are considered ''undercompensated,'' while employees compensated above the NPR are considered ''overcompensated.''

The lower boundary of the NPR is initially established by fixing the basic pay equivalent to GS–1, step 1 of the General Schedule (without locality pay), with a CCS score of zero. The upper

boundary is fixed at the basic pay equivalent to GS–15, step 10 of the General Schedule (without locality pay), with a CCS score of 80. The distance between these upper and lower boundaries for a given overall contribution score is 12 percent of basic pay for all available CCS scores. Using these constraints, the interval between scores is approximately 2.37 percent through the entire range of pay. The lines were extended using the same interval so that the upper boundary of the normal range of basic pay accommodates the basic pay for SES Level IV. This currently occurs at a contribution score near 90. (The actual end point will vary depending on any pay adjustment factors, e.g., general increase.) The formula used to derive the NPR may be adjusted in future years of the demonstration project. See Appendix E for further details regarding the formulation of the NPR.

Each year the boundaries for the NPR plus the minimum and maximum rate of basic pay for each career level (except the maximum rate for Level V of the S&E Professional Career Track) will be adjusted by the amount of the across-the-board GS percentage increase granted to the Federal workforce. At the end of each annual appraisal period, employees' contribution scores will be determined by the CCS process described above, then their overall contribution scores and current rates of basic pay will be plotted as a point on a graph along with the NPR. The position of the point relative to the NPR gives a relative measure of the degree of over-or undercompensation of the employee, as shown in Figure 9. Points which fall below the NPR indicate undercompensation; points which fall above the NPR indicate overcompensation.

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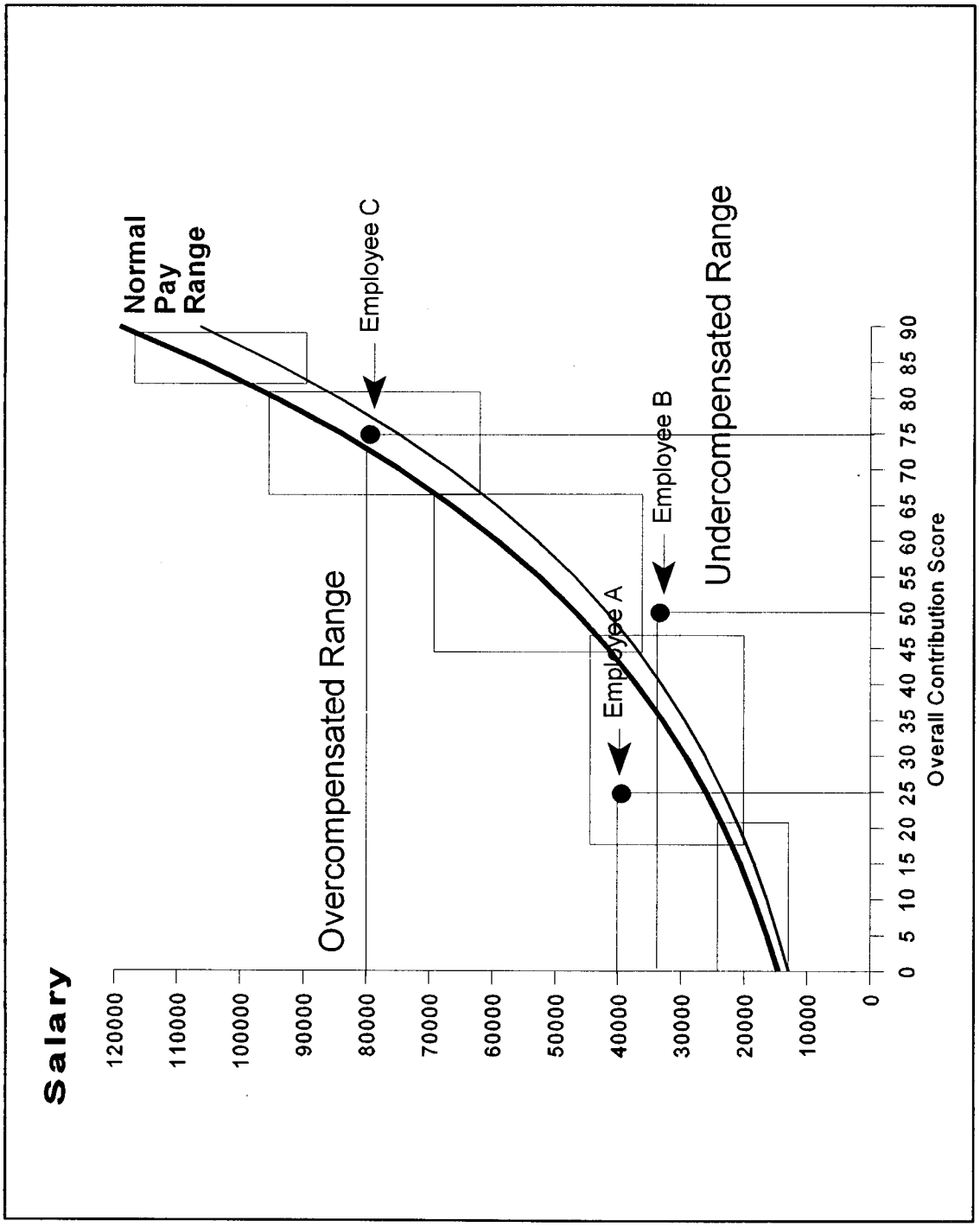

Figure 9. Plotting OCS and Basic Pay on the NPR for S&E Professionals

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7. Compensation

Presently, employee pay is established, adjusted, and/or augmented in a variety of ways, including general pay increases, locality pay increases, special rate adjustments, within-grade increases (WGI's), quality step increases (QSI's), performance awards, and promotions. Multiple pay changes in any given year (averaging 3 per employee) are costly to process and do not consider comprehensively the employee's contributions to the organization. Under the demonstration project, NRL will distribute the budget authority from the sources listed above into 4 pay categories: (1) general increase, (2) locality increase, (3) merit increase, and (4) contribution awards. From these pay categories, a single annual pay action would be authorized based primarily on employees' contributions. Competitive promotions will still be processed under a separate pay action; most career promotions will be processed under the CCS.

In general, the goal of CCS is to pay in a manner consistent with employee contribution or, in other words, migrate employees' basic pay closer to the NPR. One result may be a wider distribution of pay among employees for a given level of duties.

After the CCS appraisal process has been completed and the employees' standing relative to the NPR has been determined, the pay pool manager, in consultation with the pay pool panel or other pay pool supervisory and staff officials, will determine the appropriate basic pay change and contribution award, if appropriate, for each employee. Standard operating procedures will provide guidance, including market salary reference data, to assist pay pool managers in making pay determinations. In most cases, the pay pool manager will approve basic pay changes and awards. In some cases, however, approval of a higher level official will be required. Figure 10 summarizes the eligibility criteria and applicable limits for each pay category.

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Eligibility Chart for Pay Increases

Range of Basic Pay	General Increase	Merit Increase	Contribution Award	Locality Pay
Over-compensated	Could be reduced or denied	No	No[f]	Yes-Full[d]
Normal Range	Yes-Full	Yes[c]-Up to 6%	Yes[a]	Yes-Full[d]
Under-compensated	Yes-Full	Yes[b,c]	Yes[a]	Yes-Full[d]

[a] Up to $10K, over $10K requires DOR approval.
[b] Over 20 percent requires DOR approval.
[c] May not exceed upper rail of normal pay range for employee's OCS score or maximum rate of the employee's career level.
[d] Employees will be entitled to the full locality pay approved for their area subject to applicable limitations.
[e] May not exceed 6% above lower rail of normal pay range or maximum rate of the employee's career level.
[f] Employees on maintained pay are eligible for a contribution award.[a]

Figure 10. Eligibility Chart for Pay Increases

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The Contribution-based Compensation System Data System (CCSDS) will calculate each employee's OCS and his or her standing in relation to the NPR. The system will provide a framework to assist pay pool officials in selecting and implementing a payout scheme. It will alert management to certain formal limits in granting pay increases; e.g., an employee may not receive a permanent increase above the maximum rate of basic pay for his or her career level until a corresponding level change has been effected. Once basic pay and award decisions have been finalized and approved, the CCSDS will prepare the data file for processing the pay actions, and maintain a consolidated record of CCS pay actions for all NRL demonstration project employees.

a. General Increases. General increase budget authority will be available to pay pools as a straight percentage of employee salaries, as derived under 5 U.S.C. 5303 or similar authority. Pay pool panels or managers may reduce or deny general pay increases for employees whose contributions are in the overcompensated category. (See Figure 10.) Such reduction or denial may not place an employee in the

undercompensated category. An employee receiving maintained pay (except one receiving maintained pay for an occupational injury who receives a full general pay increase) will receive half of the across-the-board GS percentage increase in basic pay until the employee's basic pay is within the basic pay range assigned for their current position or for 2 years, whichever is less. NRL employees on pay retention at the time of demonstration project implementation or as a result of placement through the DoN RPL, DoD PPP or the Federal Interagency Career Transition Assistance Plan will receive half of the across-the-board GS percentage increase until the employee's maintained pay is exceeded by the maximum rate for the employee's career level or the maintained pay is ended due to a promotion. General increase authority not expended is available to either the merit increase or contribution award pay categories or both.

b. Merit Increases. Merit increases will be calculated after the determination of employees' general increases. Merit increases may be granted to employees whose contribution places them in the ''normal'' or ''undercompensated'' categories. (See Figure 10.) In general, the higher the range in which the employee is contributing compared to his or her basic pay, the higher the merit increase should be. However, the following limitations apply: a merit increase may not place any employee's basic pay (1) in the ''overcompensated'' category (as established by the NPR for the upcoming year, which has been adjusted by the amount of the new general increase); (2) in excess of SES Level IV; (3) in excess of the maximum rate of basic pay for the individual's career level (unless the employee is being concurrently advanced to the higher career level); or (4) above any outside-imposed dollar limit (e.g., high-grade ceiling). Merit increases for employees in the NPR will be limited to 6 percent of basic pay, not to exceed the upper limit of the NPR for the employee's score. In addition, merit increases for employees in the undercompensated range may not exceed 6 percent above the lower rail of the NPR, or 20 percent of basic pay without DOR approval.

The NRL merit increase category will include what is now WGI's, QSI's, and career ladder promotions. This category will be set each year near 2.4 percent of total NRL basic pay rates (including the general increase rate approved for the coming year). This is close to the average of NRL's expenditures for step increases and promotions over the last 3 years. This percentage has been used by other demonstration projects in the past. The 2.4 percent figure will be adjusted as necessary to facilitate cost containment over the life of the demonstration project.

The amount of budget authority available to each pay pool will be determined annually by the DOR. Factors to be considered by the DOR in determining annual budget authority may include market salaries, mission priorities, and organizational growth. Because statistical variations will occur in year-to-year personnel growth, any unexpended merit increase authorities may be carried over for use in the next cycle or transferred to the Contribution Awards Category. Any unexpended merit increase authority must be used no later than the payout for the next rating cycle.

c. Locality Increases. All employees will be entitled to the locality pay increase authorized by law for their official duty station. In addition, the locality-adjusted pay of any employee may not exceed the rate for Executive Level IV, currently $118,400, except that, for employees in Career Level V of the S&E Professional Career Track, the locality-adjusted pay cap is Level III of the Executive Schedule (currently $125,900 from ''Rates of Pay for the Executive Schedule,'' effective since January 1998).

d. Contribution Awards. Authority to pay contribution awards (lump-sum payments recognizing significant contributions) will be initially available to pay pools as a straight 1.5 percent of employees' basic pay (similar to the amount currently available for performance awards). The percentage rate may be adjusted in future years of the demonstration project. In addition, unexpended general increase and merit increase budget authorities may be used to augment the award category. Contribution awards may be granted to those employees whose contributions place them in the ''normal'' or ''undercompensated'' category, and to employees in the ''overcompensated'' category who are on maintained pay. Standard operating procedures will provide guidance to pay pool managers in establishing and applying criteria to determine significant contributions which warrant awards. An award exceeding $10,000 requires DOR approval. (See Figure 10.) Any unexpended contribution award authority must be used at the payout for the next rating cycle. Pay pools may also grant time-off as a contribution award, in lieu of or in addition to cash.

8. Career Movement Based on CCS

Movement through the career levels will be determined by contribution and basic pay at the time of the annual CCS appraisal process.

The NRL demonstration project is an integrated system that links level of work to be accomplished (as defined by a career track and career level) with individual achievement of that work (as defined by an OCS) to establish the rate of appropriate compensation (as defined by the career track pay schedule), and to determine progression through the career track. This section addresses only changes in level which relate directly to the CCS determination.

When an employee's OCS falls within 3 scores of the top score available to his or her current career level, supervisors should consider whether it is appropriate to advance the employee to the next higher level (refer to IV.A.1.a for other criteria). If progression to the next higher level is deemed warranted, supporting documentation would be included with the CCS appraisal and forwarded through the appropriate channels for approval. If advancement is not considered appropriate at this time, the employee would remain in his or her current career level. Future basic pay raises would be capped by the top of the employee's current career level unless the employee progresses to the next higher career level through a CCS-related promotion, an accretion of duties promotion, or a competitive promotion.

a. Advancements in Level Which May be Approved by the Pay Pool Manager. Advancements to all levels except Levels IV and V of the S&E Professional and the Administrative Specialist and Professional Career Tracks may be approved by the pay pool manager (this may be changed in future years of the demonstration project if there are changes in the way high-grade positions are defined).

b. Advancements in Level Which Must be Approved by the Director of Research (DOR). Advancement to (1) levels outside target career levels or established position management criteria; (2) Levels IV and V of the S&E Professional Career Track; and (3) Levels IV and V of the Administrative Specialist and Professional Career Track require approval by the DOR or his or her designee. These levels include (presently) all of NRL's high-grade billets. Details regarding the process for nomination and consideration, format, selection criteria, and other aspects of this process will be addressed in the standard operating procedures. In the event that unanticipated high-grade

turnover results in vacancies prior to the end of the appraisal period, NRL may carry out this process at other times of the year.

c. Advancement to Level V of the Science and Engineering (S&E) Professional Career Track. Vacancies in the billets allotted to NRL in this level will be filled as described in section IV.B.4.

d. Regression to Lower Level. (See Figure 9, ''Employee A''). If an employee is contributing less than expected for the level at which he or she is being paid, the individual may regress into a lower career level through reduction or denial of general increases and ineligibility for merit increases. (This is possible because the NPR plus the minimum and maximum pay rates for each career level will be adjusted upwards each year by the across-the-board GS percentage increase in basic pay.) If the employee's basic pay regresses to a point below the pay overlap area between his or her level and the next lower level, it will no longer be appropriate to designate him or her as being in the higher level. Therefore, the employee will be formally changed to the lower level. The employee will be informed of this change in writing, but procedural and appeal rights provided by 5 U.S.C. 4303 and 7512 (and related OPM regulations) will not apply (except in the case of employees who have veterans' preference). NRL is providing for waivers of the statute and regulations for such actions. Further, because a change to lower level under such circumstances is not discretionary, the change may not be grieved under NRL's administrative grievance procedures.

9. CCS Grievance Procedures

An employee may grieve the appraisal received under CCS using procedures specifically designed for CCS appraisals. Under these procedures, the employee's grievance will first be considered by the pay pool panel, who will recommend a decision to the pay pool manager. If the employee is not satisfied with the pay pool manager's decision, he or she may file a second-step grievance with the next higher level management official. This official will render a final NRL decision on the grievance.

The following are not grievable: pay actions resulting from CCS (receipt, non-receipt or amount of general increase, merit increase, DCA or contribution award); reductions in level without reduction in pay due to regression (see section IV.C.8.d); any action for which another appeal or complaint process exists.

V. Separations

A. Performance-Based Reduction in Pay or Removal Actions

This section applies to reduction in pay or removal of demonstration project employees based solely on unacceptable performance. Adverse action procedures under 5 CFR part 752 remain unchanged.

When a supervisor determines during or at the end of the appraisal period that the employee is not completing work assignments satisfactorily, the supervisor must make a determination as to whether the employee is performing unacceptably in one or more of the critical elements. All CCS elements applicable to the employee's position are critical as defined by 5 CFR part 430.

Unacceptable performance determinations must be made by comparing the employee's performance to the acceptable performance standards established for elements.

At any time during or at the end of the appraisal period that an employee's performance is determined to be unacceptable in one or more critical elements, the employee will be provided assistance in improving his or her performance. This will normally include clarifying (or further clarifying) the meaning of terms used in the acceptable performance standards (e.g., ''timely'' ''thorough research'' and ''overall high quality'') as they relate to the employee's specific responsibilities and assignments. An employee whose performance is unacceptable after he or she has been given a reasonable opportunity to improve may be removed or reduced in grade or level, in accordance with the provisions of 5 U.S.C. 4303 and related OPM regulations. Employees may also be removed or reduced in grade or level based on unacceptable performance under the provisions of 5 U.S.C. 7512. All procedural and appeal rights set forth in the applicable statute and related OPM regulations will be afforded to demonstration project employees removed or reduced in grade or level for unacceptable performance.

B. RIF

1. RIF Authority

Under the demonstration project, NRL would be delegated authority to approve RIF as defined in Secretary of the Navy Instruction 12351.5E and the use of separation pay incentives.

2. RIF Definitions

a. Competitive Area. A separate competitive area will be established by geographic location for all personnel included in the demonstration project.

b. Competitive Level. Positions in the same occupational career level, which are similar enough in duties and qualifications that employees can perform the duties and responsibilities including the selective placement factor, if any, of any other position in the competitive level upon assignment to it, without any loss of productivity beyond what is normally expected.

c. Service Computation Date (SCD). The employee's basic Federal SCD would be adjusted for CCS results credit.

(1) CCS Process Results Credit.

a. An employee's basic Federal SCD may be credited with up to 20 years credit based on the results of the CCS process. The CCS RIF Assessment Category would be used to determine the number of RIF years credited. The CCS RIF Assessment Category is the combination of the employee's standing under the CCS relative to the NPR and any merit increase, DCA, contribution award or promotion. Figure 11 shows the RIF years available for each CCS RIF Assessment Category.

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Assessment Category	RIF Years Available
0 = Employees within the over-compensated range without any portion of a general increase.	0
1 = Employees receiving maintained pay or any portion of a general increase but no merit increase or contribution award.	12
2 = Employees receiving a merit increase or contribution award or promotion.	16
3 = Employees receiving (1) a combination (at least two) of a merit increase, contribution award or promotion, or (2) with a capped salary and receiving a contribution award, DCA, or promotion.	20
Final RIF Credit: Average of the three most recent CCS Process Results received during the 4-year period prior to the cutoff date.	

Figure 11. CCS RIF Assessment Categories

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b. If an employee has fewer than three CCS process results, the value (RIF years available) of the actual number of process results on record will be divided by the number of actual process results on record. In cases where an employee has no actual CCS process results, the employee will be given the additional RIF CCS process results credit for the most common, or ''modal'' NRL demonstration project CCS RIF Assessment Category for the most recent CCS appraisal period.

(2) Credit from Other Rating Systems. Employees who have been rated under different patterns of summary rating levels will receive RIF appraisal credit as follows:

—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), employees will receive credit as follows: 12 years for Level 3, 16 years for Level 4, 20 years for Level 5; or

—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 CCS RIF assessment category.

(3) RIF Cutoff Date. To provide adequate time to properly determine employee retention standing, the cutoff date for use of new CCS process results is set at 30 days prior to the date of issuance of RIF notices.

3. Displacement Rights

(a) Displacement Process. Once the position to be abolished has been identified, the incumbent of that position may displace another employee within the incumbent's current career track and career level when the incumbent has a higher retention standing and is fully qualified for the position occupied by an employee with a lower standing. If there are no displacement rights within the incumbent's current career track and career level, the incumbent may exercise his or her displacement rights to any position previously held in the next lower career level, regardless of career track, when the position is held by an employee with a lower retention standing. In the case of all preference eligibles, they may displace up to the equivalent of 3 grades or intervals below the highest equivalent grade of their current career level in the same or a different career track regardless of whether they previously held the position provided they are fully qualified for the position and the position is occupied by an employee with a lower retention standing. Preference eligibles with a compensable service connected disability of 30 percent or more may displace an additional 2 GS grades or intervals (total of 5 grades) below the highest equivalent grade of their current career level provided they have previously held the position and the position is occupied by an employee in the same subgroup with a later RIF service computation date.

(b) Retention Standing. Retention standing is based on tenure, veterans' preference, length of service, and contribution.

(c) Vacant Positions. Assignment may be made to any available vacant position including those with promotion potential in the competitive area.

(d) Ineligible for Displacement Rights. Employees who have been notified in writing that their performance is considered to be unacceptable.

(e) Change to Lower Level due to an Adverse or Performance-based Action. An employee who has received a written decision to change him or her to

a lower level due to adverse or performance based action will compete from the position to which he or she will be or has been demoted.

3. Notice Period

The notice period and procedures in 5 CFR subpart H, section 351.801 will be followed.

4. RIF Appeals

Under the demonstration project, employees affected by a RIF action, other than a reassignment, maintain their right to appeal to the Merit Systems Protection Board if they feel the reason for the RIF is not valid or if they think the process or procedures were not properly applied.

5. Separation Incentives

NRL will have delegated authority to approve separation incentives and will use the current calculation methodology of a lump sum payment equal to an employee's severance pay calculation or $25,000, whichever is less.

6. Severance Pay

Employees will be covered by the severance pay rules in 5 CFR part 550, subpart G, except that NRL will establish rules for determining a ''reasonable offer'' that parallel Title 5 rules.

7. Outplacement Assistance

All outplacement assistance currently available would be continued under the demonstration project.

VI. Demonstration Project Transition

A. Initial Conversion or Movement to the Demonstration Project

1. Placement into Career Tracks and Career Levels

Conversion or movement of GS employees into the demonstration project will be into the career track and career level which corresponds to the employee's current GS grade and basic pay. If conversion into the demonstration project is accompanied by a simultaneous change in the geographic location of the employee's duty station, the employee's overall GS pay entitlements (including locality rate) in the new area will be determined before converting the employee's pay to the demonstration project pay system. Employees will be assured of placement within the new system without loss in total pay. Once under the demonstration project, employee progression through the career tracks and career levels up to their target career level is dependent upon contribution score, not upon previous methods (e.g., WGI's, QSI's, or career promotions as previously defined).

2. Conversion of Retained Grade and Pay Employees

NRL's workforce will be grouped into career tracks and associated pay levels with designated pay ranges rather than the traditional grade and step. Therefore, grade and pay retention will be eliminated. NRL will grant ''maintained pay'' (as defined in section III.G.2, ''Maintained Pay''), which is related to the current meaning of ''retained pay'' but does not provide for indefinite retention of pay except in certain situations. Employees currently on grade or pay retention will be immediately placed on maintained pay at their current rate of basic pay if this rate exceeds the maximum rate for their career level and ''grandfathered'' in the appropriate career level. Employees on grade retention will be placed in the career level encompassing the grade of their current position. Employees will receive half of the across-the-board GS percentage increase in basic pay and the full locality pay increase until their basic pay is within the appropriate basic pay range for their current position without time limitation.

3. WGI Buy-In

The participation of all covered NRL employees in the demonstration project is mandatory. However, acceptance of the system by NRL employees is essential to the success of the demonstration project. Therefore, on the date that employees are converted to the project pay plan, they will be given a permanent increase in pay equal to the earned (time spent in step) portion of their next WGI based on the value of the WGI at the time of conversion so that they will not feel they are losing a pay entitlement accrued under the GS system. Employees will not be eligible for this basic pay increase if their current rating of record is unacceptable at the time of conversion. There will be no prorated payment for employees who are at step 10 or receiving a retained rate at the time of conversion into the demonstration project.

4. Conversion of Special Salary Rate Employees

Employees who are in positions covered by a special salary rate prior to the demonstration project will no longer be considered a special salary rate employee under the demonstration project. These employees will, therefore, be eligible for full locality pay. The adjusted salaries of these employees will not change. Rather, the employees will receive a new basic rate of pay computed by dividing their basic adjusted pay (higher of special salary rate or locality rate) by the locality pay factor for their area. A full locality adjustment will then be added to the new basic pay rate. Adverse action will not apply to the conversion process as there will be no change in total salary. However, if an employee's new basic pay rate after conversion to the demonstration project pay schedule exceeds the maximum basic pay authorized for the career level, then the employee will be granted maintained pay under paragraph III.G.2 until the employee's salary is within the range of the career level.

For example, an Electronics Engineer, GS–855–9, step 5, is paid $44,715 per annum in accordance with special GS salary rates as of January 1999 for Table Number: 0422. The employee is located in the locality area of Washington-Baltimore, DC-MD-VA-WV. Under the demonstration project, the computation of the engineer's new basic rate of pay with a full locality adjustment and WGI buy-in is computed as follows:

a. Basic adjusted pay divided by locality pay factor=new basic rate of pay

b. New basic rate of pay multiplied by the full locality adjustment for current area=full locality adjustment amount for special rate employees.

c. New basic rate of pay + WGI buy-in amount × locality pay factor = demonstration special rate for conversion.

EXAMPLE:

a. $44,715 (basic adjusted pay) divided by 1.0787 (locality pay factor) = $41,453 (new basic rate of pay)

b. $41,453 (new basic rate of pay) × .0787 (full locality adjustment factor for current area) = $3,262 (full locality adjustment amount)

c. $41,453 (new basic rate of pay) + $500 (example WGI buy-in amount) = $41,953 (new conversion basic rate of pay) × 1.0787 (locality pay factor) = $45,254 (demonstration special rate for conversion)

B. CCS Startup

CCS elements, descriptors, discriminators and standards have been established as the appraisal criteria for the 1998–1999 cycle which began June 1, 1998. Except for its compensation components, CCS is consistent with DoN's two-level appraisal program, which was effected in 1998. The CCS process will be used to appraise employees at the end of the 1998–1999 cycle on September 30, 1999. The first CCS payout is expected to occur at the beginning of the first full pay period in January 2000.

C. Training

An extensive training program is planned for everyone in the demonstration project including the supervisors, managers, and administrative staff. Training will be tailored, as discussed below, to fit the requirements of every employee included in the demonstration project and will address employee concerns and as well as the benefits to employees. In addition, leadership training will be provided, as needed, to managers and supervisors as the new system places more responsibility and decision making authority on them.

NRL training personnel will provide local coordination and facilities, supplemented by contractor support as needed. Training will be provided at the appropriate stage of the implementation process.

1. Types of Training

Training packages will be developed to encompass all aspects of the project and validated prior to training the workforce. Specifically, training packages will be developed for the following groups of employees:

a. NRL Employees. NRL demonstration project employees will be provided an overview of the demonstration project and employee processes and responsibilities.

b. Supervisors and Managers. Supervisors and managers under the demonstration project will be provided training in supervisory and managerial processes and responsibilities under the demonstration project.

c. Support Personnel. Administrative support personnel, HRO personnel, financial management personnel, and Management Information Systems Staff will be provided training on administrative processes and responsibilities under the demonstration project.

D. New Hires Into the Demonstration Project

The following steps will be followed to place employees (new hires) entering the system:

a. The career track and career level will be determined based upon the employee's education and experience in relation to the duties and responsibilities of the position in which he or she is being placed, consistent with OPM qualification standards.

b. Basic pay will be set based upon available labor market considerations relative to special qualifications requirements, scarcity of qualified candidates, programmatic urgency, and education and experience of the new candidate.

c. Employees placed through the DoN RPL, the DoD PPP, or the Federal Interagency Career Transition Assistance Plan who are eligible for maintained pay will receive one half of the across-the-board GS percentage increase in basic pay and the full locality pay increase until the employee's basic pay is within the basic pay range of the career track and career level to which assigned. Employees are eligible for maintained pay as long as there is no break in service and if the employee's rate of pay exceeds the maximum rate of his or her career level.

E. Conversion or Movement From Demonstration Project

In the event the demonstration project is terminated or employees leave the demonstration project through promotion, change to lower grade, reassignment or transfer, conversion back to the GS system may be necessary. 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. An employee will not be converted at a level which is lower than the GS grade held immediately prior to entering the Demonstration project, unless, since that time, the employee has undergone a reduction in career level. The converted GS grade and rate will become the employee's actual GS grade and rate after leaving the demonstration project and will be used to determine the pay action and GS pay administration rules for employees who leave the project to accept a position in the traditional Civil Service system. The following procedures will be used to convert the employee's demonstration project career level to a GS equivalent grade and the employee's demonstration project rate of pay to the GS equivalent rate of pay.

1. Grade Determination

Employees will be converted to a GS grade based on a comparison of the employee's current adjusted rate of basic pay to the highest GS applicable rate range considering only those grade levels that are included in the employee's current career level. The highest GS applicable rate range includes GS basic rates, locality rates, and special salary rates. Once a grade range is determined, the following procedures will be used to determine the GS grade:

a. Identify the highest GS grade within the current career level that accommodates the employee's adjusted rate of basic pay (including any locality payment).

b. If the employee's adjusted rate of basic pay equals or exceeds the applicable step 4 rate of the identified highest GS grade, the employee is converted to that grade.

c. If the employee's adjusted rate of basic pay is lower than the applicable step 4 of the highest grade, the employee is converted to the next lower grade.

d. If under the above-described ''step 4'' rule, the employee's adjusted project rate exceeds the maximum rate of the grade assigned 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 the next higher applicable grade.

e. For two-grade interval occupations, conversion should not be made to an intervening (even) grade level below GS–11.

f. Employees in Level IV of the Administrative Specialist and Professional Career Track will convert to the GS–13 level.

2. Pay Setting

Pay conversion will be done before any geographic movement or other pay-related action that coincides with the employee's movement or conversion out of the demonstration project. The employee's pay within the converted GS grade is set by converting the employee's demonstration project rate of pay to a GS rate of pay as follows:

a. The employee's demonstration project adjusted rate of pay (including locality) is converted to a rate on the highest applicable adjusted rate range for the converted GS grade. For example, if the highest applicable GS rate range for the employee is a special salary rate range, the applicable special rate salary table is used to convert the employee's pay.

b. When converting an employee's pay, if the rate of pay falls between two steps of the conversion grade, the rate must be set at the higher step.

c. Employees whose basic pay exceeds the maximum basic pay of the highest GS grade for their career level will be converted to the highest grade in their career level. NRL will coordinate with OPM to prescribe a procedure for determining the GS-equivalent pay rate for employees whose rate of pay exceeds the maximum rate of basic pay for their converted grade.

3. ARSAE

Employees in Career Level V of the S&E Professional Career Track will convert to the GS–15 grade level. NRL will develop a procedure to ensure that

S&E employees entering Career Level V understand that if they leave the demonstration project and their adjusted 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 Career Level V employees paid below the adjusted GS–15, step 10 rate, the post-conversion rates will be set using the converted rates in applying the highest previous rate rule.

4. Determining Date of Last Equivalent Increase

The last equivalent increase will be the date the employee received a CCS pay increase, was eligible to receive a CCS pay increase, or received a promotion, whichever occurred last.

VII. Demonstration Project Duration

A. General

Section 342 of the National Defense Authorization Act for fiscal year 1995 (Public Law 103–337) does not require a mandatory expiration date for this demonstration project. The project evaluation plan addresses how each intervention will be comprehensively evaluated for at least the first 5 years of the demonstration project. Major changes and modifications to the interventions can be made through another announcement in the **Federal Register** and would be made if formal evaluation data warrant a change.

B. 5-Year Reexamination

At the 5-year point, the entire demonstration will be reexamined for either: (a) permanent implementation, (b) modification and another test period, or (c) termination of the project.

VIII. Demonstration Project Evaluation Plan

A. Overview

Chapter 47 of 5 U.S.C. requires that an evaluation be performed to measure the effectiveness of the proposed laboratory demonstration project, and its impact on improving public management. A comprehensive evaluation plan for the entire laboratory 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 (see *Proposed Plan for Evaluation of the Department of Defense S&T Laboratory Demonstration Program*, Office of Merit Systems Oversight and Effectiveness, June 1995). 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., laboratory effectiveness, mission accomplishment, and customer satisfaction). In March 1996, the Director of Defense Research & Engineering (DDR&E), who is responsible for laboratory management, entered into an agreement with OPM's Personnel Resources and Development Center (PRDC) to conduct the external evaluation of the project from FY1996 to FY2001. NRL will make arrangements for the continued evaluation of the project beyond the PRDC evaluation period and throughout the life of the demonstration project so as to fulfill the requirements of 5 U.S.C. Chapter 47.

B. Evaluation Models

Figure 12 shows a general model for the evaluation of the demonstration program. The model is designated to evaluate two levels of laboratory 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 laboratory 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 laboratories 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 laboratory will take into account the influence of three factors on laboratory 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 proposed HR changes are given a fair trial period; (2) the extent to which the proposed changes are implemented; and (3) the extent to which the proposed 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 will be added to the model in the event that changes or modifications are made to the demonstration plan.

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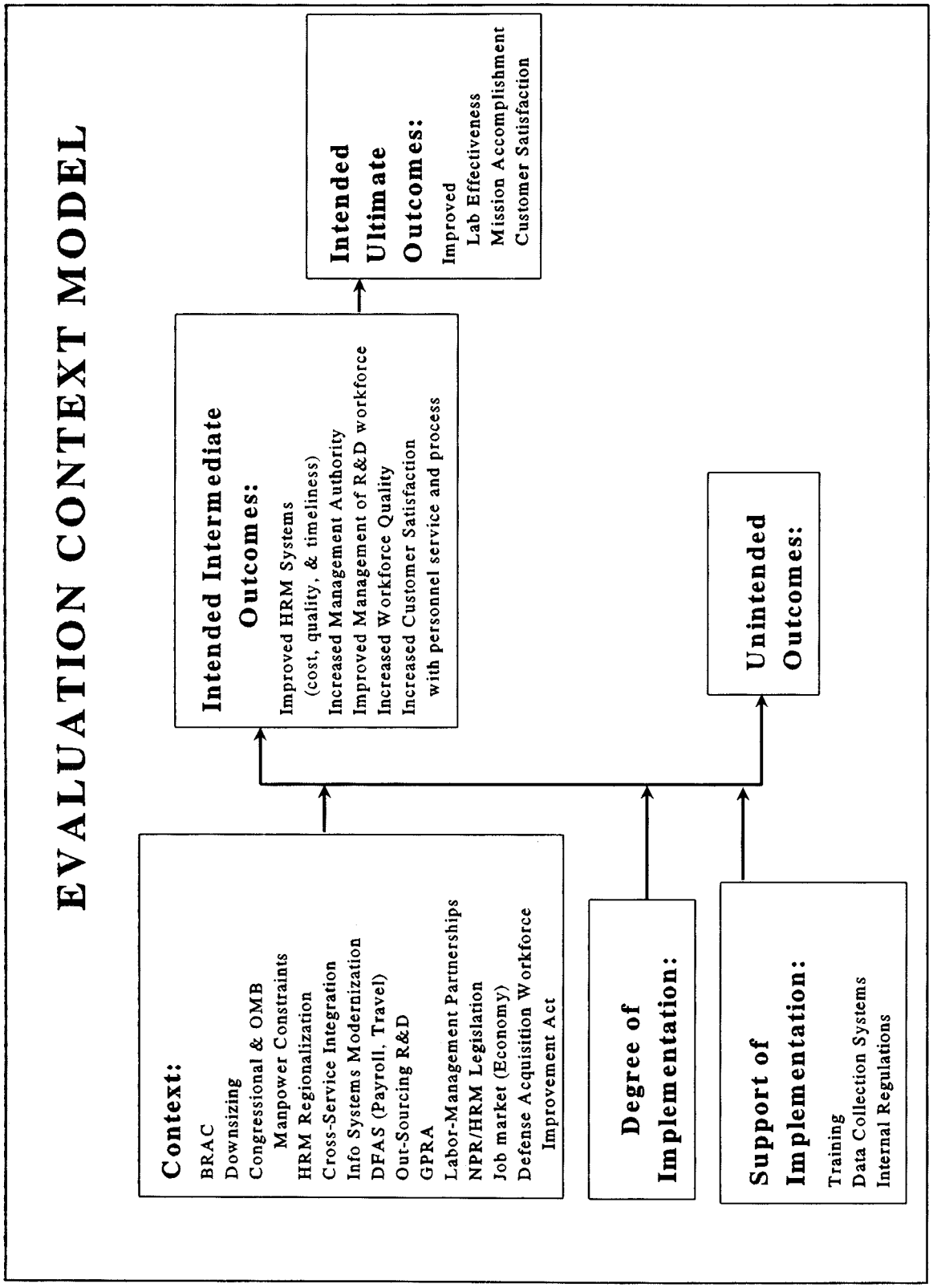

Figure 12. Evaluation Context Model

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An intervention impact model will be used to measure the effectiveness of the personnel system interventions implemented at NRL (see Appendix G). The intervention impact model specifies each personnel system change or ''intervention'' 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 interventions, 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, automated support systems).

C. Evaluation

A modified quasi-experimental design will be used for the evaluation of the S&T Laboratory 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 Governmentwide 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 broadbanding costs and turnover rates.

The original ''China Lake'' project will serve as a second comparison group which can be used as a benchmark representing a stable broadbanding system. The two original Navy demonstration laboratories (Naval Air Warfare Center—Weapons Division in China Lake, CA and Naval Command Control and Ocean Surveillance Center in San Diego, CA) will participate in the employee survey and will also provide workforce data.

Given that some of the interventions are used only in selected laboratories, there will be additional comparison groups created for the specific interventions. The staggered implementation of the demonstration program across laboratories will also allow for time series analyses using multiple baselines. NRL is expected to implement its demonstration proposal in 1999 and will have several years of pre-demonstration baseline data.

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 S&T 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 and other data on quality and timeliness; (3) employee attitude surveys; (4) a survey of HR officers on results orientation; (5) research ratings for scientists and engineers to be used in turnover analysis; (6) structured interviews and focus group data; (7) local site historian logs and implementation information; and (8) core results measures of laboratory 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 are generalizable to other Federal installations.

The external evaluation will be supplemented by an internal evaluation conducted by NRL (see Appendix H) to meet individual laboratory needs. Periodic reports and annual summaries will be prepared to document the findings. The summative evaluation will focus on an overall assessment of project outcomes after five years.

IX. Demonstration Project Costs

A. Transition

There will be no grades or steps in the broadband classification system as there are under the GS. NRL will provide GS employees with a permanent pay change that is equivalent to the proportion of the WGI earned at the time of implementation. For example, the employee 1 year past the last WGI in a 3-year waiting period would receive a permanent pay change equivalent to one third of the current value of the WGI. Employees will not be eligible for this basic pay increase if their current rating of record is unacceptable at the time of conversion. There will be no prorated payment for employees who are at step 10 or receiving a retained rate at the time of conversion into the demonstration project. This permanent pay increase will occur at the time the demonstration project is implemented.

The first official annual appraisal cycle under the CCS will be the 1998–1999 appraisal cycle, with the payout occurring the first full pay period in January 2000. Future CCS pay adjustments will be effective the beginning of the first full pay period in January each year.

B. Cost Containment and Controls

It is required that the demonstration project be ''relatively cost neutral.'' This is defined to mean that the NRL demonstration project will not increase the average personnel costs above what would have been expected under the previous 5 U.S.C. based system. Since NRL operates under the NWCF which requires cost efficiency so that NRL's technical programs can be marketed competitively, internal controls are in effect to ensure that costs are controlled.

NRL's Research Advisory Committee (RAC), comprising the CO, the DOR, the Chief Staff Officer, and the ADOR's will oversee the administration of the demonstration project. Because the RAC is the same management team that critically reviews the technical programs and the cost to operate NRL, the costs associated with this system will come under the same critical review. NRL is an innovative organization shaped by its mission and operating environment, and it exists in a highly dynamic and challenging climate. To be a vigorous and creative performer in such an environment, NRL must possess high quality personnel, challenging programs, and sound management practices. Broadbanding and CCS are designed to encourage the creative performer and to provide appropriate compensation. It does not automatically provide increases for

those who are already being paid commensurate with their contribution level.

NRL has established pay pool managers at the division level or equivalent. The CCS design includes a pay pool review panel responsible for evaluating the contribution scores for their pay pool and making adjustments, as required. The CCSDS will be designed to provide assistance to the pay pool manager in selecting the appropriate basic pay increase for an individual, based on that individual's contribution score. The CCSDS will contain controls on the amount of permanent and nonpermanent money available to the pay pool.

C. Implementation Costs

Costs associated with implementing the demonstration project are shown in Figure 13. These include automation of systems such as the CCSDS, training, and project evaluation. The automation and training costs are startup costs. Transition costs are one-time costs. Costs for project evaluation will be ongoing for at least 5 years.

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Projected Implementation Costs

	FY98	FY99	FY00	FY01	FY 02
Transition	$100K	$1.5M			
Training	$279K	$279K			
Automation	$862K	$450K			
Project Eval	$17K	$39.5K	$39.5K	$39.5K	$39.5K
Totals	$1.258M	$2.468M	$39.5K	$39.5K	$39.5K

Figure 13. Projected Implementation Costs

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X. Automation Support

A. General

One of the major goals of the demonstration project is to streamline the personnel processes to increase cost effectiveness. Automation must play an integral role in achieving that goal. Without the necessary automation to support the interventions proposed for the demonstration project, optimal cost benefit cannot be realized. In addition, adequate information to support decisionmaking must be available to managers if line management is to assume greater authority and responsibility for human resources management.

Automation to support the demonstration project is required at two distinct levels. At the DoN and DoD level, automation support [in the form of changes to the DCPDS] is required to facilitate processing and reporting of demonstration project personnel actions. At the NRL level, automation support (in the form of local processing applications) is required to facilitate management processes and decisionmaking.

B. Defense Civilian Personnel Data System (DCPDS)

Since DCPDS is a legacy system, efforts have been made to minimize changes to the system, and, therefore, the resources required to make the necessary changes. The following is a compendium of the proposed DCPDS modifications. The detailed specifications for required changes to DCPDS are provided in the System Change Request (SCR), Form 804.

C. Core Document (COREDOC)

The COREDOC application is a DoD system which will require modification to accommodate the interventions in this demonstration project. Specifically, there will be an RD that will replace the position description in the basic application; career tracks and career levels will replace GS grades; and a CCS Assessment Form that will replace performance elements.

D. RIF Support System (RIFSS)

The RIFSS is an automated tool used by human resources specialists to support RIF processing. Under the demonstration project, RIF rules will be modified to increase the credit for contributions and limit the rounds of competition. The AutoRIF application, developed by DoD, could be used if it were modified to accommodate these process changes.

E. Contribution-based Compensation System Data System

This automated system is required as an internal control and as a mechanism to equate contribution scores to appropriate rates of basic pay. This system will allow pay pool managers to develop a spreadsheet that will assist them in determining an appropriate merit increase or contribution award or both based on the overall contribution score for each individual. It will also be used as an internal control to ensure that the permanent and nonpermanent money allotted to each pay pool is not exceeded. It will further allow pay pool managers to visualize the effects of giving large basic pay increases or awards to high contributors, and the effects of withholding either the general or merit increase or both of those who are low contributors, or in the overcompensated range.

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Appendix A: Required Waivers to Laws and Regulations

Title 5, United States Code	Title 5, Code of Federal Regulations
	Part 300, subpart F, sections 300.601 to 300.605 - Time-in-grade Restrictions. Waive in entirety. Part 315, subpart H, section 315.801(a) - Career and Career-conditional Employment, Probationary Period Information. Waive to allow for the first three years to be the probationary period. Part 315, subpart H, section 315.802 - Length of Probationary Period. Waive to allow probationary period to be extended to three years.
Chapter 33, subchapter 1, section 3318(a) - Competitive Service; Selection from Certificate. Waive.	Part 332, subpart D, section 332.404 - Order of Selection from Certificates. Waive in entirety. Part 335, subpart A, section 335.103(c)(I), (ii) - Agency Promotion Program. Waive to allow temporary promotions and details to a higher level position of not more than one year to be effected without competition. Part 335, subpart A, section 335.104 - Eligibility for Career Ladder Promotion. Waive in entirety. Part 337, subpart A, section 337.101(a) - Rating Applicants. Waive when 15 or fewer qualified candidates.
Chapter 33, subchapter III, section 3341(b) Details - Within Executive or Military Departments. Waive in entirety.	

NAVAL RESEARCH LABORATORY
CONTRIBUTION-BASED COMPENSATION SYSTEM (CCS) SUMMARY
S&E Professional

Employee_____ Pay Pool Code_____ Appraisal Period Ending_____
Title_____ Pay Plan/Series_____ Career Level_____
SSN_____ Supervisor_____

Most Recent OCS_____ Present Salary_____ Scores within NPR Equivalent to Present Salary _____

CRITICAL ELEMENTS	*WEIGHT	SCORE	NET SCORE	RATING OF RECORD ACCEPTABLE OR UNACCEPTABLE
1. Scientific and Technical Problem Solving	_____	_____	_____	_____
2. R&D Business Management	_____	_____	_____	_____
3. Cooperation and Supervision	_____	_____	_____	_____

*If zero, element not applicable.

Basic Pay Increase %_____ Summary Rating A (Acceptable) or U (Unacceptable) _____
Must be U if any critical element is rated U

Contribution Award $_____

Hours_____ OVERALL CONTRIBUTION SCORE (Weighted Average)_____

SUPPLEMENTAL CRITERIA (OPTIONAL): FOR EXAMPLE, SPECIFIC OBJECTIVES, STANDARDS, TASKINGS, AND/OR EXAMPLES:

REMARKS:

Signatures and Date	CCS PLAN	INTERIM REVIEW	APPRAISAL
Employee			
Supervisor			

NOTE: Employee's signature under "CCS Plan" signifies that he or she has been given a copy of this form and has a copy of the Elements, Descriptors, Discriminators and Standards applicable to his or her career track.

Title 5, United States Code	Title 5, Code of Federal Regulations
	Part 351, subpart G, section 351.701 - Assignment Involving Displacement. (a) Waive to allow minimally successful or equivalent to be defined as an employee whose current CCS RIF Assessment Category score is 12 or better and does not have a current written notification of unacceptable performance. (b) and (c) Assignment rights (bump and retreat). Waive to the extent that the distinction between bump and retreat is eliminated and to allow displacement to be limited to the employee's current career track and career level or, if there are no displacement rights in the employee's current career level, to any position previously held in the next lower career level regardless of career track. Preference eligibles may displace up to the equivalent of 3 grades or intervals below the highest equivalent grade of their current career level in the same or a different career track regardless of whether they previously held the position provided they are fully qualified for the position and the position is occupied by an employee with a lower retention standing, Preference eligibles with a compensable service connected disability of 30 percent or more may displace an additional 2 GS grades or intervals (total of 5 grades) below the highest equivalent grade of their current career level provided they previously held the position and the position is occupied by an employee in the same subgroup with a later RIF service computation date. (d) Limitation. Waive. (e)(1) Waive

Title 5, United States Code	Title 5, Code of Federal Regulations
	Part 430, subpart B, section 430.207(b) - Waive to the extent this section requires one or more progress reviews during each appraisal period. Part 430, subpart B, section 430.210 - OPM Responsibilities. Waive in entirety.
Chapter 43, subchapter I, section 4303 - Actions Based on Unacceptable Performance. Waive to allow coverage of "reduction in pay level based on unacceptable performance". Waive to exclude from coverage (procedural and appeal rights) reductions in career level with no reduction in pay, when such actions result from regression of pay into a lower career level through reductions and denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference. Chapter 43, subchapter I, section 4303(f)(3) - Waive to allow exclusion of employees in the excepted service who have not completed a trial period, except those with veterans' preference. Chapter 43, subchapter I, section 4304(b) (1) and (3) - Responsibilities of OPM. Waive in entirety.	Part 432, section 432.101 to 432.107 - Performance Reduction in Grade and Removal Actions. Waive to allow coverage of "reduction in pay level based on unacceptable performance". Waive to exclude from coverage (procedural and appeal rights) reductions in career level with no reduction in pay, when such actions result from regression of pay into a lower career level through reductions and denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference.
Chapter 45, subchapter I, section 4502(a) and (b) - Waive to permit NRL to approve awards up to $25,000 for individual employees.	Part 451, subpart A, section 451.103(c)(2) - Waive with respect to contribution awards under the NRL CCS. Part 451, subpart A, sections 451.106(b) and 451.107(a) -Waive to permit NRL to approve awards up to $25,000 for individual employees.

Title 5, United States Code	Title 5, Code of Federal Regulations
Chapter 51, sections 5101 to 5113 - Classification. Waive in entirety except section 5104 to the extent needed to permit classification of career levels and CCS descriptors into logically defined level groupings.	Part 511- Classification Under the GS. Waive in entirety with an exception for appeal rights and time constraints under subpart F, sections 511.603, 604 and 605.
Chapter 53, subchapter I, section 5301 - Pay Policy. Waive in entirety. Chapter 53, subchapter 1, section 5302(8) and (9) - Pay Definition and section 5304 - Locality-Based Comparability Payments. Waive to the extent necessary to allow demonstration project employees to be treated as GS employees and basic rates of pay under the demonstration project to be treated as scheduled rates of basic pay. Employees in Career Level V for the S&E Professional Track are to be treated as ST employees for the purposes of these provisions. Chapter 53, subchapter I, section 5303 - Annual Adjustments to Pay Schedules. Waive in entirety. Chapter 53, subchapter I, section 5305 - Special Pay Authority. Waive in entirety.	

Title 5, United States Code	Title 5, Code of Federal Regulations
Chapter 53, subchapter III, sections 5331 to 5336 - GS Pay Rates. Waive in entirety.	Part 530, subpart C - Special Salary Rate Schedules. Waive in entirety. Part 531, subpart B - Determining Rate of Basic Pay. Waive in entirety. Part 531, subpart D - Within Grade Increases. Waive in entirety. Part 531, subpart E - Quality Step Increases. Waive in entirety. Part 531, subpart F - Locality-Based Comparability Payments. Waive to the extent necessary to allow demonstration project employees to be treated as GS employees, employees in Career Level V of the S&E Professional Career Track to be treated as ST employees, and basic rates of pay under the demonstration project to be treated as scheduled annual rates of pay.
Chapter 53, subchapter VI, sections 5361 to 5366 - Grade and Pay Retention. Waive in entirety.	Part 536 - Grade and Pay Retention. Waive in entirety.
Chapter 55, section 5455 (d) - Hazardous Duty Differential. Waive to the extent necessary to allow demonstration project employees to be treated as GS employees. This waiver does not apply to emplyees in Career Level V of the S&E Professional Career Track.	Part 550, subpart G - Severance Pay. Waive to the extent necessary to allow NRL to define reasonable offer. Part 550, subpart I - Pay for Duty Involving Physical Hardship or Hazard. Waive to the extent necessary to allow demonstration project employees to be treated as GS employees. This waiver does not apply to employees in Career Level V of the S&E Professional Career Track.

Title 5, United States Code	Title 5, Code of Federal Regulations
Chapter 57, subchapter IV, section 5753 to 5755 - Recruitment and Relocation Bonuses, Retention Allowances, and Supervisory Differential. Waive to the extent necessary to allow (1) employees and positions under the demonstration project to be treated as employees and positions under the GS and (2) employees in Level V of the S&E Professional career track to be treated as ST employees for these purposes.	Part 575, subparts A, B, C and D - Recruitment and Relocation Bonuses, Retention Allowances, and Supervisory Differential. Waive to the extent necessary to allow (1) employees and positions under the demonstration project to be treated as employees and positions under the GS and (2) employees in Level V of the S&E Professional career track to be treated as ST employees for these purposes.
Chapter 59, subchapter III, section 5924 - Cost-of-living Allowances. Waive to the extent necessary to provide that COLA's paid to employees under the demonstration project are paid in accordance with regulations prescribed by the President (as delegated to OPM).	Part 591, subpart B - Cost-of-living Allowance and Post Differential - non-foreign areas. Waive to the extent necessary to allow demonstration project employees to be treated as GS employees and employees in Career Level V of the S&E Professional Career Track to be treated as ST employees.
Chapter 75, subchapter II, section 7511 (a)(1)(A)(ii) - Removal Suspension for More Than 14 Days, Reduction in Grade or Pay, or Furlough. Waive except for employees with veterans' preference to allow for a three-year probationary period. 7511(a)(1)(C)(ii) - Waive.	

Title 5, United States Code	Title 5, Code of Federal Regulations
Chapter 75, subchapter II, section 7512 - Adverse Actions. Waive to replace "grade" with "career level"; provide that adverse action provisions do not apply to conversions from General Schedule special rates to demonstration project pay, as long as total pay is not reduced; and exclude from coverage (procedural and appeal rights) reductions in career level with no reduction in pay, when such actions result from regression of pay into a lower career level through reductions or denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference.	Part 752, subpart A - Adverse Actions. Waive to exclude from coverage (procedural and appeal rights) reductions in career level with no reduction in pay, when such actions result from regression of pay into a lower career level through reductions and denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference. Part 752, section 752.401 (a)(3) - Adverse Actions. Waive to replace "grade" with "career level". Part 752, section 752.401 (a)(4) - Adverse Actions. Waive to provide that adverse action provisions do not apply to conversions from General Schedule special rates to demonstration project pay, as long as total pay is not reduced.

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Appendix B: Definitions of Career Tracks and Career Levels

Career Track: S&E Professional

Includes professional positions in S&E occupations such as physics, electronics engineering, chemistry, and student positions associated with these professions.

Level I: This includes student trainees. The education and employment must be part of a formal student employment program. Specific, clear, and detailed instructions and supervision are given to complement education. The level of education and experience completed is a major consideration in establishing the level of on-the-job training and work assignments.

Level II: This is the entry or developmental stage, preparing S&E's for the full and independent performance of their work. Performs supporting work in science or engineering requiring professional training but little experience. Conducts activities with objectives and priorities identified by supervisor or team leader; assistance given on new or unusual projects; completed work reviewed for technical soundness.

Level III: This is the advanced developmental, or typically, target career level, of this career track. Conceives and defines solutions to technical problems of moderate complexity; plans, analyzes, interprets, and reports findings of projects; guides technical and programmatic work of team members in comparable or junior grades; completed work and reports are reviewed to evaluate overall results.

Level IV: S&E's at this level are authorities within their professional areas or key program administrators. Conducts or directs technical activities or assists higher levels on challenging and innovative projects or technical program development with only general guidance on policy, resources and planning; develops solutions to complex problems requiring various disciplines; responsible for fulfilling program objectives.

Level V: ARSAE at this level are renowned experts in their fields. Independently defines and leads most challenging technical programs consistent with general guidance and/or independently directs overall R&D program managerial and/or supervisory aspects; conceives and develops elegant solutions to very difficult problems requiring highly specialized areas of technical expertise; recognized within DoD and other agencies for broad technical area expertise and has established professional reputation in technical community nationally and internationally. The primary requirement for Level V positions is the knowledge of and expertise in specific scientific and technology areas related to the mission of their organization. However, the ability to manage and/or supervise R&D operations or programs is also considered a necessity. May direct the work of an organizational unit; may be held accountable for the success of one or more specific programs or projects; monitors progress toward organizational goals and periodically evaluates and makes appropriate adjustments to such goals; supervises the work of employees; or otherwise exercises important policy-making, policy-determining, or other managerial functions.

Career Track: S&E Technical

Includes nonprofessional positions which support S&E activities through application of various skills in areas such as the following: engineering, computer, physical, chemical, biological, mathematical sciences; and student trainees.

Level I: This includes trainees who develop technical support knowledge gained through actual work experience. Performs repetitive tasks using knowledge of standardized procedures and operations. Receives specific, clear and detailed instruction and supervision. Completed work is reviewed for technical soundness.

Level II: Technicians at this entry level require a practical knowledge of standard procedures in a technical field. Skill in applying knowledge of basic principles, concepts and methodology of occupational and technical methods is required. Carries out prescribed procedures and relies heavily on precedent methods. Work is reviewed for technical adequacy and accuracy, and adherence to instructions.

Level III: This is the advanced developmental level of this career track, requiring extensive training or experience. Work requires some adapting of existing precedents or techniques. Receives outline of objectives desired and description of operating characteristics and theory involved. Completed assignments are reviewed for compliance with instructions,

adequacy, judgment, and satisfaction of requirements.

Level IV: Technicians at this level are considered to have professional level knowledge of a specific field and may serve as a member of a research team. Receives general guidance on overall objectives and resources. Conceives, recommends, and tests new techniques or methods. Completed work is reviewed for overall soundness and compliance with overall project objectives; results are usually accepted as authoritative.

Level V: Technicians at this level are experts within their technical area, or are key program administrators. Develop solutions to complex problems; responsible for fulfilling program objectives; and receive general guidance on policy, resources and planning. (This is a temporary career level, established for demonstration project transition purposes only. No new positions will be classified at this level.)

Career Track: Administrative Specialist and Professional

Professional and specialist positions in areas such as the following: safety and health, personnel, finance, budget, procurement, librarianship, legal, business, facilities management and student positions associated with these professions.

Level I: Includes student trainees. The education and employment must be part of a formal student employment program. Specific, clear, and detailed instructions and supervision are given to complement education. The level of education and experience completed is a major consideration in establishing the level of on-the-job training and work assignments.

Level II: This is the developmental stage preparing Administrative Specialists and Professionals for the full and independent performance of their work. Specific, clear and detailed instruction and supervision are given upon entry; recurring assignments are carried out independently. Situations not covered by instructions are referred to supervisor. Finished work is reviewed to ensure accuracy.

Level III: This is the advanced developmental, or typically, target level, of this career track. Employee plans and carries out assignments independently, resolving conflicts that arise, coordinates work with others and interprets policy on own initiative. Completed work is reviewed for feasibility, compatibility with other work or effectiveness in meeting requirements or expected results.

Level IV: At this level, Administrative Specialists and Professionals are authorities within their professional areas or key program administrators or supervisors. They conduct or direct activities in an administrative and professional area with only general guidance on policy, resources and planning; develop solutions to complex problems requiring various disciplines; and are responsible for fulfilling program objectives.

Level V: Administrative Specialists and Professionals at this level are experts within their broad administrative area or professional field who serve as leaders, heads of branches or divisions, or key program administrators. Receives general guidance on policy, resources and planning having an affect on public policies or programs; responsible for fulfilling program objectives. Results are authoritative and affect administrative programs or the well-being of substantial numbers of people.

Career Track: Administrative Support

Includes clerical, secretarial and assistant work in nonscientific and engineering occupations.

Level I: This includes student trainees as well as advanced entry level which requires a fundamental knowledge of a clerical or administrative field. Developmental assignments may be given which lead to duties at a higher group level. Performs repetitive tasks, specific, clear and detailed instruction and supervision; with more experience utilizes knowledge of standardized procedures and operations, assistance is given on new or unusual projects. Completed work is reviewed for technical soundness.

Level II: This level requires a knowledge of standardized rules, procedures or operations requiring considerable training. General guidance is received on overall objectives and resources. Completed assignments may be reviewed for overall soundness or meeting expected results.

Level III: This is the senior level which requires knowledge of extensive procedures and operations requiring extensive training. Receives general guidance on overall resources and objectives. Skilled in applying knowledge of basic principles, concepts, and methodology of profession or administrative occupation and technical methods. Results are accepted as authoritative and are normally accepted without significant change.

Appendix C: Table of Occupational Series Within Career Tracks

Note: As new series are needed or current ones are discontinued, this table will be updated.

S&E Professional—Includes all scientist and engineer work.

0101—Social Science Series
0180—Psychology Series
0401—General Biological Science Series
0403—Microbiology Series
0801—General Engineering Series
0804—Fire Protection Engineering Series
0806—Materials Engineering Series
0808—Architecture Series
0810—Civil Engineering Series
0819—Environmental Engineering Series
0830—Mechanical Engineering Series
0840—Nuclear Engineering Series
0850—Electrical Engineering Series
0854—Computer Engineering Series
0855—Electronics Engineering Series
0861—Aerospace Engineering Series
0892—Ceramic Engineering Series
0893—Chemical Engineering Series
0899—Engineering and Architecture Student Trainee Series
1301—General Physical Science Series
1306—Health Physics Series
1310—Physics Series
1313—Geophysics Series
1320—Chemistry Series
1321—Metallurgy Series
1330—Astronomy and Space Science Series
1340—Meteorology Series
1350—Geology Series
1360—Oceanography Series
1370—Cartography Series
1399—Physical Science Student Trainee Series
1515—Operations Research Series
1520—Mathematics Series
1550—Computer Science Series
1599—Mathematics and Statistics Student Trainee Series

S&E Technical—Includes S&E technical support work typically requiring specialized training in the particular discipline.

0802—Engineering Technician Series
0809—Construction Control Series
0818—Engineering Drafting Series
0856—Electronics Technician Series
0895—Industrial Engineering Technician Series
1152—Production Control Series
1311—Physical Science Technician Series
1371—Cartographic Technician Series
1521—Mathematics Technician Series

Administrative Specialist and Professional—Includes analyst, specialist, and professional work in nonscientific and engineering occupations.

0018—Safety and Occupational Health Management Series
0028—Environmental Protection Specialist Series
0080—Security Administration Series
0170—History Series
0201—Personnel Management Series
0212—Personnel Staffing Series
0221—Position Classification Series
0230—Employee Relations Series
0233—Labor Relations Series
0235—Employee Development Series
0260—Equal Employment Opportunity Series
0299—Personnel Management Student Trainee 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
0391—Telecommunications Processing Series
0505—Financial Management Series
0510—Accounting Series
0560—Budget Analyst Series
0690—Industrial Hygiene Series
0904—Law Clerk Series
0905—General Attorney Series
0950—Paralegal Specialist Series
1001—General Arts and Information Series
1020—Illustrating Series
1035—Public Affairs Series
1060—Photography Series
1071—Audiovisual Production Series
1082—Writing and Editing Series
1083—Technical Writer and Editing Series
1084—Visual Information Series
1101—General Business and Industry Series
1102—Contracting Series
1104—Property Disposal Series

1176—Building Management Series
1199—Business and Industry Student Trainee Series
1222—Patent Attorney Series
1410—Librarian Series
1412—Technical Information Series
1420—Archivist Series
1601—General Facilities and Equipment Series
1640—Facility Management Series
1670—Equipment Specialist Series
1801—General Inspection, Investigation, and Compliance Series
1910—Quality Assurance Series
2001—General Supply Series
2003—Supply Program Management Series
2030—Distribution Facilities and Storage Management Series
2130—Traffic Management Series

Administrative Support—Includes clerical, secretarial and assistant work in nonscientific and engineering occupations.

0019—Safety Technician Series
0086—Security Clerical and Assistance Series
0181—Psychology Aid and Technician Series
0203—Personnel Clerical and Assistance Series
0302—Messenger Series
0303—Miscellaneous Clerk and Assistance Series
0305—Mail and File Series
0312—Clerk-Stenographer and Reporter Series
0318—Secretary Series
0322—Clerk-Typist Series
0326—Office Automation Clerical and Assistance Series
0332—Computer Operation Series
0335—Computer Clerk and Assistant Series
0344—Management and Program Clerical and Assistance Series
0351—Printing Clerical Series
0361—Equal Opportunity Assistance Series
0390—Telecommunications Processing Series
0394—Communications Clerical Series
0399—Administration and Office Support Student Trainee Series
0503—Financial Clerical and Assistance Series
0525—Accounting Technician Series
0540—Voucher Examining Series
0544—Civilian Pay Series
0561—Budget Clerical and Assistance Series
0986—Legal Clerical and Assistance Series
1001—General Arts and Information Series
1087—Editorial Assistance Series
1105—Purchasing Series
1106—Procurement Clerical and Technician Series
1107—Property Disposal Clerical and Technician Series
1411—Library Technician Series
2005—Supply Clerical and Technician Series
2102—Transportation Clerk and Assistant Series
2131—Freight Rate Series

Appendix D: Classification and CCS Elements

Part I. S&E Professionals
Part II. Administrative Specialist and Professional
Part III. Adminstrative Support
Part IV. S&E Technical

The CCS Summary Forms shown in this appendix are draft forms intended to provide an understanding of what the forms will cover. Under the demonstration project, the forms will be generated by the CCSDS. They may be changed during the project to require additional information, to make them easier to use, or for other reasons.

The contents of the CCS elements, descriptors, discriminators and basic acceptable standards may similarly be changed during the life of the demonstration project.

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NAVAL RESEARCH LABORATORY
CONTRIBUTION-BASED COMPENSATION SYSTEM (CCS) SUMMARY
S&E Professional

Employee_____ Pay Pool Code_____ Appraisal Period Ending_____

Title_____ Pay Plan/Series_____ Career Level_____

SSN_____ Supervisor_____

Most Recent OCS_____ Present Salary_____ Scores within NPR Equivalent to Present Salary _____

CRITICAL ELEMENTS	*WEIGHT	SCORE	NET SCORE	RATING OF RECORD ACCEPTABLE OR UNACCEPTABLE
1. Scientific and Technical Problem Solving	_____	_____	_____	_____
2. R&D Business Management	_____	_____	_____	_____
3. Cooperation and Supervision	_____	_____	_____	_____

*If zero, element not applicable.

Basic Pay Increase %_____

Summary Rating A (Acceptable) or U (Unacceptable) _____
Must be U if any critical element is rated U

Contribution Award $_____

Hours_____

OVERALL CONTRIBUTION SCORE (Weighted Average)_____

SUPPLEMENTAL CRITERIA (OPTIONAL): FOR EXAMPLE, SPECIFIC OBJECTIVES, STANDARDS, TASKINGS, AND/OR EXAMPLES:

REMARKS:

Signatures and Date	CCS PLAN	INTERIM REVIEW	APPRAISAL
Employee			
Supervisor			

NOTE: Employee's signature under "CCS Plan" signifies that he or she has been given a copy of this form and has a copy of the Elements, Descriptors, Discriminators and Standards applicable to his or her career track.

ELEMENT 1. SCIENTIFIC AND TECHNICAL PROBLEM SOLVING

Instructions: Assign a value (0 - 89) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators				
Level	Point Range	Scope of Project and Level of Oversight	Scientific and Technical Complexity and Creativity	Scientific and Technical Communications and Reporting	Impact and Recognition	Descriptors
I (Student)	0 - 21	Performs tasks specifically assigned by researcher under close supervision; resolves recurring problems independently.	Performs tasks which are non-complex or include detailed instructions, requiring limited knowledge of subject matter.	Writes in-house documents to convey information about his or her tasks or for similar purposes as assigned.	Recognized by personnel in own unit for providing high quality support and increasing subject matter knowledge.	
II	18 - 47	Conducts in-house technical activities and/or may provide contract technical direction with guidance from supervisor or higher-level scientist or engineer.	Works closely with peers in collectively solving problems of moderate complexity, involving limited variables, precedents established in related projects, and minor adaptations to well-established methods and techniques.	Provides data and written analysis for input to scientific papers, journal articles and reports and/or assists in preparing contractual documents or reviews technical reports. Presents technical results of own work orally or in writing, within own organization or to limited external contacts. Work acknowledged in team publications.	Recognized within own organization for technical ability in assigned areas.	
III	44 - 66	Conducts in-house technical activities or provides contract technical direction on projects and programs where the problem must typically be approached through a series of complete and conceptually related studies. Work requires minimal oversight.	Conceives and defines solutions to technical problems which are typically difficult to define, require unconventional or novel approaches, require application of engineering and/ or scientific principles in significant areas or research or development for which no closely related precedents exist, and/or present other features of more than average difficulty.	Writes or is major contributing author on scientific papers, journal articles or reports and/or prepares contract documents and reviews reports pertaining to area of technical expertise **OR** contributes inventions, new designs or techniques which are of material significance in the solution of problems. Prepares and presents own and/or team technical results, orally or in writing, to varied laboratory, scientific, industry and other government audiences.	Recognized internally and externally by peers, both in governmental and industrial activities, for technical expertise. Is sought out by colleagues who are themselves professionally mature scientists and engineers.	
IV	66- 80	Independently defines, leads and manages highly challenging and innovative technical activities consistent with general guidance, or independently directs overall R&D program. Interpretations made are accepted as technically authoritative.	Formulates and guides solutions to very difficult problems in advancing technology and research. Problems resolved have been recognized as critical obstacles to progress or development in areas of exceptional interest.	Lead or sole author on scientific papers, journal articles, or review articles documenting major advances and resolutions in the technical area, some of which had a major impact on advancing the field or are accepted as definitive of important areas, **and/or** has contributed inventions, new designs or techniques which are regarded as major advances in basic or applied research, and have opened the way for extensive new developments or solved problems of great importance to the scientific field, agency or public; **and/or** reviews, approves and ensures overall quality of reporting of all technical products of mission area. Prepares and delivers invited or contributed presentations and papers at national and international conferences on technical area; or gives policy-level briefings.	Recognized within the laboratory, DoD and other agencies in broad, or narrow but intensely specialized, technical area; contributions are of such importance and magnitude they serve to move the state of the art forward so that other colleagues must take notice to keep abreast of development in the field; has established professional reputation in the technical and scientific community.	
V	81 - 89	Leads broad-scale attack in frontier areas of research which will lead to major modification or important extension of current theory. Leadership influences shaping of agency program goals, advancement of programs and understanding in the total field, and planned activities of numerous scientists in government, academia and private industry.	Areas of research are so complex they must be subdivided into areas at least some of which have a major impact on advancing the field or are accepted as definitive of important areas of the field. Develops new hypotheses, concepts and techniques which are required before substantial progress can be made on areas of extraordinary difficulty.	Scientific articles are published in the most prestigious journals, introduce new research which significantly enhances knowledge in the technical area, and are of such high quality that they set standards for the scientific community. Serves as a senior reviewer and editor of technical literature produced in his/her area of expertise. Prepares and delivers invited or contributed presentations and papers in national and international forums, representing the scientific community as leading expert in his or her field.	Recognized as a leader and authority in an area of wide-spread scientific interest or applied problems of great importance. Sought by members of the national and international scientific community as advisor and consultant in his or her field.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, work is performed in a timely, efficient, and cooperative manner; and work products demonstrate thorough research, completion of established objectives for the assignment, adherence to instructions and guidance of supervisor and team leader, and overall high quality as deemed by supervisor or appropriate peer group.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

ELEMENT 2. R&D BUSINESS MANAGEMENT

Instructions: Assign a value (0 - 89) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators			
Level	Point Range	Corporate Resource Management (Time and Money)	R&D Business Development	Technology Transition and Transfer	DESCRIPTORS
I (Student)	0 - 21	Uses personal and assigned resources efficiently; deviations from the usual are referred to supervisor or other appropriate personnel.	Provides, obtains, or clarifies pre-defined or non-complex information to and 'from customers as assigned.	Not applicable.	
II	18 - 47	Manages elements of in-house work units or assists in managing a scientific or support contract. Aware of and makes appropriate use of available resources. Uses personal and assigned resources efficiently under guidance of supervisor or team leader.	As a team member, communicates with customers to understand customer requirements. Stays current in areas of expertise and contributes to new program development. Collects information or provides other technical assistance to proposal marketing activities.	Participates as a team member in demonstrating technology to customers. Contributes technically to development of technology that is transitioned. With guidance, contributes to technical content of partnerships for technology transition and/or transfer (ATD's, MOU's, JDL and Reliance, CRADA's and other dual-use vehicles). Seeks out and uses relevant outside technologies in assigned projects.	
III	44 - 66	Manages technically complex in-house work units or one or more contractual efforts in assigned program area. Plans and controls all assigned resources; makes effective use of facilities to optimize operations; exploits fallout money. Participates in strategic planning at team level, taking cognizance of complementary projects elsewhere to ensure optimal use of resources.	Initiates interactions with customers to understand customer needs. Generates key ideas for program development based on such understanding and knowledge of technical area. Pursues near term business opportunities through proposal preparation.	Develops and presents demonstrations of technology to customers. As a team member, implements partnerships for technology transition and/or transfer (ATD's, MOU's, JDL and Reliance, CRADA's and other dual-use vehicles). Evaluates and incorporates appropriate outside technology in individual or team activities.	
IV	66 - 80	Defines technology area strategy and resource allocations for in-house and contractual programs. For multiple technical areas, conducts overall program planning and coordination and/or program documentation (master plans, roadmaps, Joint Director of Lab/Reliance, etc.). Advocates to higher headquarters on budgetary and programmatic issues for resources. Leads strategic planning and prioritization. Develops strategy to leverage resources from other agencies.	Works at senior level to stimulate development of customer alliances for several research and/or development areas. Generates strategic research objectives and/or business plans for core technical areas. Recognizes warfighting trends, relates business opportunities and convinces lab management to develop and acquire expertise and commit funds. Ensures overall proposal quality.	Organizes, leads and markets overall technology transition and transfer activities for organization at senior executive and command levels. Leads in formulation and oversight of ATD's, MOU's, JDL and Reliance, CRADA's and other dual-use vehicles. Creates an environment that encourages widespread exploitation of both national and international technologies.	
V	81 - 89	Serves as an advisor to NRL ,ONR, DoN, and DoD on issues of resource management related to his or her area of research, including effective use of equipment, facilities, and scientific talent both within and outside NRL.	NRL's opportunities for new business are substantially enhanced by his or her established reputation and on-going professional activities (participation in professional societies, scientific collaborations). Personal stature is a major consideration in agency sponsorship of programs in his or her field.	Because of his or her professional relationships and exceptional knowledge, discerns opportunities for research which will lead to technology transition and transfer and encourages NRL to focus in such areas.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, makes and/or meets time and budget estimates on assigned projects or takes appropriate corrective action; communications are logical, clear, complete and appropriately influence the decision process; decisions and strategies contribute to the appropriate outcome of business dealings; and work products demonstrate thorough research, completion of established objectives, adherence to instructions and guidance of supervisor and team leader, and overall high quality as deemed by supervisor or appropriate peer group.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

ELEMENT 3. COOPERATION AND SUPERVISION

Instructions: Assign a value (0 - 89) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators		
Level	**Point Range**	**Team Role and Breadth of Influence**	**Supervision and Subordinate Development (consider only if employee is a supervisor)**	**DESCRIPTORS**
I (Student)	0 - 21	Provides assistance to team members consistent with his or her level of education and experience.	Not applicable.	
II	18 - 47	Contributes as a technical researcher or team member to all aspects of team's responsibilities. May technically guide or mentor technician and/or less experienced and more junior level personnel.	Not applicable.	
III	44 - 66	Contributes in a major team role either as a senior scientist and technician or as a task or team leader. Is sought for consultation by peers and mentors team members. If a team leader, guides team to ensure that project goals and charters are adhered to through team effort.	Carries out full range of supervisory duties with respect to lower level staff, including one or more subordinate professionals. Identifies and resolves developmental needs and problems, completes appropriate administrative actions, complies with EEO and Safety and other regulations and policies. Develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	
IV	66 - 80	Manages all aspects of personnel, teams and/or branches with accountability for mission and programmatic success. Selects research team leaders and establishes team charters. Provides technical expertise and leadership to subordinate team leaders. Ensures that various teams work as cohesive units to achieve the respective charter and goals.	Plans, directs and timely executes R&D programs and problems of such difficulty, scope, and complexity that they must be subdivided into separate areas or phases and carried out through subordinate organizational units. Manages policy changes, organizational changes, and changes to structure and content of program(s) directed. Requires substantial coordination and integration of major work assignments, projects, or program segments; exercises final technical authority over the work directed. Carries out full range of supervisory duties with respect to subordinates: Identifies and resolves developmental needs and problems, completes appropriate administrative actions, complies with EEO and Safety and other regulations and policies. Provides leadership in developing, implementing, evaluating, and improving processes and procedures for enhancing performance of subordinates. Hires staff and develops future team leaders and supervisors.	
V	81 - 89	Plays a major role in team efforts as team's scientific and technical advisor and mentor. Provides high-level scientific and/or technical information and guidance in his/her area of expertise. Suggests, influences and directs the R&D efforts of such teams. Serves as a recruiting attraction for recent graduates who seek opportunities to work under his or her inspiration and guidance in order to catch some of his or her imaginative fire, critical judgment, and research technique.	Provides consultation and leadership in highly specialized areas. Provides input on research and development teams outside NRL. Leads own research team consisting of scientific and engineering personnel. Serves as an example; mentors and encourages junior scientists.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, carries out duties in a professional and responsive manner; personal interactions foster cooperation and teamwork; **and, if employee is a supervisor,** treatment of subordinates is based on merit and fitness considerations, is consistent with law/rules/regulations/policies, is judged fair and equitable by superiors, and fosters commitment/cooperation/teamwork amongst subordinates.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

NAVAL RESEARCH LABORATORY
CONTRIBUTION-BASED COMPENSATION SYSTEM (CCS) SUMMARY
Administrative Specialist and Professional

Employee_____ Pay Pool Code_____ Appraisal Period Ending_____

Title_____ Pay Plan and Series_____ Career Level_____

SSN_____ Supervisor_____

Most Recent OCS_____ Present Salary_____ Scores within NPR Equivalent to Present Salary _____

CRITICAL ELEMENTS	*WEIGHT	SCORE	NET SCORE	RATING OF RECORD ACCEPTABLE OR UNACCEPTABLE
1. Problem Solving and Program Management	_____	_____	_____	_____
2. Cooperation and Customer Relations	_____	_____	_____	_____
3. Supervision and Resources Management (Supervisory Personnel Only)	_____	_____	_____	_____

*If zero, element not applicable.

Basic Pay Increase %_____

Summary Rating A (Acceptable) or U (Unacceptable) _____
Must be U if any critical element is rated U

Contribution Award $_____

Hours _____

OVERALL CONTRIBUTION SCORE (Weighted Average) _____

SUPPLEMENTAL CRITERIA (OPTIONAL): FOR EXAMPLE, SPECIFIC OBJECTIVES, STANDARDS, TASKINGS, AND/OR EXAMPLES:

REMARKS:

Signatures and Dates	CCS PLAN	INTERIM REVIEW	APPRAISAL
Employee			
Supervisor			

NOTE: Employee's signature under "CCS Plan" signifies that he or she has been given a copy of this form and has a copy of the Elements, Descriptors, Discriminator, and Standards applicable to his or her career track.

ELEMENT 1: PROBLEM SOLVING AND PROGRAM MANAGEMENT

Instructions: Assign a value (0 - 80) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators			
Level	Point Range	Complexity/Scope	Applicability of Guidelines	Level of Oversight	
I (Student)	0	Applies standardized rules, procedures, and operations in an administrative or technical program area to resolve standard or recurring problems.	Locates and selects the most appropriate guidelines and procedures from established sources; makes minor deviations applicable to specific cases.	Independently carries out assigned work following supervisor's direction.	DESCRIPTORS
II	18 - 47	Applies knowledge of an administrative or technical program area to analyze and resolve problems which are difficult but for which there are established patterns and methods for solution. Includes refinement of methods or development of new ones.	Uses judgment in selecting, interpreting and adapting guidelines which are available but not completely applicable, or which have gaps in specificity.	Independently plans and carries out work, based on guidelines and precedents and supervisor's definition of objectives, priorities and deadlines. Completed work is evaluated for technical soundness, appropriateness, and conformity to policy and requirements.	
III	44 - 59	Applies substantial expertise in an administrative or technical program area to analyze and resolve the most highly complex, controversial, sensitive issues, and/or problems; and where applicable to administer one or more complex programs within a functional area. Substantially modifies or adapts standard and traditional methods and approaches to address unusual circumstances and highly complex issues and to develop new methods, criteria, policies or precedents that have NRL-wide impact.	Uses initiative and resourcefulness in interpreting and applying administrative or technical policies, precedents and guidelines which are applicable but are scarce, conflicting, of limited use, or stated only in general terms. Uses considerable judgment and originality in developing innovative approaches to define and resolve highly complex situations.	Consults with supervisor to develop deadlines, priorities and overall objectives. Independently plans and carries out work. Complex issues are resolved without reference to supervisor, except for matters of a policy nature. Completed work reviewed only from an overall standpoint in terms of feasibility, compatibility with other work, and overall effectiveness in meeting requirements or expected results.	
IV	59 - 66	Performs varied duties requiring many different and unrelated processes and methods applied to a broad range of activities or substantial depth of analysis for an administrative or professional field. Uses judgment and ingenuity in making decisions in major areas of uncertainty in methodology, interpretation and/or evaluation resulting from such things as continuing changes in program, unknown phenomena or conflicting requirements. Must isolate and define unknown conditions, resolving critical problems, or develop new theories for work products or services which affect the work of other experts, development of major aspects of administrative programs or missions, or the well being of substantial numbers of people.	Uses guidelines which require interpretation and are of limited use. Uses initiative and resourcefulness in interpreting guidelines, in deviating from traditional methods or researching trends and patterns to develop new methods, criteria or proposed new policies.	Supervisor outlines overall objectives. Employee then independently plans and carries out the work. Complex issues are resolved without reference to supervisor except for matters of a policy nature. Results of work are considered technically authoritative and are normally accepted without significant changes.	
V	66 - 80	Defines, leads and manages an overall administrative or technical program area which includes a range of complex functional areas. Makes or recommends decisions which significantly change, interpret or develop important agency policies and programs.	Guidelines are broadly stated and non-specific. Applies considerable judgment and ingenuity in interpreting guidelines that do exist and in developing applications to broadly based projects and programs.	Independently plans, designs and carries out programs, projects, studies, etc., such that overall program objectives are met. Supervisor provides only broadly defined missions and functions. Results of work are considered technically authoritative and are normally accepted without significant changes.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, work is performed in a timely, efficient, and cooperative manner; and work products demonstrate thorough research, completion of established objectives for the assignment, adherence to instructions and guidance of supervisor/team leader, and acceptable quality as deemed by supervisor.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

ELEMENT 2: COOPERATION AND CUSTOMER RELATIONS

Instructions: Assign a value (0 - 80) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators			
Level	Point Range	Cooperation	Level and Purpose of Customer Interactions	Effectiveness in Developing, Executing, and Marketing Customer-Oriented Support Services	DESCRIPTORS
I (Student)	0	Develops and maintains successful working relationships with others inside and outside own organization to effectively carry out assigned work.	Interacts with customers to carry out requests within area of responsibility; refers deviations or non-recurring problems to appropriate personnel.	Carries out services in a manner which fosters customer satisfaction and confidence in employee's organization.	
II	18 - 47	Develops/maintains successful working relationships with others inside and outside own organization to work out problems between own group and others, coordinate joint actions, and gain understanding of other areas sufficient to make appropriate recommendations to customers.	Interacts with customers to understand customer needs, communicate information and coordinate actions; independently carries out actions or delegates/refers to appropriate personnel.	Contributes ideas for improvement of established services based on knowledge of a variety of administrative or technical programs, systems, or equipment, and an understanding of customer needs.	
III	44 - 59	Seeks and fosters successful working relationships with others inside and outside own organization to coordinate highly complex, controversial, sensitive situations, work out problems or improve processes of own group or between own group and others, and gain understanding of other areas sufficient to effectively carry out integrated advisory and program work. Leads, mentors, and provides technical oversight to specialists at same or lower level. Regularly consulted by branch/division head and other journey-level specialists on highly complex issues due to depth and breadth of expertise and cooperative manner.	Works jointly with customers to define highly complex or controversial problems or program needs; and to develop and carry out unique strategies, techniques or criteria for resolving problems and meeting needs.	Generates key ideas and/or strategies for development/implementation/marketing of new and improved programs or services applicable to a specific administrative or technical functional area serving Lab-wide customers, or to a range of programs serving customers at division-wide level. **OR** effectively carries out and maintains such programs and services at a high level of customer awareness and satisfaction.	
IV	59 - 66	Seeks and fosters successful working relationship with others inside and outside own organization to coordinate highly complex and controversial and sensitive situations, work out problems or improve processes of own group or between own group and others, and gain understanding of other areas sufficient to effectively carry out integrated advisory and program work. Leads, mentors, and provides technical oversight to specialists at same or lower level. Regularly consulted by branch and division head and others on highly complex issues due to depth and breadth of expertise and cooperative manner.	Works jointly with customers to define highly complex or controversial problems or program needs; develops and carry out unique strategies, techniques or criteria for resolving problems and meeting needs of customers both inside and outside the organization.	Generates key ideas and/or strategies for development and implementation and marketing of highly complex new and improved programs or services which affect a broad administrative or professional program or technical functional area serving NRL-wide customers; or to a highly complex programs serving customers division-wide; OR effectively carries out and maintains such programs and services at a high level of customer awareness and satisfaction.	
V	66 - 80	Fosters successful working relationships with high-level officials both inside and outside NRL, thereby enhancing NRL's ability to meet organizational goals. Seeks and builds coalitions with other support organizations to establish integrated approaches to meeting NRL's needs. Sets and maintains, throughout own organization, a tone of cooperation, cohesion and teamwork.	Works at senior executive level to understand political, fiscal and other factors affecting customer and program needs; to develop and establish concepts, theories, or programs to meet service needs or resolve unyielding problems. Negotiates and resolves conflicts among senior managers regarding activity-wide policy decisions.	Generates strategic objectives and plans for development, implementation, and marketing of broadly-based programs and services to meet Lab-wide needs. Ensures overall effectiveness and customer-oriented focus of division programs and services.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, personal interactions foster cooperation and teamwork, and enhance the ability of self and organization to effectively serve customers; timely, accurate and acceptable quality service is provided to customers; and customer interactions demonstrate appropriate knowledge for level of interaction required by the position.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

ELEMENT 3: SUPERVISION AND RESOURCES MANAGEMENT

Instructions: Assign a value (0 - 80) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators		
Level	**Point Range**	**Resources Management: Size and Complexity of Area of Responsibility; Level of Efficiency, Creativity and Initiative**	**Supervision and Subordinate Development (consider only if employee is a supervisor)**	
I (Student)	0	Uses personal and assigned resources efficiently under guidance of supervisor. Contributes ideas for streamlining procedures or for more efficiently using office and program resources.	Not applicable.	DESCRIPTORS
II	18 - 47	Generates and implements ideas for effectively streamlining handling of moderately complex projects and programs which are difficult but for which there are established guidelines, patterns or methods for solution. This streamlining results in savings of time, money, and administrative burden for organization or customer; **AND/OR** maintains an organization/program already so streamlined.	Carries out full range of supervisory duties with respect to support personnel (technicians, assistants or clerks). Identifies and resolves developmental needs and problems, completes necessary administrative actions, complies with EEO and Safety and other regulations and policies. Develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	
III	44 - 59	Generates and implements ideas for effectively streamlining handling of complex projects and problems, or programs involving analysis and resolution of highly complex or controversial issues, problems, or programs involving subordinates, which result in savings of time, money, and administrative burden for organization or customer; **AND/OR** maintains an organization/program already so streamlined.	Carries out full range of supervisory duties with respect to lower level staff including one or more subordinate professionals. Identifies and resolves developmental needs and problems, completes appropriate administrative actions, complies with EEO and Safety and other regulations and policies. Develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	
IV	59 - 66	Generate and implements ideas for effectively streamlining handling of highly complex and controversial and sensitive programs and projects. Work involves analysis and resolution of highly complex or controversial issues/problems involving subordinates, which result in savings of time, money, and administrative burden for organization or customer; AND/OR maintains an organization and program already so organized or streamlined.	Carries out full range of supervisory duties with respect to lower level staff including one or more subordinate professionals. Identifies and resolves developmental needs and problems, completes appropriate administrative actions, complies with EEO and Safety and other regulations and policies. Develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	
V	66 - 80	Manages human, material, and financial resources of a division (or organization of comparable size, diversity and complexity) encompassing a range of complex functional areas. Defines resource allocations required for in-house and contractual programs. Advocates to Lab and/or higher headquarters for resources. Generates and implements creative ideas for increasing overall efficiency of organization.	Oversees the overall planning, direction, and timely execution of an administrative program, including development, assignment, and higher level clearance of goals and objectives for supervisors of subordinate units. Manages policy and organizational changes, and changes to the structure and content of the program directed. Carries out full range of supervisory duties with respect to subordinates: Identifies and resolves developmental needs and problems, completes appropriate administrative actions, complies with EEO and Safety and other regulations and policies. Provides leadership in developing, implementing, evaluating and improving processes for enhancing performance of subordinates.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, work is performed in a timely, efficient and cooperative manner; work products demonstrate thorough research, completion of established objectives for the assignment, adherence to instructions and guidance of supervisor and team leader, and acceptable quality as deemed by supervisor or appropriate peer group; and **if an employee is a supervisor**, treatment of subordinates is based on merit and fitness considerations, is consistent with law/rules/regulations/policies, is judged fair and equitable by superiors, and fosters commitment/cooperation/teamwork amongst subordinates.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

NAVAL RESEARCH LABORATORY
CONTRIBUTION-BASED COMPENSATION SYSTEM (CCS) SUMMARY
Administrative Support

Employee_____ Pay Pool Code_____ Appraisal Period Ending_____

Title_____ Pay Plan and Series_____ Career Level_____

SSN_____ Supervisor_____

Most Recent OCS_____ Present Salary_____ Scores within NPR Equivalent to Present Salary _____

CRITICAL ELEMENTS	*WEIGHT	SCORE	NET SCORE	RATING OF RECORD ACCEPTABLE OR UNACCEPTABLE
1. Problem Solving and Office Administration	_____	_____	_____	_____
2. Cooperation, Customer Relations, and Supervision	_____	_____	_____	_____

*If zero, element not applicable.

Basic Pay Increase %_____

Summary Rating A (Acceptable) or U (Unacceptable) _____
Must be U if any critical element is rated U

Contribution Award $_____

Hours _____

OVERALL CONTRIBUTION SCORE (Weighted Average)_____

SUPPLEMENTAL CRITERIA (OPTIONAL): FOR EXAMPLE, SPECIFIC OBJECTIVES, STANDARDS, TASKINGS, AND/OR EXAMPLES:

REMARKS:

Signatures and Dates	CCS PLAN	INTERIM REVIEW	APPRAISAL
Employee			
Supervisor			

NOTE: Employee's signature under "CCS Plan" signifies that he or she has been given a copy of this form and has a copy of the Elements, Descriptors, Discriminators, and Standards applicable to his or her career track.

ELEMENT 1: PROBLEM SOLVING AND OFFICE ADMINISTRATION

Instructions: Assign a value (0 - 47) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators		
Level	Point Range	Complexity	Level of Oversight and Applicability of Guidelines	DESCRIPTORS
I	0 - 21	Performs clerical or technical work involving application of a body of standardized rules, procedures or operations to resolve a full range of standard or recurring clerical/technical problems.	Independently carries out recurring and non-complex work, following supervisor's direction regarding work to be done, priorities, and specific procedures and guidelines to be followed. Locates and selects the most appropriate guidelines and procedures from established sources; makes minor deviations applicable to specific cases.	
II	18 - 34	Performs clerical or technical work involving application of an extensive body of rules, procedures or operations to resolve a wide-variety of interrelated or nonstandard problems.	Independently plans and carries out steps required to complete assignments; handles problems and deviations. Supervisor defines objectives, overall priorities and deadlines. Selects, interprets and applies guidelines which are available but not completely applicable or have gaps in specificity.	
III	31 - 47	Performs clerical or technical work involving: - application of principles, concepts and methodologies of a professional and administrative occupation to accomplishment of particularly challenging assignments, operations or procedures; or - application of a wide range of highly technical principles, processes and methods, including refinement of methods or development of difficult but well precedented projects.	Independently determines the approach and methodology used to accomplish work, plans and carries out work and resolves related conflicts. Supervisor sets overall objectives, broad priorities and resources available. Applies considerable judgment and analysis in selecting, interpreting and applying guidelines which are available but not completely applicable or have gaps in specificity.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions work is performed in a timely, efficient, and cooperative manner; and work products demonstrate completion of established objectives for the assignment, adherence to instructions and guidance of supervisor and team leader, and acceptable quality as deemed by supervisor.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

ELEMENT 2: COOPERATION AND CUSTOMER RELATIONS/SUPERVISION

Instructions: Assign a value (0 - 47) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators			
Level	**Point Range**	**Supervision and Subordinate Development (consider only if employee is a supervisor)**	**Cooperation**	**Customer Relations**	**DESCRIPTORS**
I	0 - 21	Not applicable.	Interacts under established circumstances to obtain or give factual information within the immediate organization, office, project, or in related support units.	Independently carries out customer requests within area of responsibility or refers to other appropriate personnel.	
II	18 - 34	Carries out full range of supervisory duties with respect to Level I or junior Level II employees. Identifies and resolves developmental needs and problems, completes necessary administrative actions, complies with EEO and Safety and other regulations and policies. Develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	Initiates, engages in, and facilitates cooperative interactions with others inside and outside own organization to: coordinate joint actions, work out problems between own group and others, or gain understanding of other functions sufficient to recommend options to customers.	Interacts with customers to understand customer needs; determines appropriate services to meet needs; and independently carries out such actions or delegates and refers to appropriate personnel. Actively promotes rapport with customers.	
III	31 - 47	Carries out full range of supervisory duties with respect to lower level staff including one or more who is a senior Level II. Identifies and resolves developmental needs and problems, completes necessary administrative actions, complies with EEO and Safety and other regulations and policies. Develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	Meets descriptor for Level 2. In addition, is relied upon and consulted by team leader and members as a critical contributor to meeting overall goals. Serves as an example of high level administrative and technical knowledge, and ability to gain cooperation and compliance by persuasion or negotiation.	Works jointly with customers to define organizational needs and problems; establishes customer alliances and translates customer needs to programs and services **OR** applies knowledge of protocol to assisting particularly high-level customers of his or her organization.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, personal interactions foster cooperation and teamwork; timely, accurate and acceptable quality service is provided to customers; customer interactions demonstrate appropriate knowledge for level of interaction required by the position; and **if employee is a supervisor,** treatment of subordinates is based on merit and fitness considerations, is consistent with law/rules/regulations/policies, is judged fair and equitable by superiors, and fosters commitment/cooperation/teamwork amongst subordinates.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

NAVAL RESEARCH LABORATORY
CONTRIBUTION-BASED COMPENSATION SYSTEM (CCS) SUMMARY
S&E Technical

Employee_____ Pay Pool Code_____ Appraisal Period Ending_____

Title_____ Pay Plan and Series_____ Career

Level_____

SSN_____ Supervisor_____

Most Recent OCS_____ Present Salary_____ Scores within NPR Equivalent to Present Salary _____

CRITICAL ELEMENTS	*WEIGHT	SCORE	NET SCORE	RATING OF RECORD ACCEPTABLE OR UNACCEPTABLE
1. Scientific and Technical Problem Solving	_____	_____	_____	_____
2. Cooperation and Customer Relations and Supervision	_____	_____	_____	_____

*If zero, element not applicable.

Basic Pay Increase %_____ Summary Rating A (Acceptable) or U (Unacceptable) _____
Must be U if any critical element is rated U

Contribution Award $_____

Hours_____ OVERALL CONTRIBUTION SCORE (Weighted Average)_____

SUPPLEMENTAL CRITERIA (OPTIONAL): FOR EXAMPLE, SPECIFIC OBJECTIVES, STANDARDS, TASKINGS, AND/OR EXAMPLES:

REMARKS:

Signatures and Dates	CCS PLAN	INTERIM REVIEW	APPRAISAL
Employee			
Supervisor			

NOTE: Employee's signature under "CCS Plan" signifies that he or she has been given a copy of this form and has a copy of the Elements, Descriptors, Discriminators and Standards applicable to his or her career track.

ELEMENT 1. SCIENTIFIC AND TECHNICAL PROBLEM SOLVING

Instructions: Assign a value (0 -66) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators			
Level	Point Range	Scope of Project	Scientific and Technical Complexity and Creativity	Level of Oversight	DESCRIPTORS
I	0 - 21	Performs specific procedures which are typically a segment of a project of broader scope. Work affects the accuracy, reliability or acceptability of further processes. Resolves recurring routine problems independently. Operates and adjusts varied equipment to perform standardized tests or operations involved in testing, data analysis and presentation.	Performs duties that involve related and established steps, processes or methods. Determines what needs to be done by choosing among a few different but easily recognizable situations. Recognizes readily apparent errors requiring limited knowledge of the subject matter. Uses judgment in locating and selecting most appropriate procedures, making minor deviations to adapt the guidelines to specific cases.	Receives routine assignments in terms of objectives to be achieved and without explicit instructions as to work methods, if standard work methods can be used. Resolves routine technical problems in terms of previous experience without reference to supervisor. Explicit instructions for solving technical problems involving unfamiliar conditions, methods, or concepts are provided by the supervisor.	
II	18 - 39	Independently plans and conducts a block of work which is a complete and conventional project of relatively limited scope or a portion of a large and more diverse project. Work affects the design or operation of systems, equipment, testing operations, research conclusions, or similar activities.	Applies a practical knowledge of technical methods, principles and practices within a narrow area of R&D and program and project to assignments involved with design and planning of moderately complex, well-precedented projects. Assignments require analyses of several possible courses of action, techniques and/or designs; and selection of most appropriate. Considers precedents in carrying out work and makes some adaptations of previous plans and techniques.	Receives guidance and instructions in dealing with unfamiliar practices and problems. On familiar types of assignments, completes work without explicit instructions as to work methods and precedents. Significant deviations from guides requires approval.	
III	36 - 47	Independently plans and conducts a block of work which is a complete and conventional project of relatively limited scope or a portion of a large and more diverse project. Work affects the design or operation of systems, equipment, testing operations, research conclusions, or similar activities.	Applies a practical knowledge of a wide range of different but established technical methods, principles and practices within a narrow area of research/development program/project to design and planning of difficult but well-precedented projects. Assignments require study, analysis, and consideration of several possible courses of action, techniques and/or designs; and selection of most appropriate. Considers precedents in carrying out work which may be conflicting or are not directly applicable. Adapts previous plans and techniques to fit new situations.	Supervisor outlines overall requirements, providing information on any related work being performed and furnishing general instructions regarding objectives, time limitations, priorities, and similar issues. Plans and carries out successive steps and handles problems and deviations in the work assignments in accordance with accepted practices, policy or instructions. Completed work is evaluated for technical soundness, appropriateness, and conformity to policy and requirements.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, work is performed in a timely, efficient, and cooperative manner; and work products demonstrate completion of established objectives for the assignment, adherence to instructions and guidance of supervisor and team leader, and acceptable quality as deemed by supervisor.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

ELEMENT 1. SCIENTIFIC AND TECHNICAL PROBLEM SOLVING Continued

Instructions: Assign a value (0 -66) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

		Discriminators			
Level	**Point Range**	**Scope of Project**	**Scientific and Technical Complexity and Creativity**	**Level of Oversight**	
IV	44 - 59	Establishes criteria; formulates projects; assesses program effectiveness; investigates or analyzes a variety of unusual conditions, problems, or questions in areas which affect a wide range of major activities. Points out areas for investigation or improvement in their area of expertise.	Applies deep and diversified knowledge to atypical or highly difficult assignments. Thoroughly evaluates various alternatives for meeting objectives, considering applicable technical factors as well as related factors, and recommends the best one. Reviews, analyzes and integrates work performed by others and changes in technology as they relate to the possible impact on projects or programs, systems or processes in employee's area of expertise. Assignments are frequently complicated by many operations which equipment or systems must perform, and many variables that must be considered. Precedents are sometimes absent, but more commonly, the relationships of precedents to particular assignments is obscure. Must deal with conflicting issues.	Supervisor outlines requirements, objectives and operational requirements. Technicians must then analyze problems and develop own approaches and work plans; receives little technical advice or guidance; technical decisions and recommendations are usually accepted by higher authority except when policy, program, or budgetary considerations are overriding.	DESCRIPTORS
V	59 - 66	Must plan, organize and direct extensive development efforts including broad programs of applied R&D. Uses judgment and ingenuity in converting overall objectives into programs or policies for others to use. Must adjust broad activities carried out to the latest advances in technology and to the changing program needs of an area of research/development.	Provides expert advisory services and leadership for broad and complex programs that advance the state of the art. Programs span various disciplines, are greatly affected by advances in technology and are characterized by highly complex problems for which precedents are lacking in areas critical to the overall effort. Work requires originating new techniques, establishing criteria, or developing new information. Research/development approach is not easily determined and considerable modification of existing techniques is required. Produces documentable modification of existing theories or existing technology.	Supervisor outlines only broad policy and operational objectives and requirements. Technician determines the general R&D approach. Technical supervision is limited to reviewing broad hypotheses and overall approach. Interpretations made by the technician are reviewed but are generally accepted as technically accurate. Supervisor is kept informed and only broad changes in the direction of the work require clearance.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, work is performed in a timely, efficient, and cooperative manner; and work products demonstrate completion of established objectives for the assignment, adherence to instructions and guidance of supervisor and team leader, and acceptable quality as deemed by supervisor.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

ELEMENT 2. COOPERATION AND CUSTOMER RELATIONS/SUPERVISION

Instructions: Assign a value (0 -66) which best represents employee's contributions in the overall element. Descriptors define contributions at high end of each level.

Level	Point Range	Discriminators: Teamwork/Customer Relations	Discriminators: Supervision and Subordinate Development (consider only if employee is a supervisor)	DESCRIPTORS
I	0 - 21	Provides work product which affects the accuracy, reliability, or acceptability of assignments, projects or equipment of broader scope. Independently carries out requests within limited area of responsibility or refers to other appropriate personnel.	Not applicable.	
II	18 - 39	Provides work product which is a complete project of relatively conventional and limited scope or a portion of a larger project. Work requires a limited degree of coordination and integration of diverse phases carried out by others. Refers to others the more complex and critical aspects of problem exploration, evaluation of approaches, and development or new solutions.	Carries out full range of supervisory duties with respect to Level I or lower Level II employees. Identifies and resolves developmental needs and problems, completes necessary administrative actions, complies with EEO and Safety and other regulations and policies. Develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	
III	36 - 47	Provides work product which is a complete conventional project of relatively limited scope, or a portion of a larger and more diverse project. Project requires coordination of several parts, each requiring independent analysis and solution. Technician reviews, analyzes and integrates work performed by other groups or individuals outside the organization.	Carries out full range of supervisory duties with respect to lower level staff including one or more who is a senior Level II. Identifies and resolves developmental needs and problems, completes necessary administrative actions, complies with EEO and Safety and other regulations and policies. Develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	
IV	44 - 59	Applies deep and diversified knowledge to atypical or highly difficult assignments in a subject matter or functional area. Acts as spokesperson for their activities; authorize important modifications which conform to broad policy. Coordinate assignments with those of engineers in other disciplines or subject matter areas; represent their offices in the exchange of data and discussion of technical problems at meetings.	Carries out full range of supervisory duties with respect to lower level staff, including one or more who is a senior Level III. Identifies and resolves developmental needs and problems, completes necessary administrative actions, complies with EEO and Safety and other regulations and policies. Develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	
V	59 - 66	Recognized as a significant contributor to a scientific or engineering field as a leader of a productive R&D team or a leader in the conception and formulation of productive R&D ideas. Recognized as an expert in own field and is regularly sought out for consultation and/or takes leadership on important committees dealing with technical matters.	Oversees the overall planning, direction, and timely execution of a technical support program, including development, assignment, and higher level clearance of goals and objectives for subordinates. Carries out full range of supervisory duties with respect to subordinates: identifies and resolves developmental needs and problems; completes appropriate administrative actions, complies with EEO and Safety and other regulations and policies; develops and maintains resources and processes which enhance ability of subordinates to effectively carry out their duties. Manages policy and organizational changes, and changes to the structure and content of the program directed. Provides leadership in developing, implementing, evaluating, and improving processes and procedures for enhancing performance of subordinates.	

ACCEPTABLE PERFORMANCE STANDARDS. With minor exceptions, personal interactions foster cooperation and teamwork; timely, accurate and acceptable quality service is provided to customers; customer interactions demonstrate appropriate knowledge for level of interaction required by the position; and **if employee is a supervisor,** treatment of subordinates is based on merit and fitness considerations, is consistent with law/rules/regulations/policies, is judged fair and equitable by superiors, and fosters commitment/cooperation/teamwork amongst subordinates.

SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS FORM OR OTHER APPROPRIATE MEANS

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Appendix E: Computation of the IPS and the NPR

The NRL demonstration project will use an IPS which links basic pay to contribution scores determined by the CCS process. The area where basic pay and level of contribution are assumed to be properly related is called the NPR. An employee whose CCS score and rate of basic pay plot within the NPR is considered to be contributing at a level consistent with pay. Employees whose pay plots below the NPR for their assessed score are considered ''undercompensated,'' while employees whose score and pay plot above the NPR are considered ''overcompensated.''

The purpose of this scoring and pay structure is to spread the full range of basic pay provided by the GS, between GS–1, step 1 and GS–15, step 10, into 80 intervals (scores and pay above those points are related using the same parameters). Each interval is a fixed percentage of the pay associated with the previous point.

For each possible contribution score available to employees, the NPR spans a basic pay range of 12 percent. The lower boundary (or ''rail'') is established by fixing the basic pay equivalent to GS–1, step 1, with a CCS score of zero. The upper boundary is fixed at the basic pay equivalent to GS–15, step 10, with a CCS score of 80. The distance between these upper and lower rails for a given overall contribution score is then computed to ensure the range of 12 percent of basic pay for each available CCS score.

The middle rail of the NPR is computed as 6 percent above the lower rail. This point is used in connection with certain limits established for pay increases (see section IV.C.7).

From the above considerations, five variables, or inputs, were identified. They are as follows:

1. Variable A: GS–1, step 1 (lowest salary)
2. Variable B: GS–15, step 10 (highest salary)
3. Variable C: Current C-values
4. Variable M: 6 percent (middle rail computation above the low rail)
5. Variable H: 12 percent (high rail computation above low rail)

Other variables are as follows:

1. Variable N: Number of C-value steps at GS–15, step 10
2. Variable P (step increase): Salary value for each C-value equal to 1 + percentage increase

From these variables, the following formula definitions were developed:

Low rail = A*(P^C)
Mid rail = (1+M)*A*(P^C)
High rail = (1+H)*A*(P^C)
Where P = (B/(A*(1+H)))^(1/N)

As an example, a result of the above computation, using the 1999 GS Salary Table, P (step increase) equals 1.023663611. Attachment (1) is a complete list of CCS career level scores and basic pay ranges. Attachment (2) contains graphic representations of these tables for each career track.

Once the C-values (0–80) are determined, the CCS career levels and scores are extended at the same percentage increments as were computed for the step increase above. These C-values are extended to encompass the equivalent of ES–4 effective January 1999. In the example, SES Level ES–4 is equal to basic pay of $118,000 and is encompassed by the C-value 89 ($107,119 to $119,974).

Attachment to Appendix E: 1999 Inputs

GS 1-Step 1: 13,362
GS 15-Step 10: 97,201
C values: 80
Mid%: 6.00%
Hi%: 12.00%

C value	Low rail	Mid rail	Hi rail
0	13362	14164	14965
1	13678	14499	15320
2	14002	14842	15682
3	14333	15193	16053
4	14672	15553	16433
5	15020	15921	16822
6	15375	16297	17220
7	15739	16683	17627
8	16111	17078	18045
9	16493	17482	18472
10	16883	17896	18909
11	17282	18319	19356
12	17691	18753	19814
13	18110	19196	20283
14	18538	19651	20763
15	18977	20116	21254
16	19426	20592	21757
17	19886	21079	22272
18	20356	21578	22799
19	20838	22088	23339
20	21331	22611	23891
21	21836	23146	24456
22	22353	23694	25035
23	22882	24255	25628
24	23423	24829	26234
25	23977	25416	26855
26	24545	26018	27490
27	25126	26633	28141
28	25720	27263	28807
29	26329	27909	29488
30	26952	28569	20186
31	27590	29245	30900
32	28243	29937	31632
33	28911	30646	32380
34	29595	31371	33146
35	30295	32113	33931
36	31012	32873	34734
37	31746	33651	35556
38	32497	34447	36397
39	33266	35262	37258
40	34054	36097	38140
41	34859	36951	39042
42	35684	37825	39966
43	36529	38720	40912
44	37393	39637	41880
45	38278	40575	42871
46	39184	41535	43886
47	40111	42518	44924
48	41060	43524	45987
49	42032	44554	47076
50	43026	45608	48190
51	44045	46687	49330
52	45087	47792	50497
53	46154	48923	51692
54	47246	50081	52915
55	48364	51266	54168
56	49508	52479	55449
57	50680	53721	56761
58	51879	54992	58105
59	53107	56293	59480
60	54363	57625	60887
61	55650	58989	62328
62	56967	60385	63803
63	58315	61814	65313
64	59695	63276	66858
65	61107	64774	68440
66	62553	66307	70060
67	64034	67876	71718
68	65549	69482	73415
69	67100	71126	75152
70	68688	72809	76930
71	70313	74532	78751
72	71977	76296	80614
73	73680	78101	82522
74	75424	79949	84475
75	77209	81841	86474
76	79036	83778	88520
77	80906	85760	90615
78	82821	87790	92759
79	84780	89867	94954
80	86787	91994	97201
81	88840	94171	99501
82	90943	96399	101856
83	93095	98680	104266
84	95298	101015	106733
85	97553	103406	109259
86	99861	105853	111844
87	102224	108358	114491
88	104643	110922	117200
89	107119	113547	119974
90	109654	116233	122813
91	112249	118984	125719

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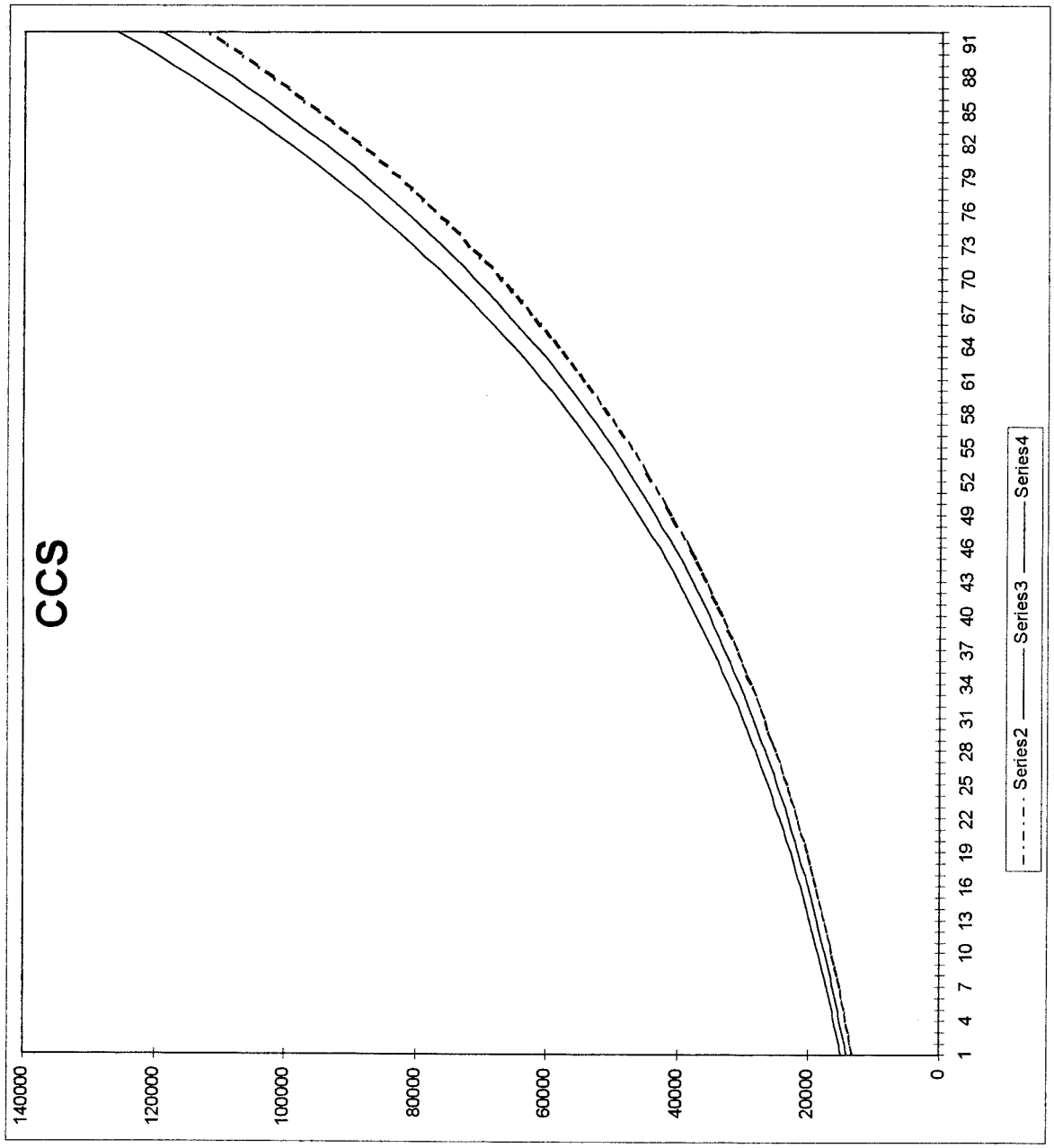
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Series2
Series3
Series4

Formula Definitions:

Low Rail = A*(P^C)

Mid Rail = (1+M)*A*(P^C)

Hi Rail = (1+H)*A*(P^C)

where

P = (B/(A*(1+H)))^(1/N)

(Step Increase)

Step Increase 1.023663611

Variable Definitions:

A = Salary for GS-1 Step-1

B = Salary for GS-15 Step-10

C = Current C Value (column A)

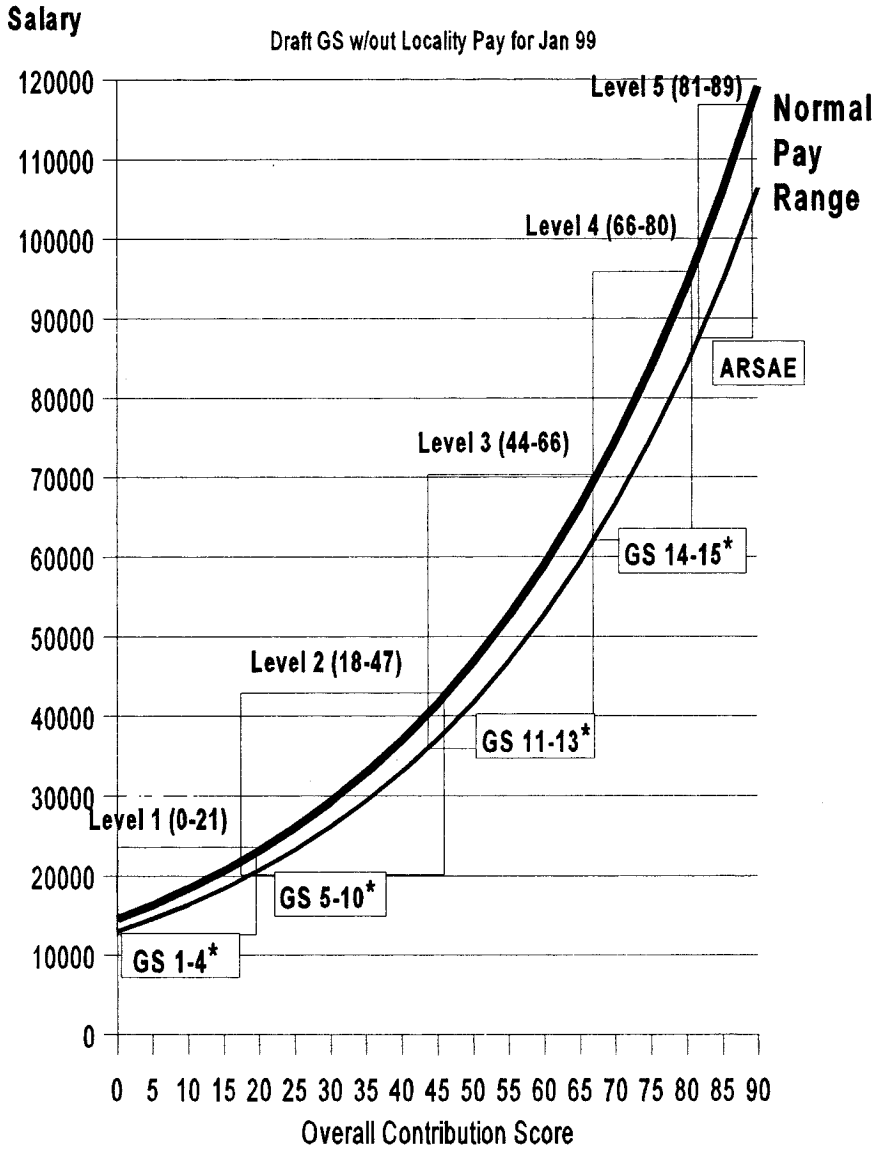
H = percentage increase of Hi Rail above Lo Rail

M = percentage increase of Mid Rail above Lo Rail

N = # of C-value steps at GS-15 Step-10

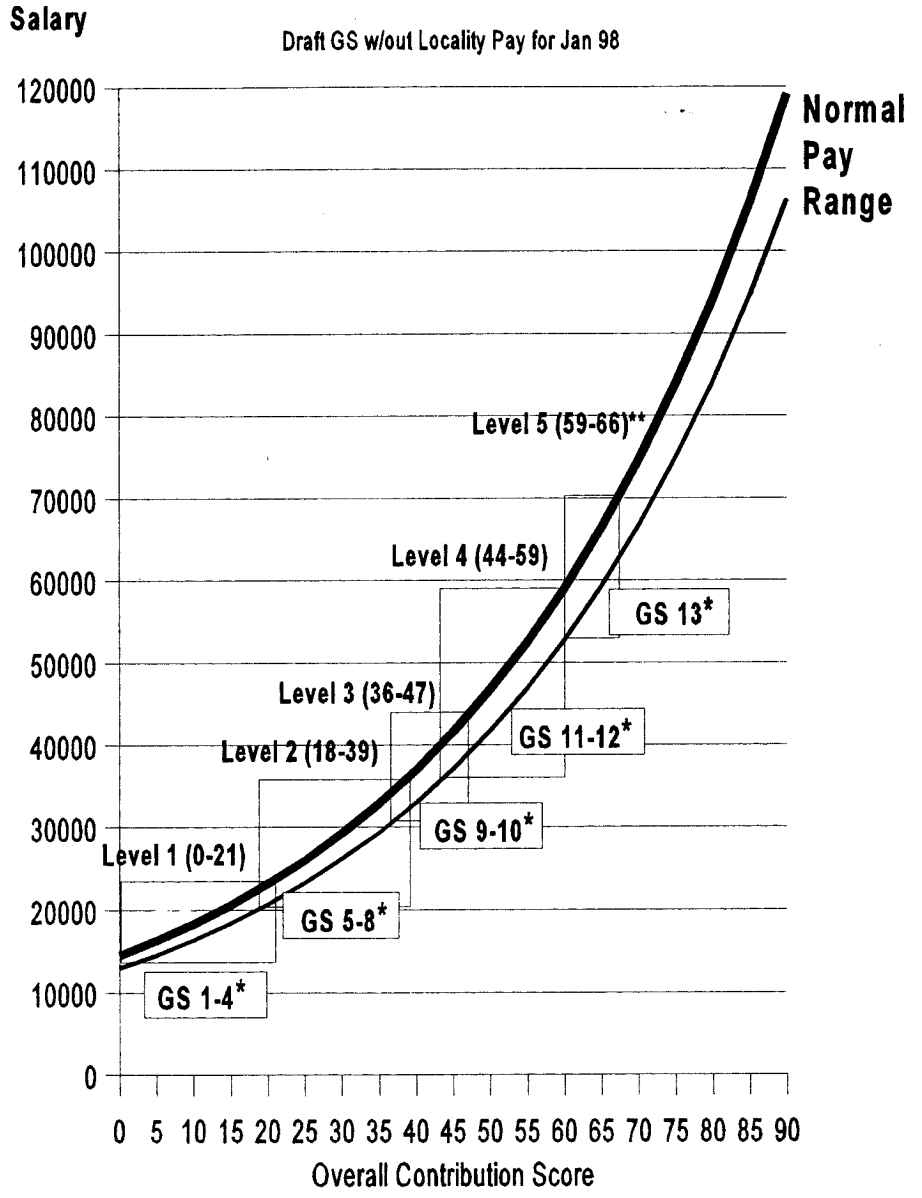
P = percentage increase in salary for each C-value (Step Increase)

NRL Integrated Pay



*GS-Equivalent

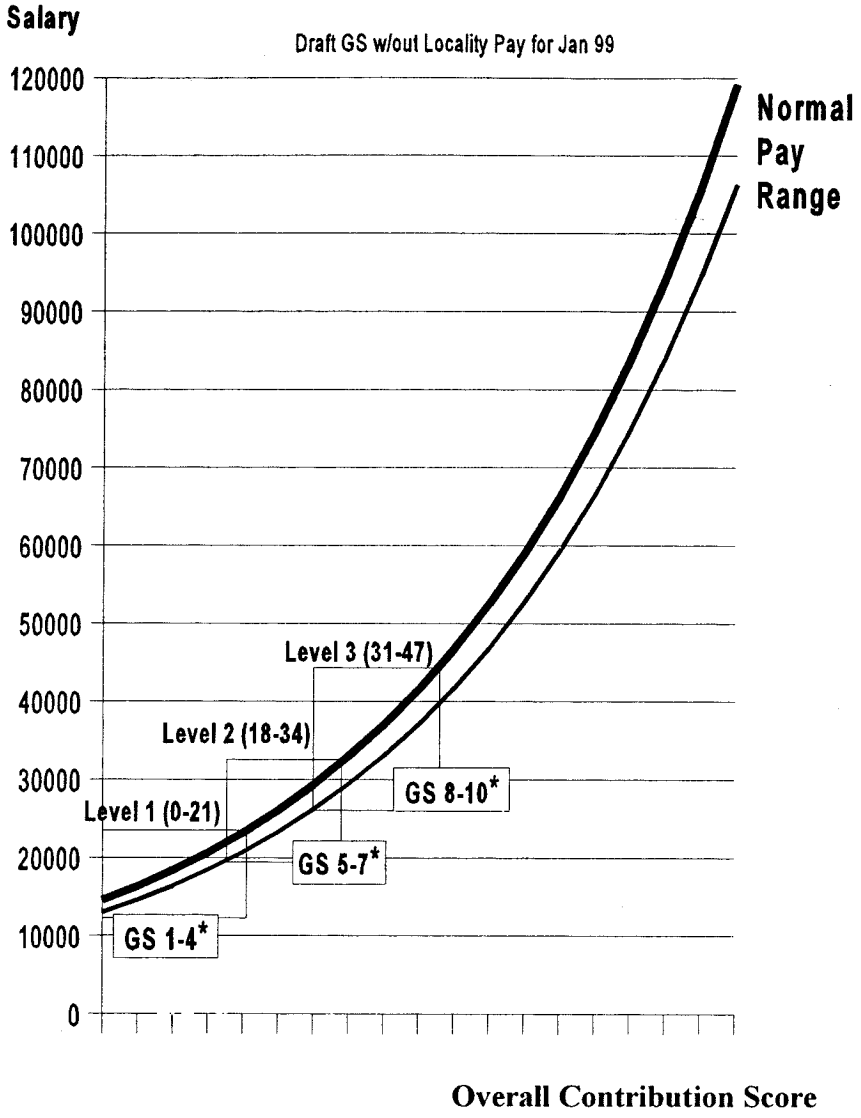
NRL Integrated Pay Schedule in Relation to S&E Professional Career Track



* GS-Equivalent

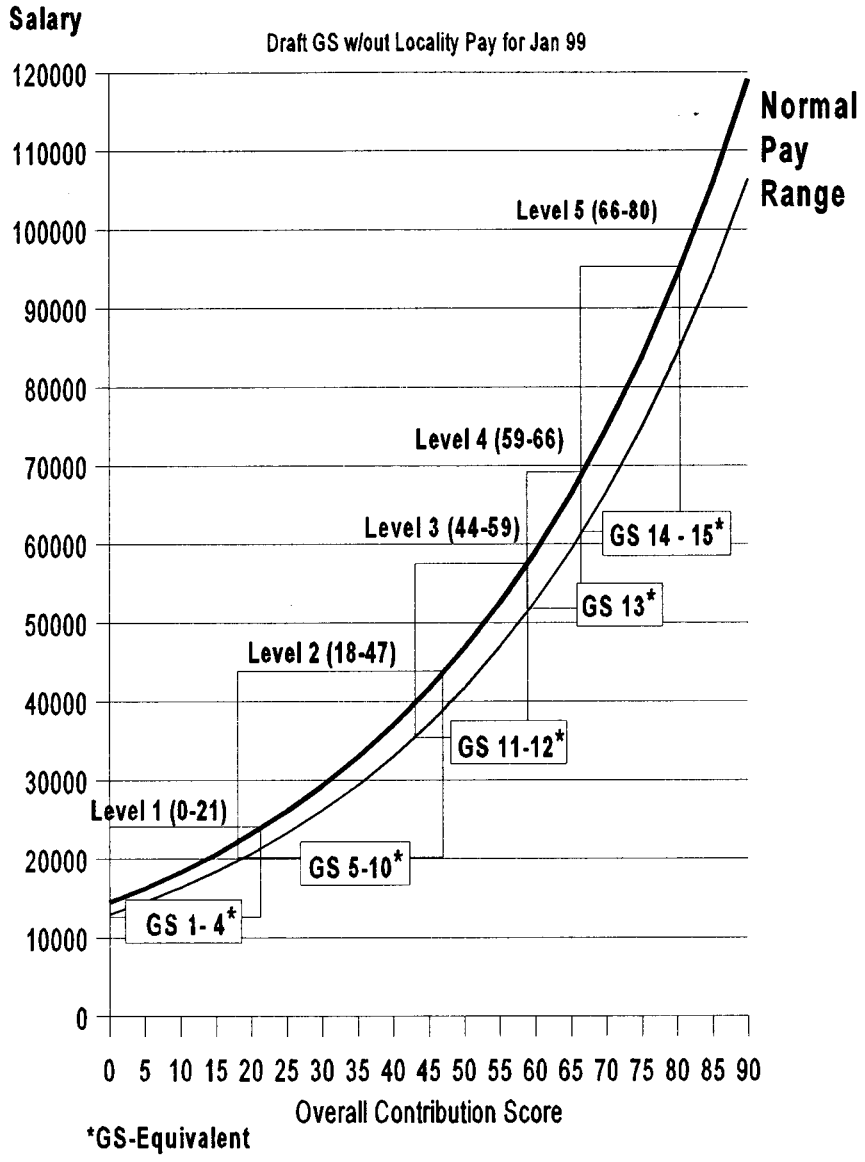
** Temporary level to be discontinued when current incumbents have left.

NRL Integrated Pay Schedule in Relation to S&E Technical Career Track



*GS-Equivalent

NRL Integrated Pay Schedule in Relation to Administrative Support Career Track



NRL Integrated Pay Schedule in Relation to Administrative Specialist and Professional Career Track

Appendix F: Requirements Document Sample

DATE: 4/18/96
DOC#: K900000000

INCUMBENT:

I. POSITION AND ORGANIZATION INFORMATION

Position: S&E Professional, Career Level II
Specialization: Electronics Engineer, 855
Organizational Location: Electronics S&T Division, Code 6899
Organizational Mission: The Division plays a central role in the source of technical expertise for various agencies within the Navy and the Department of Defense. The Division is composed of Branches which form a broad multi-disciplinary approach to electronic R&D of electronic components and circuits technologies which are relevant to Navy electronic system requirements.
Purpose of Position: Designs devices, systems and circuitry for R&D applications, and constructs digital and microprocessor prototypes. Participates with other engineers and scientists in schematics of circuits; establishes design specifications; and constructs or directs the construction and assembly of prototype equipment. The incumbent possesses a professional knowledge of engineering including the design and development of microprocessor circuitry required to perform hardware and software integration; to design digital and microprocessor-based circuits; to test and debug digital and microprocessor-based circuits. The selective placement factor is demonstrated experience in microprocessor-based circuits

II. CERTIFICATIONS:
Supervisory Certification: I certify that this is an accurate statement of the major duties and responsibilities of this position and its organizational relationships, and that the position is necessary to carry out Government functions for which I am responsible. This certification is made with the knowledge that this information is to be used for statutory purposes relating to appointment and payment of public funds, and that false or misleading statements may constitute violations of such statutes or their implementing regulations.

Name and Title of Immediate Supervisor — Signature and Date

Name and Title of Higher-level Supervisor — Signature and Date

Classification Certification: I certify that this position has been classified and graded as required by Title 5 U.S. Code in conformance with the standards applicable to the NRL Demonstration Project.

Name and Title of Classification Official — Signature and Date

III. DUTIES AND RESPONSIBILITIES:

Scientific and Technical Problem Solving: Conducts inhouse technical activities or may provide contract technical support with minimal oversight. Works closely with peers in collectively solving problems of moderate complexity. Accomplishes small tasks independently or assists higher-level scientists and engineers. Recognized internally for technical expertise. Provides data and written analysis to contractual documents, reports and papers and/or reviews contractual reports; work is acknowledged in team publications. Presents oral material effectively to other team members, supervisors and external contractors. Disseminates technical results of own studies, tasks or contract results. Conducts activities under guidance of supervisor and/or team leader.

Cooperation and Supervision: Contributes as a technical researcher or team member to all aspects of team's responsibilities. May technically guide or mentor technician and/or less experienced and junior-level personnel. Receives guidance from supervisor and/or team leader and carries out duties in a professional, responsive and cooperative manner. No supervisory responsibilities are required.

R&D Business Management: As a team member meets with customers to understand customer requirements and demonstrate expertise. Stays current in areas of expertise and contributes as a team member to new program development. Collects information for proposal marketing activities. Manages elements of inhouse work units or assists in managing a scientific or support contract. Uses personal resources efficiently under guidance of supervisor or team leader. Aware of and makes appropriate

use of available resources. Participate as a team member in demonstrating technology and in interacting with customers. With guidance, contributes to technical content of partnerships for transition or transfer (ATD's, MOU's, JDL and Reliance, CRADA's, and other dual-use vehicles).

IV. STAFFING KNOWLEDGE, SKILLS and ABILITIES: Ability to communicate orally and in writing. Ability to recognize and analyze problems, conduct research, summarize results and recommendations. Ability to plan and organize work and set priorities. Professional knowledge of a specialized area of science and/or engineering.

V. OTHER POSITION REQUIREMENTS:
Security Clearance Requirement: Top Secret
FLSA: Non-exempt
Drug Testing Requirement: Testing Designated Position
Financial Disclosure Requirement: None
Sea and Flight Duty: None

VI. REMARKS:
Target Career Level:
Comp Level:
Skills Codes:
Salary Comparison Code:

Revised 11/4/97

Appendix G: Sample OPM Intervention Impact Evaluation Model

INTERVENTIONS COVERAGE:	EXPECTED EFFECTS	MEASURES	DATA SOURCES
1. Contribution-based Compensation	- increased organizational flexibility	- perceived flexibility	attitude survey
a. broad-banding	- reduced administrative work load, paperwork reduction	- actual/perceived timesaving, length of PDs	personnel office data, PME results, attitude survey
	- advanced in-hire rates	- starting salaries of banded vs. non-banded employees	workforce data
	- slower pay progression at entry levels	- progression of new hires over time by band, career path	
	- increased pay potential	- mean salaries by band, career path, demographics	
	- higher average salaries	- total payroll cost	
	- increased satisfaction with advancement	- employee perceptions of advancement	attitude survey
	- increased pay satisfaction	- pay satisfaction, internal/ external equity	
	- improved recruitment	- offer/acceptance ratios	personnel office data
no change in high-grade (GS-14 +) distribution		- number/percentage of white collar employees at hi-grade salaries pre/post banding - number/percentage of white collar employees at SL/ST pre/post banding - percent declinations	workforce data
2. Contribution/Performance Management	- reward performance	- number and average amounts of contribution awards by career path, demographics, performance	workforce data
a. cash awards/bonuses	- pay-performance link		
	- support fair and appropriate distribution of awards	-perceived fairness of awards -satisfaction with monetary awards	attitude survey

b. Performance/ contribution-based pay progression	- increased pay-performance link -improved performance feedback, communication - increased retention of high performers/turnover of low performers -differential pay progression of high/low performers - reduced pay for low performers - alignment of organizational and individual performance expectations and results -increased employee involvement in performance planning and assessment	- pay-performance correlations - perceived pay-performance link - perceived fairness of OCS - satisfaction with OCS - employee trust in supervisors - adequacy of performance feedback, communication of expectations - turnover by OCS's -OCS distribution - pay progression by OCS's , career path, demographics - number of employees with reduced pay - linkage of performance plans to strategic plans/goals - performance expectations - perceived involvement - procedures	workforce data attitude survey workforce data performance plans, strategic plans attitude survey/focus groups personnel regulations
c. Supervisory panel review	- increased consistency of OCS's	- perceived fairness of OCS's	attitude survey/focus groups
d. New appraisal process	-reduced administrative burden -improved communication	- employee and supervisor perception of revised procedures	personnel regulations/ performance plans/ attitude survey/ focus groups
e. Performance development	- better communication of performance expectations -improved satisfaction with development	-perceived feedback and communication -organizational commitment -perceived workforce quality -time, funds spent on training by demographics	attitude survey focus groups personnel office data/training records

Appendix H: NRL Internal Evaluation

Interventions	Expected effects	Measures	Data sources
1. Staffing and recruitment	- less recruitment time for general, noncitizen and armed forces members - less recruitment cost - less cost for promotion of noncitizens - increased desire to recruit armed forces members	- management satisfaction with hiring process - time to hire - time to hire - time to promote - number of recruitment actions	survey, focus groups personnel office data personnel office data personnel office data personnel office data
2. Retention	- retain high performing employees with needed skills	- turnover rate by demonstration project category, minority code, females, age, reason for leaving and CCS rating - management satisfaction	personnel office data management survey
3. RIF	- reduced work and cost - minimized adverse effect on women, minorities and veterans'	- time to conduct RIF - number of people impacted and separated - number of separation incentives - number of women, minorities and veterans' impacted	personnel office data personnel office data
4. Details	- less time to process details	- number and length of time of details	personnel office data
5. PPP	- correct skills imbalances - make major work adjustments - manage downsizing more effectively - reduce need to conduct RIF	- number of internal actions - reason for internal placements - time to recruit for internal placements - management satisfaction	personnel office data management survey

Interventions	Expected effects	Measures	Data sources
6. Salary increases	- wider distribution of pay for contribution - improved external equity	- cost of merit increases - cost of incentive pay - amount of comparability withheld	CCSDS
7. Separations	- retain high performing employees with needed skills	- number separated - reason for separation - CCS rating - percent of low performers separated - percent of high performers separated	personnel office data
8. Personnel action processing	- less time to process personnel actions	- number of actions processed - average time to process actions	personnel office data

[FR Doc. 99–15984 Filed 6–23–99; 8:45 am]
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