DEPARTMENT OF DEFENSE

Office of the Secretary

Science and Technology Reinvention Laboratory Personnel Management Demonstration Project, Department of Navy (DON), Office of Naval Research (ONR)

AGENCY: Office of the Deputy Under Secretary of Defense (Civilian Personnel Policy) (DUSD (CPP)), (DoD)

ACTION: Notice of proposal to adopt a demonstration project plan and additional flexibilities.

SUMMARY: The Office of Naval Research (ONR) proposes to adopt the Naval Research Laboratory (NRL) Personnel Management Demonstration Project with modifications and one flexibility from the U.S. Army Aviation and Missile Research, Development and Engineering Center (AMRDEC). The majority of flexibilities and administrative procedures are expected to be adopted without changes. However, modifications are made when necessary to address ONR's specific organizational, workforce, and approval needs; technical modifications to conform to changes in the law and governing Office of Personnel Management (OPM) regulations, which are not being waived, that were effected after the publication of the NRL personnel demonstration project plan; and changes in response to comments received during the 30-day comment period.

DATES: ONR's adoption proposal may not be implemented until a 30-day comment period is provided, comments addressed, and a final **Federal Register** notice published. To be considered, written comments must be submitted on or before June 28, 2010.

ADDRESSES: Send comments on or before the comment due date by mail to Ms. Betty A. Duffield, CPMS–PSSC, Suite B–200, 1400 Key Boulevard, Arlington, VA 22209–5144; by fax to (703) 696–5462; or by e-mail to *Betty.Duffield@cpms.osd.mil.*

FOR FURTHER INFORMATION CONTACT: Office of Naval Research: Ms. Margaret J. Mitchell, Director, Human Resources Office, Office of Naval Research, 875 North Randolph Street, Code 01HR, Arlington, VA 22203; *Margaret.J.Mitchell@navy.mil.*

DoD: Ms. Betty A. Duffield, CPMS–PSSC, Suite B–200, 1400 Key Boulevard, Arlington, VA 22209–5144.

SUPPLEMENTARY INFORMATION: Section 342(b) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 1995, Public Law 103–337, as amended (10 U.S.C. 2358 note) by section 1109 of NDAA FY 2000, Public Law 106–65, and section 1114 of NDAA FY 2001, Public Law 106–398, authorizes the Secretary of Defense (SECDEF) to conduct personnel management demonstration projects at DoD laboratories designated as Science and Technology Reinvention Laboratories (STRLs). Section 1107 of NDAA FY 2008, Public Law 110–181, as amended by section 1109 of NDAA FY 2009, Public Law 110–417, requires the SECDEF to execute a process and plan to employ the personnel management demonstration project authorities granted to the Office of Personnel Management under title 5 United States Code (U.S.C.) section 4703 at the STRLs previously enumerated in 5 U.S.C. 9902(c)(2), and now redesignated in section 1105 of NDAA FY 2010, Public Law 111–84, 123 Stat. 2486, and 73 FR 73248, to enhance the performance of the missions of the laboratories. Section 1107 of Public Law 110–181 further authorizes in subsection 1107(c) that any flexibility available to any demonstration laboratory shall be available for use at any other laboratory as previously enumerated in title 5 U.S.C. 9902(c)(2). The Office of Naval Research (ONR) is listed as one of the previously designated 5 U.S.C. 9902(c)(2) STRLs.

1. Background

Since 1966, many studies of Department of Defense (DoD) laboratories have been conducted on laboratory quality and personnel. Almost all of these studies have recommended improvements in the civilian personnel policy, organization, and management. Pursuant to the authority provided in section 342(b) of Public Law 103–337, as amended, a number of DoD STRL personnel demonstration projects were approved. These projects are "generally similar in nature" to the Department of Navy's "China Lake" Personnel Demonstration Project. The terminology, "generally similar in nature," does not imply an emulation of various features, but rather implies a similar opportunity and authority to develop personnel flexibilities that significantly increase the decision authority of laboratory department heads and/or directors.

This demonstration project involves: (1) Streamlined delegated examining; (2) noncitizen hiring; (3) expanded detail authority; (4) extended probationary period for newly hired employees; (5) expanded temporary promotion; (6) voluntary emeritus program; (7) paybanding; (8) contribution-based compensation system; (9) performance-based reduction-in-pay or removal actions; and (10) reduction-in-force (RIF) procedures.

2. Overview

DoD published notice in 73 FR 73248, December 2, 2008, that pursuant to subsection 1107(c) of Public Law 110–181, the three STRLs listed in 73 FR 73248 not having personnel demonstration projects at that time may adopt the flexibilities of the other laboratories previously listed in subsection 9902(c)(2) and now redesignated in section 1105 of Public Law 111–84. ONR is one of the three STRLs specified in this provision.

Accordingly, ONR intends to build its demonstration project using flexibilities adopted from existing STRL demonstration projects (specifically NRL and AMRDEC). Final plans for the NRL and AMRDEC personnel management demonstration projects were published in the **Federal Register** as follows:

- *Department of the Navy:* NRL—64 FR 33970, June 24, 1999. No amendments have been published; and
- *Department of the Army:* AMRDEC—62 FR 34876 and 62 FR 34906, June 27, 1997; and amendments and/or corrections to final plans published—64 FR 11074, March 8, 1999; 64 FR 12216, March 11, 1999; 65 FR 53142, August 31, 2000; and 67 FR 5716, February 6, 2002.

3. Access to Flexibilities of Other STRLs

Flexibilities published in this **Federal Register** notice shall be available for use by the STRLs previously enumerated in 5 U.S.C. 9902(c)(2), now redesignated in section 1105 of Public Law 111–84, if they wish to adopt them in accordance with DoD Instruction 1400.37; 73 FR 73248 to 73252; and after the fulfilling of any collective bargaining obligations.

Dated: May 21, 2010.

Mitchell S. Bryman,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

Table of Contents

I. Executive Summary
II. Introduction
A. Purpose
B. Problems with the Current System
C. Waivers Required
D. Expected Benefits
E. Participating Organizations and Employees
F. Project Design
III. Accessions and Internal Placements
A. Hiring Authority
1. Background
2. Delegated Examining
B. Legal Authority

C. Determining Employee and Applicant Qualifications
D. Noncitizen Hiring
E. Expanded Detail Authority
F. Extended Probationary Period
G. Definitions
1. Basic Pay
2. Maintained Pay
3. Promotion
4. Reassignment
5. Change to Lower Pay Band
6. Pay Adjustment
7. Detail
8. Highest Previous Rate
9. Approving Manager
H. Pay Setting Determinations Outside the CCS
1. External New Hires
2. Internal Actions
a. Promotion.
b. Pay Adjustment (Voluntary Change to Lower Pay) or Change to Lower Pay Band (except RIF).
c. Pay Adjustment (Involuntary Change to Lower Pay) or Change to Lower Pay Band Due to Adverse or Performance-based Action.
d. Involuntary Change to Lower Pay Band or Reassignment to a Career Track with a Lower Salary Range, Other than Adverse or Performance-based.
e. RIF Action (including employees who are offered and accept a vacancy at a lower pay band or in a different career track).
f. Upward Mobility or Other Formal Training Program Selection.
g. Return to Limited or Light Duty from a Disability as a Result of Occupational Injury to a Position in a Lower Pay Band or to a Career Track with Lower Basic Pay Potential than Held Prior to the Injury.
h. Restoration to Duty.
i. Reassignment.
j. Student Educational Employment Program.
k. Hazard Pay or Pay for Duty Involving Physical Hardship.
I. Priority Placement Program (PPP)
J. Expanded Temporary Promotion
K. Voluntary Emeritus Program
IV. Sustainment
A. Position Classification
1. Career Tracks and Pay Bands
a. Target Pay Band.
b. Occupational Series and Position Titling.
c. Classification Standards.
d. Fair Labor Standards Act (FLSA).
(1) Guidelines for FLSA Determinations.
(2) Nonsupervisory and Leader Positions.
(3) Supervisory Positions.
2. Requirements Document (RD)
3. Delegation of Classification Authority
a. Delegated Authority.
b. Position Classification Accountability.
B. Integrated Pay Schedule
1. Annual Pay Action
2. Overtime Pay
3. Classification Appeals
4. Above GS–15 Positions
5. Distinguished Contributions Allowance (DCA)
a. Eligibility.
b. Nomination.
c. Reduction or Termination of a DCA.
d. Lump-Sum DCA Payments.
e. DCA Budget Allocation.
f. Concurrent Monetary Payments.
C. Contribution-Based Compensation System (CCS)
1. General
2. CCS Process
3. Pay Pool Annual Planning
a. Element Weights and Applicability.
b. Supplemental Criteria.
4. Annual CCS Appraisal Process (See Figure 7.)
5. Exceptions
6. Normal Pay Range (NPR)—Basic Pay Versus Contribution
7. Compensation
a. General Increases.
b. Merit Increases.
c. Locality Increases.
d. Contribution Awards.
8. Career Movement Based on CCS
a. Advancements in Level Which May be Approved by the Pay Pool Manager.
b. Advancements in Level Which Must be Approved by the Chief of Naval Research (CNR).
c. Advancement to Level V of the Science and Engineering (S&E) Professional Career Track.
9. CCS Grievance Procedures
V. Separations
A. Performance-based Reduction-in-Pay or Removal Actions
B. Reduction-in-Force (RIF) Procedures
1. RIF Authority
2. RIF Definitions
a. Competition in RIF.
b. Competitive Area.
c. Competitive Level.
d. Service Computation Date (SCD).
(1). Federal SCD.
(2) CCS Process Results.
(3). Credit from Other Rating Systems.
(4) RIF Cutoff Date.
3. Displacement Rights
a. Displacement Process
b. Retention Standing
c. Vacant Positions
d. Ineligible for Displacement Rights
e. Change to Lower Level due to an Adverse or Performance-based Action
4. Notice Period
5. RIF Appeals
6. Separation Incentives
7. Severance Pay
8. Outplacement Assistance
VI. Demonstration Project Transition
A.Initial Conversion or Movement to the Demonstration Project
1. Placement into Career Tracks and Pay Bands
2.Conversion of retained grade and pay employees
3. WGI Buy-In
4. Career Promotion Eligibility
5. Conversion of Special Salary Rate Employees
6. Conversion of Employees on Temporary Promotions
7. Non-competitive Movement into the Demonstration Project
B. CCS Start-Up
C. Training
1. Types of Training
a. Employees.
b. Supervisors and Managers.
c. Support Personnel.
D. New Hires into the Demonstration Project
E. Conversion or Movement from Demonstration Project
1. Grade Determination.
2. Pay Setting
3. Employees in Positions Classified Above GS–15
4. Determining Date of Last Equivalent Increase
C. Personnel Administration
D. Automation
E. Experimentation and Revision
VII. Demonstration Project Duration
VIII. Demonstration Project Evaluation Plan
A. Overview
B. Evaluation Model
IX. Demonstration Project Costs
A. Cost Discipline
B. Implementation Costs
X. Automation Support
A. General
B. Defense Civilian Personnel Data System (DCPDS)
C. Core Document (COREDOC)
D. RIF Support System (RIFSS)
E. Contribution-based Compensation System Data System
Appendix A. Summary of Demonstration Project Features Adopted by ONR
Appendix B: Required Waivers to Laws and Regulations
Appendix C: Definitions of Career Tracks and Pay Bands
Appendix D: Table of Occupational Series Within Career Tracks
Appendix E: Classification and CCS Elements
Appendix F: Computation of the IPS and the NPR
Appendix G: Intervention Model

I. Executive Summary

This project adopts with some modifications the STRL personnel management demonstration project designed by NRL and an additional flexibility from the AMRDEC personnel management demonstration project. The modified design of the demonstration project described herein was developed by ONR with the participation of and review by the DON, the DoD, and incorporation of the knowledge and design of other STRL demonstration projects.

The ONR coordinates, executes, and promotes the science and technology programs of the United States Navy and Marine Corps. ONR's directorates balance a robust science and technology portfolio, allocating funds to meet the warfighter's requirements, focusing efforts on all three major phases of development funding: basic research, applied research, and advanced technology development. ONR's six science and technology departments coordinate and execute research in the areas of:

1. Expeditionary Maneuver Warfare and Combating Terrorism

2. Command, Control, Communications, Intelligence, Surveillance, and Reconnaissance
3. Ocean Battlespace Sensing
4. Sea Warfare and Weapons
5. Warfighter Performance
6. Naval Air Warfare and Weapons

In order to sustain these unique capabilities, ONR must be able to hire, retain, and continually motivate enthusiastic, innovative, and highly-educated scientists and engineers, supported by accomplished business management and administrative professionals as well as a skilled administrative and technical support staff.

The goal of the project is to enhance the quality and professionalism of the ONR workforce through improvements in the efficiency and effectiveness of the human resource system. The project flexibilities will strive to achieve the best workforce for the ONR mission, adjust the workforce for change, and improve organizational efficiency. The results of the project will be evaluated within five years of implementation

II. Introduction

A. Purpose

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

Many aspects of a demonstration project are experimental. Modifications may be made from time to time as experience is gained, results are analyzed, and conclusions are reached on how the system is working. The provisions of this project plan will not be modified, or extended to individuals or groups of employees not included in the project plan without the approval of the ODUSD(CPP). The provisions of DoDI 1400.37, are to be followed for any modifications, adoptions, or changes to this demonstration project plan.

B. Problems With the Current System

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

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

The need to change the current hiring system is essential as ONR must be able to recruit and retain scientific, engineering, acquisition support and other professionals, and skilled technicians. ONR must be able to compete with the private sector for the best talent and be able to make job offers in a timely manner with the attendant bonuses and incentives to attract high quality employees.

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

C. Waivers Required

ONR proposes changes in the following broad areas to address its problems in human resources management: Accessions and internal placements, sustainment, and separations. Appendix B lists the laws, rules, and regulations requiring waivers to enable ONR to implement the proposed systems. All personnel laws, rules, and regulations not waived by this plan will remain in effect. Basic employee rights will be safeguarded and Merit System Principles will be maintained.

D. Expected Benefits

The primary benefit expected from this demonstration project is greater organizational effectiveness through increased employee satisfaction. The long-standing Department of the Navy "China Lake" and the National Institute of Standards and Technology (NIST) demonstration projects have produced impressive statistics on increased job satisfaction and quality of employees versus that for the Federal workforce in general. This project will demonstrate that a human resource system tailored to the mission and needs of the ONR workforce will facilitate:

(1) Sustainment of ONR's quality scientific and business management workforces in today's competitive environment;

(2) Improved employee satisfaction with pay setting and adjustment, recognition, and career advancement opportunities;

(3) Human Resources (HR) flexibilities needed to staff and shape a quality workforce of the next 10–20 years;

(4) Increased retention of high-level contributors; and

(5) Simpler and more cost effective HR management processes.

An evaluation model was developed for the Director, Defense, Research and Engineering (DDR&E) in conjunction with STRL service representatives and the OPM. The model will measure the effectiveness of this demonstration project, as modified in this plan, and will be used to measure the results of specific personnel system changes.

E. Participating Organizations and Employees

ONR is comprised of the ONR Headquarters in Arlington, Virginia, and ONR employees geographically dispersed at the locations shown in Figure 1. It should be noted that some sites currently have fewer than ten people and that the sites may change should ONR reorganize or realign. Successor organizations will continue coverage in the demonstration project.

The demonstration project will cover approximately 450 ONR civilian employees under title 5, U.S.C. in the occupations listed in Appendix D. The project plan does not cover members of the Senior Executive Service (SES), Senior Level (SL), Scientific and Professional (ST), expert and consultant employees (EH), or Administratively Determined (AD) pay plans. However, SES, SL, and ST employees, after leaving Federal government service, may participate in the Voluntary Emeritus Program. There are no labor unions representing ONR employees.

Figure 1. Location of Covered Employees (as of January 2010)

Location	Number of Employees
Arlington, VA	381
Atlanta, GA	15
Boston, MA	14
Chicago, IL	12
San Diego, CA	13
Seattle, WA	12
Lexington Park, MD	1
Durham, NC	1
Los Alamos, NM	1
Niskayuna, NY	1
Bristol, RI	1
Tokyo, Japan	8
London, United Kingdom	6
Santiago, Chile	0

F. Project Design

In response to the initial authority granted by Congress to develop a demonstration project, ONR chartered a design team to develop the project plan. The team was led by a senior ONR manager from outside the Human Resources Office (HRO) and was responsible for developing project proposals. The team was composed of 20 employees of different grade levels and in different occupations. There was a mix of managers, supervisors, and non-supervisors from offices throughout ONR. The team had the assistance of HR personnel from ONR and from NRL. It also received information and advice from OPM, the Office of the DUSD (CPP), and a number of organizations with on-going demonstration projects. Information and suggestions were solicited from ONR employees and managers through interviews, briefings, small-group meetings, and a suggestion program established specifically for the design effort. This plan was submitted to DUSD (CPP) in 2001. Work on this plan was postponed pending the outcome of several Departmental HR initiatives addressing new personnel systems.

Following enactment of Public Law 110–181, ONR undertook an effort to review and resubmit the demonstration project plan. Upon extensive review and discussion with internal and external stakeholders, ONR leadership decided to adopt existing flexibilities according to subsection 1107(c) of Public Law 110–181, 73 FR 73248, and DoDI 1400.37. Specifically, ONR proposes to adopt the NRL demonstration project plus an additional flexibility from the AMRDEC demonstration project. Appendix A summarizes the modifications proposed for each of the adopted project flexibilities and administrative procedures. Modifications to existing flexibilities are made when necessary to address ONR's specific organizational, workforce, and approval needs and technical modifications to conform to changes in the law and governing OPM regulations, which are not being waived, that were effected after the publication of the NRL personnel demonstration project plan. Further changes to the project plan may be made in response to comments received during the 30-day comment period following publication of this notice.

III. Accessions and Internal Placements

A. Hiring Authority

1. Background

Private industry and academia are the principal recruiting sources for scientists and engineers at ONR. 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 ONR 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 ONR Demonstration Project, the legal authority, Public Law 103–337, will be used. For all other actions, ONR 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

Figure 2 displays the minimum General Schedule (GS) qualifications requirements for each career path and pay band level. 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, physical performance requirements for sea duty, work on board aircraft, etc., must be met.

Minimum Qualifications Requirements

Level	Minimum Qualifications Requirement Equivalent
S&E Professional	
I	GS-1
II	GS-5
III	GS-11
IV	GS-14
V	Appropriate Experience
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

D. Noncitizen Hiring

Where Executive Orders or other regulations limit hiring noncitizens, ONR 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 Department Head or Director of the hiring organization. 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, ONR's approving manager would have the authority:

(1) To effect details up to one 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 one year within a 24-month period without competition.

Details beyond the one-year require the approval of the Chief of Naval Research or designee 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 three-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 pay band 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 pay band 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 pay band 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 9.

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 pay band or retain their "maintained pay," whichever is greater.

3. Promotion

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

4. Reassignment

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

5. Change to Lower Pay Band

The movement of an employee to a lower pay band within the same career track or to a different career track and pay band in which the new pay band has a lower maximum basic salary range than the pay band 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

ONR 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 pay band 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 pay band is more than 20 percent greater than the employee's current basic pay, then the minimum rate of the new pay band is the new basic pay. The employee's basic pay may not exceed the basic pay range of the new pay band. Highest previous rate may be applied, if appropriate. (The approving manager authorizes the basic pay.) **Note:** Most target pay band 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 Pay Band (except RIF).

When an employee accepts a voluntary change to lower pay or lower pay band, basic pay may be set at any point within the pay band 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 pay band 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 Pay Band. An employee in an Administrative Specialist and Professional Career Track, Pay Band III, position may decide he or she would prefer a Pay Band 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 Pay Band III.

(2) Example of Pay Adjustment (Voluntary Change to Lower Pay) or change to a Lower Pay Band. An employee may accept a change to lower pay or to a lower pay band 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 Pay Band Due to Adverse or Performance-based Action.

When an employee is changed to a lower pay band, 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 pay band 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, as appropriate.

d. Involuntary Change to Lower Pay Band 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 pay band. If the pay cannot be set within the rate range of the new pay band, it will be set at the maximum rate of the new pay band 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 pay band 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 pay band 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 Pay Band 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 pay band). 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. Restoration to Duty.

Employees returning from the uniformed services following an absence of more than 30 days must be restored as soon as possible after making application, but not later than 30 days after receipt of application. If the employee's uniformed service was for less than 91 days the employee will be placed in the position that he or she would have attained if continuously employed. If not qualified for this position, employee will be placed in the position he or she left. For service of 91 days or more, the employee may also be placed in a position of like seniority, status, and pay. In the case of an employee with a disability incurred in or aggravated during uniformed service, and after reasonable efforts to accommodate the disability is entitled to be placed in another position for which qualified that will provide the employee with the same seniority, status, and pay, or the nearest approximation.

i. Reassignment.

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

j. Student Educational Employment Program.

The Student Educational Employment Program consists of two components: The Student Temporary Employment Program and the Student Career Experience Program. Initial basic pay for students in either of these programs may be set at any point within the basic pay range for the career track, occupation, and pay band 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).

k. 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 Promotion

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, ONR would be able to effect temporary promotions of not more than one year within a 24-month period without competition to positions within the demonstration project.

K. Voluntary Emeritus Program

The ONR Voluntary Emeritus Program is similar to the Voluntary Emeritus Program presented in the AMRDEC demonstration project FRN, section III.D.5., page 34890. Under the ONR program, the CNR will have the authority to offer retired or separated individuals voluntary assignments at ONR. This authority will include individuals who have retired or separated from Federal service. Voluntary Emeritus Program assignments are not considered "employment" by the Federal government (except for purposes of injury compensation). Thus, such assignments do not affect an employee's entitlement to buyouts or severance payments based on an earlier separation from Federal service. The Voluntary Emeritus Program will ensure continued quality research while reducing the overall salary line by allowing higher paid individuals to accept retirement incentives with the opportunity to retain a presence in the scientific community. The program will be of most benefit during manpower reductions as senior employees could accept retirement and return to provide valuable on-the-job training or mentoring to less experienced employees. Voluntary service will not be used to replace any employee or interfere with career opportunities of employees.

To be accepted into the emeritus program, a volunteer must be recommended by ONR managers to the CNR or designee. Everyone who applies is not entitled to a voluntary assignment. The approving official must clearly document the decision process for each applicant (whether accepted or rejected) and retain the documentation throughout the assignment. Documentation of rejections will be maintained for two years.

To ensure success and encourage participation, the volunteer's Federal retirement pay (whether military or

civilian) will not be affected while serving in a voluntary capacity. Retired or separated Federal employees may accept an emeritus position without a break or mandatory waiting period.

Volunteers will not be permitted to monitor contracts on behalf of the government or to participate on any contracts or solicitations where a conflict of interest exists. The same rules that currently apply to source selection members will apply to volunteers.

An agreement will be established between the volunteer, the CNR or designee, and the HRO Director. The agreement will be reviewed by the local Legal Office for ethics determinations under the Joint Ethics Regulation. *The agreement must be finalized before the assumption of duties and shall include:*

(1) A statement that the voluntary assignment does not constitute an appointment in the civil service, is without compensation, and any and all claims against the Government (because of the voluntary assignment) are waived by the volunteer;

(2) a statement that the volunteer will be considered a Federal employee for the purpose of injury compensation;

(3) volunteer's work schedule;

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

(5) support provided by the ONR (travel, administrative, office space, supplies);

(6) a one-page Statement of Duties and Experience;

(7) a provision that states no additional time will be added to a volunteer's service credit for such purposes as retirement, severance pay, and leave as a result of being a member of the Voluntary Emeritus Program;

(8) a provision allowing either party to void the agreement with 10 working days written notice; and

(9) the level of security access required (any security clearance required by the assignment will be managed by the ONR while the volunteer is a member of the Voluntary Emeritus Program).

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 ONR. ONR 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 equivalent to the basic pay range of the Government's Senior Level Pay System to accommodate positions classified above the GS–15 level under a proposed new STRL demonstration project initiative being developed by DoD.

1. Career Tracks and Pay Bands

Within the IPS, occupations with similar characteristics will be grouped together into four career tracks. Each career track consists of a number of pay bands, representing the phases of career progression that are typical for the respective career track. The pay bands 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 C provides definitions for each of the career tracks and the pay bands within them. The career tracks and pay bands were developed based upon administrative, organizational, and position management considerations at ONR. They are designed to enhance pay equity and enable a more seamless career progression to the target pay band for an individual position or category of positions. This combination of career tracks and pay bands allows for competitive recruitment of quality candidates at differing rates of compensation within the appropriate career track, occupation, and pay band. 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 D identifies the occupational series currently within each of the three career tracks.

S&E Professional	Band I				Band II						Band III*			Band IV		Band V
GS Equivalent	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	>15
Administrative Specialist and Professional	Band I				Band II						Band III		Band IV	Band V		
GS Equivalent	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Administrative Support	Band I				Band II			Band III								
GS Equivalent	1	2	3	4	5	6	7	8	9	10						

Figure 3. Career Tracks and Career Levels with Equivalents

a. Target Pay Band.

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

b. Occupational Series and Position Titling.

Presently, ONR positions are identified by occupational groups and series of classes in accordance with OPM position classification standards. Under the demonstration project, ONR 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 pay band descriptors and Requirements Document (RD) (see paragraph IV.A.2) information will be used for specific career track, pay band, and titling determinations.

c. Classification Standards.

Under the proposed demonstration project, the number of classification standards would be reduced to three (*see* Figure 3). Each standard would align with one of the three 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 pay band. 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 pay band. (*See* Appendix E.) To classify a position, a manager would select the pay band 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.

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

ii. 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.

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

iv. 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 pay band. In those cases where "Review" is indicated, the FLSA status must be determined based on the specific duties and responsibilities of the subject position.

FLSA Status of Nonsupervisory and Leader Positions*

	Pay Band I	Pay Band II	Pay Band III	Pay Band IV	Pay Band V
S&E Professional	FLSA-covered	Review	Exempt	Exempt	Exempt
Administrative Specialist and Professional	FLSA-covered	Review	Exempt	Exempt	Exempt
Administrative Support	FLSA-covered	FLSA-covered			

*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 definition outlined in the OPM OS 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

(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.

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.

i. The CNR will delegate classification authority to the Human Resources Office (HRO) Director. The HRO Director may further delegate authority to Department Heads and Directors of

the immediate organization of the position being classified.

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

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

iv. 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 CNR or designee.

b. Position Classification Accountability.

Those to whom authority is delegated are accountable to the CNR. The CNR is accountable to the DON. 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 ONR. This IPS, which does not include locality pay, will initially extend from the basic pay for GS–1, step 1 to the basic pay for GS–15, step 10. The adjusted basic pay cap, which does include locality pay, is Executive Level IV, currently $155,500. The salary range for the S&E pay band V pay band is expected to be established under the new STRL demonstration project initiative being developed for positions classified above GS–15.

1. Annual Pay Action

ONR 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 three 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 pay band 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 Pay Band V for science and engineering positions classified about the GS–15 level 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. Above GS–15 Positions

The pay banding plan for the Scientific and Engineering occupational family includes a pay band V to provide the ability to accommodate positions with duties and responsibilities that exceed the General Schedule GS–15 classification criteria. This pay band is based on the Above GS–15 Position concept found in other STRL personnel management demonstration projects that was created to solve a critical classification problem. The STRLs have positions warranting classification above GS–15 because of their technical expertise requirements including inherent supervisory and managerial responsibilities. However, these positions are not considered to be appropriately classified as Scientific and Professional Positions (STs) because of the degree of supervision and level of managerial responsibilities. Neither are these positions appropriately classified as Senior Executive Service (SES) positions because of their requirement for advanced specialized scientific or engineering expertise and because the positions are not at the level of general managerial authority and impact required for an SES position.

The original Above GS–15 Position concept was to be tested for a five-year period. The number of trial positions was set at 40 with periodic reviews to determine appropriate position requirements. The Above GS–15 Position concept is currently being evaluated by DoD management for its effectiveness; continued applicability to the current STRL scientific, engineering, and technology workforce needs; and appropriate allocation of billets based on mission requirements. The degree to which ONR plans to participate in this concept and develop classification, compensation, and performance management policy, guidance, and implementation processes will be based on the final outcome of the DoD evaluation.

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 Executive Level IV) 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 ONR. 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 pay bands, whose present contributions are worthy of scores found at a higher pay band, whose level of contribution is expected to continue at the higher pay band for at least 1 year, and current market conditions require additional compensation.

Assignment of the DCA rather than a change to a higher pay band will generally be appropriate for such employees under the following circumstances: Employees have reached the top of their target pay bands and (1) when it is not certain that the higher level contributions will continue indefinitely (*e.g.,* a special project expected to be of one- up to five-year

duration); (2) when no further promotion or compensation opportunities are available; (3) in either situation (1) or (2), current market conditions compensate similar contributions at a greater rate in like positions in private industry and academia; and (4) 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 pay band with recommendations for a higher Overall Contribution Score (OCS) for their contributions; they have reached the maximum rate of basic pay available for their target pay band; there are externally imposed limits to higher pay bands 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 three 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 CNR. Employees in the S&E Professional Career Track may receive an extension of up to two additional years (for a total of five 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 CNR.

(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 CNR. 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 ONR 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 ONR 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 ONR 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 ONR. ONR 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 CNR 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, Pay Bands III and IV, and the Administrative Specialist and Professional Career Track, Pay Bands 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 pay band (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 ONR 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 5 and described in detail in Appendix E have been initially identified for evaluating the contributions of ONR personnel covered by this initiative. They are designed to capture the highest level of the primary content of the jobs in each pay band 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.

CCS ELEMENTS

S&E Professional

Scientific and Technical Leadership

Program Execution and Liaison

Cooperation and Supervision

Administrative Specialist and Professional

Problem Solving and Leadership

Cooperation and Customer Relations

Supervision and Resources Management

Administrative Support

Problem Solving

Cooperation/Customer Relations/Supervision

Figure 5. CCS Elements

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

Scores currently range between 0 and 92; specific relationships between scores and pay bands are different for each career track. (*See* Figure 6.) 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.

CCS Career Level Scores and Basic Pay Ranges*

LEVEL	SCORE	CCS $K
S&E Professional		
I	0–21	17,803–32,585
II	18–47	27,123–59,858
III	44–66	49,823–93,351
IV	66–80	83,349–129,517
V	81–92	118,377–155,500**
Administrative Specialist and Professional		
I	0–21	17,803–32,585
II	18–47	27,123–59,858
III	44–59	49,823–79,253
IV	59–66	70,762–93,351
V	66–80	83,349–129,517
Administrative Support		
I	0–21	17,803–32,585
II	18–35	27,123–45,210
III	31–47	36,761–59,858

* Basic pay based on 2010 GS with no locality adjustment

** Proposed basic pay range minimum is the equivalent of 120 percent of the minimum base pay of GS-15; basic pay range maximum is Level IV of the Executive Schedule; and maximum adjusted base pay is Level III of the Executive Schedule.

Figure 6. CCS Career Level Scores and Basic Pay Ranges

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 pay band equates to a higher range of values with the total points available to S&E Professionals to be determined based on the salary range for pay band V under the proposed DoD above GS–15 position initiative. 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 pay pools made up of combined ONR organizations. The organizations in each pay pool will be combined based on criteria such as similarity of work and chain of command. 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 Department Heads and Directors, or other individuals who are familiar with the organization's work and the contributions of its employees. The Executive Director or designee will function as pay pool manager, 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.

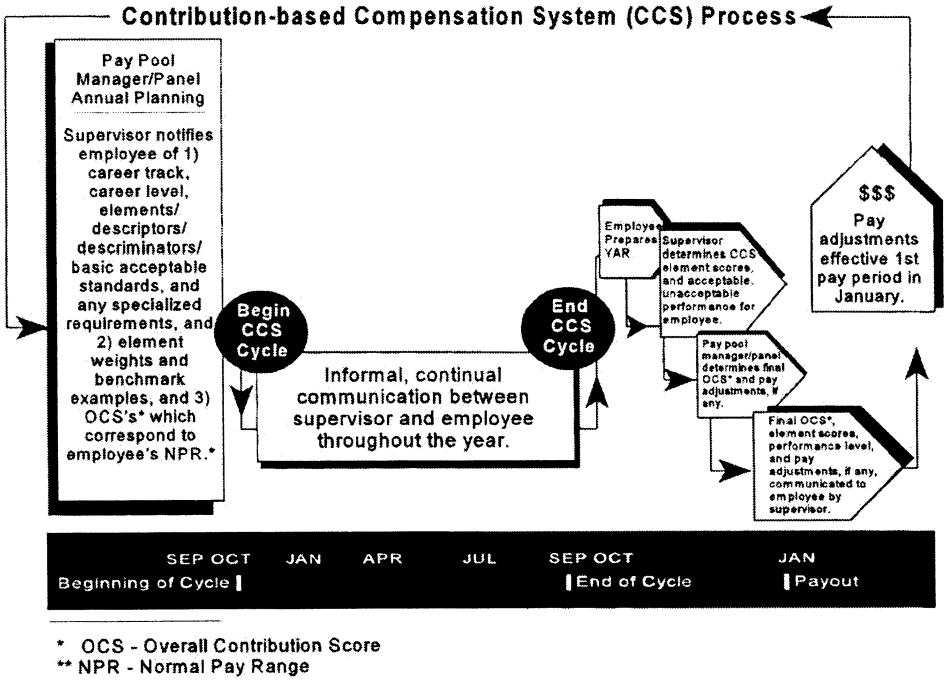
a. Element Weights and Applicability.

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: 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 7)



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

Figure 7. Annual CCS Appraisal Process

The ONR appraisal period will normally be one year, with a minimum appraisal period of 90 days. At the beginning of the appraisal period, or upon an employee's arrival at ONR 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 pay band; 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 (Appendix E) 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 ONR, 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 ONR 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 Contribution-based Compensation System Data System (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 ONR 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 one year or less; (c) those who work less than six 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 ONR 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 ONR 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 ONR'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 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 (without locality pay), with a CCS score of zero. The upper boundary is fixed at the basic pay equivalent to GS–15, step 10 (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 will be extended using the same interval so that the upper boundary of the normal range of basic pay accommodates the basic pay needed for the S&E Professional career track pay band V. (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 F 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 pay band 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, and 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 8. Points which fall below the NPR indicate undercompensation; points which fall above the NPR indicate overcompensation.

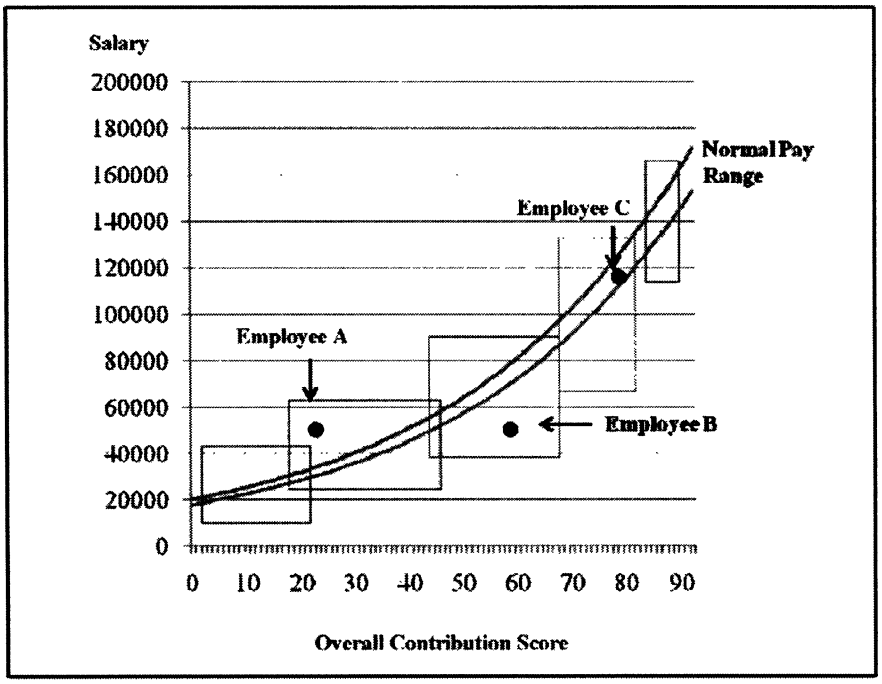


Figure 8. Notional Plotting of OCS and Basic Pay on the NPR for S&E Professionals

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 three per employee) are costly to process and do not consider comprehensively the employee's contributions to the organization. Under the demonstration project, ONR will distribute the budget authority from the sources listed above into four pay categories: (1) General increase, (2) locality increase, (3) merit increase, and (4) contribution awards. From these pay categories, single annual pay actions 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 employees' contributions 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 9 summarizes the eligibility criteria and applicable limits for each pay category.

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(f)-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 CNR approval
(b) Over 20% requires CNR 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 employees career level
(f) Employees on maintained pay are eligible for a contribution award (a)

Figure 9. Eligibility Chart for Pay Increases

The 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 pay band 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 ONR 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 9.) 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 two years, whichever is less. ONR 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 pay band 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 9.) 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 established basic pay caps; (3) in excess of the maximum rate of basic pay for the individual's pay band (unless the employee is being concurrently advanced to the higher pay band); or (4) above any outside-imposed dollar limit. Merit increases for employees in the NPR will be limited to six 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 six percent above the lower rail of the NPR, or 20 percent of basic pay without CNR or designee approval.

The size of ONR's continuing pay fund is based on appropriate factors, including the following: (1) Historical spending for within-grade increases, quality step increases, and in-level career promotions (with dynamic adjustments to account for changes in law or in staffing factors, *e.g.,* average starting salaries and the distribution of employees among job categories and band levels); (2) labor market conditions and the need to recruit and retain a skilled workforce to meet the business needs of the organization; and (3) the fiscal condition of the organization. ONR will periodically review or will review every two to three years its continuing pay fund to determine if any adjustments are necessary.

The amount of budget authority available to each pay pool will be determined annually by the CNR. Factors to be considered by the CNR 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 transferred to the Contribution Awards category.

c. Locality Increases.

All employees will be entitled to the locality pay increase authorized by law and regulation for their official duty station and/or position.

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 CNR approval. (*See* Figure 9.) 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 pay bands will be determined by contribution and basic pay at the time of the annual CCS appraisal process.

The ONR demonstration project is an integrated system that links level of work to be accomplished (as defined by a career track and pay band) 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 three scores of the top score available to his or her current pay band, 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 pay band. Future basic pay raises would be capped by the top of the employee's current pay band unless the employee progresses to the next higher pay band 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 Level V of the S&E Professional Career Track may be approved by the pay pool manager.

b. Advancements in Level Which Must be Approved by the CNR.

Advancement to (1) levels outside target pay bands 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 CNR or his or her designee. 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.

c. Advancement to Level V of the Science and Engineering (S&E) Professional Career Track.

Vacancies in this pay band will be filled in accordance with guidance issued by DoD.

d. Regression to Lower Level. (*See* Figure 8, "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 pay band 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 pay band 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). ONR 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 ONR'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 ONR management official. This official will render a final ONR 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. Reduction-in-Force (RIF) Procedures

1. RIF Authority

Under the demonstration project, ONR would be delegated authority to approve RIF as defined in Secretary of the Navy Instruction 12351.5F or its successor and the use of separation pay incentives.

2. RIF Definitions

a. Competition in RIF.

When positions are abolished, employees are released from their retention levels in inverse order of their retention standing, beginning with the employee having the lowest standing. If an employee is reached for release from a retention level, he/she could have a right to be assigned to another position within their same career track and pay band or they could have a right to retreat to a position previously held.

b. Competitive Area.

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

c. Competitive Level.

Positions in the same occupational pay band, 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.

d. Service Computation Date (SCD).

The employee's basic Federal SCD would be adjusted for CCS results credit.

(1) Federal SCD.

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 10 shows the RIF years available for each CCS RIF Assessment Category [proposed revisions to the RIF Assessment Category are depicted].

FIGURE 10—CS RIF ASSESSMENT CATEGORIES

Assessment category	RIF years available
0 = Employees within the overcompensated 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 (cash/time off)	12

FIGURE 10—CS RIF ASSESSMENT CATEGORIES—Continued

Assessment category	RIF years available
2 = Employees (without a capped salary** or career promotion) receiving a total compensation increase* of 6% or less or with a capped salary receiving a total compensation increase of 3% or less	16
3 = Employees receiving (1) a total compensation increase* greater than 6%; (2) a career promotion; or (3) with a capped salary** receiving a total compensation increase greater than 3%	20
Final RIF Credit: Average of the three most recent CCS Process Results received during the 4-year period prior to the cutoff date.	

*Total compensation includes merit increase, contribution award (cash/time off), and distinguished contributions allowance.
**Capped means the employee has the maximum salary for the assigned pay band.

(2) CCS Process Results.

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" ONR demonstration project CCS RIF Assessment Category for the most recent CCS appraisal period.

(3) 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, or 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.

(4). 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 pay band 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 pay band, the incumbent may exercise his or her displacement rights to any position previously held in the next lower pay band, 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 three grades or intervals below the highest equivalent grade of their current pay band 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 two GS grades or intervals (total of five grades) below the highest equivalent grade of their current pay band 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 is based on tenure, veterans' preference, length of service, and CCS process results. Competing employees are listed on a retention register in the following order: Tenure I (career employees), Tenure II (career-conditional employees), and Tenure III (contingent employees). Each tenure group has three subgroups (30% or higher compensable veterans, other veterans, and non-veterans) and employees appear on the retention register in that order. Within each subgroup, employees are in order of years of service adjusted to include CCS process results.

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 are ineligible for displacement rights.

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 an adverse or performance-based action will compete from the position to which he or she will be or has been demoted.

4. Notice Period

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

5. 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.

6. Separation Incentives

ONR 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.

7. Severance Pay

Employees will be covered by the severance pay rules in 5 CFR part 550, subpart G, except that ONR will establish rules for determining a "reasonable offer" according to the provisions of 5 CFR 536.104.

8. 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 Pay Bands

Conversion or movement of GS employees into the demonstration project will be into the career track and pay band 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 pay bands up to their target pay band is dependent upon contribution score, not upon previous methods (*e.g.,* WGI's, QSI's, or career promotions as previously defined).

ONR proposes the addition of language to clarify procedures for non-competitive placements into the demonstration project. Specifically, employees who enter the demonstration project after initial implementation by lateral transfer, reassignment, or realignment will be subject to the same pay conversion rules.

2. Conversion of Retained Grade and Pay Employees

ONR'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. ONR 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 pay band and "grandfathered" in the appropriate pay band. Employees on grade retention will be placed in the pay band 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 ONR employees in the demonstration project is mandatory. However, acceptance of the system by ONR employees is essential to the success of the demonstration project. Therefore, on the date that employees are converted to the project pay plans, 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. Career Promotion Eligibility

ONR proposes to adopt MRMC's provisions for compensating employees who would have become eligible for career promotions during the first 12 months of the demonstration project but for conversion to the demonstration project pay bands. Employees who qualify under this provision will receive pay increases for noncompetitive promotion equivalents when the grade level of the promotion is encompassed within the same pay band, the employee's performance warrants the promotion, and the promotion would have otherwise occurred during that period. Employees who receive an in-level promotion at the time of conversion will not receive a WGI Buy-In equivalent as defined above.

5. Conversion of Special Salary Rate Employees

Employees who are in positions covered by a special salary rate prior to entering the demonstration project will no longer be considered special salary rate employees 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 pay band, the employee will be granted maintained pay under paragraph III.G.2 until the employee's salary is within the range of the pay band. For example, an Electronics Engineer, GS–855–9, step 5, is paid $59,568 per annum in accordance with special GS salary rates as of January 2010 per 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.

6. Conversion of Employees on Temporary Promotions

Employees who are on temporary promotions at the time of conversion will be returned to their grade and step of record prior to conversion. These employees will be converted to a pay band following the procedures described in Section IV.A.1. After conversion, the temporary promotion may be reinstated for the remainder of the original 120-day timeframe. If the grade of the temporary position is associated with a higher pay band, the employee will be temporarily placed in the appropriate higher band while on the temporary promotion, following the procedures described in Section II.A.5.b.i. After the temporary promotion has ended, the employee will be returned to the salary and pay band established upon conversion, following the procedures described in Section II.A.5.b.iv.

7. Non-Competitive Movement Into the Demonstration Project

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

B. CCS Start-Up

ONR expects to place employees on CCS elements, descriptors, discriminators, and standards around October 2010 with conversion to demonstration project pay plans before the end of April 2011. The CCS process will be used to appraise ONR employees at the end of the 2010–2011 cycle which would occur on September 30, 2011. ONR expects the first CCS payout to

occur at the beginning of the first full pay period in January 2012.

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 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. ONR 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. Employees.

ONR 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:

1. The career track and pay band 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.

2. 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.

3. 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 pay band 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 pay band.

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 pay band. 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 pay band 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 pay band. 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 pay band 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 pay band will be converted to the highest grade and step in their pay band. Upon conversion, the maximum base pay will be at the step 10 level normally with no provision for retained pay.

3. Employees in Positions Classified Above GS–15

Conversion and pay retention instructions for employees and

positions in Pay Band V of the S&E Professional Career Track will be contingent on guidance provided by DoD.

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.

C. Personnel Administration

All personnel laws, regulations, and guidelines not waived by this plan will remain in effect. Basic employee rights will be safeguarded and Merit System Principles will be maintained. Servicing Human Resources Service Centers will continue to process personnel-related actions and provide consultative and other appropriate services.

D. Automation

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

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

E. Experimentation and Revision

Many aspects of a demonstration project are experimental. Modifications may be made from time to time as experience is gained, results are analyzed, and conclusions are reached on how the new system is working. DoDI 1400.37, July 28, 2009, provides instructions for adopting other STRL flexibilities, making minor changes to an existing demonstration project, and requesting new initiatives.

VII. Demonstration Project Duration

Section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Pub. L. 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. Major changes and modifications to the interventions may be made using the procedures in DoDI 1400.37, if formal evaluation data warrant a change. At the 5-year point, the entire demonstration will be examined for either: (a) Permanent implementation, (b) modification and another test period, or (c) termination of the project.

VIII. Demonstration Project Evaluation Plan

Consistent with DoD guidance, ONR proposes following the same evaluation plan as is being used by NRL and the other STRL Demonstration Projects. Accordingly, standard language for Evaluation Plan, Evaluation, and Method of Data Collection (sections V.B., V.C, and V.D., respectively) provided by DoD is used in this document to describe ONR's plans and procedures for the demonstration project evaluation. The use of parallel evaluation methodologies will facilitate comparisons across the demonstration projects to derive higher-order conclusions about the benefits, challenges, and overall effectiveness of these programs.

A. Overview

Chapter 47 of title 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. 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).

B. Evaluation Model

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

Organizational performance measures established by the organization will be used to evaluate the impact of a new HR system on the ultimate outcomes. The evaluation of the new HR system for any given organization will take into account the influence of three factors on organizational performance: Context, degree of implementation, and support of implementation. The context factor refers to the impact which intervening variables (*i.e.,* downsizing, changes in mission, or the economy) can have on the effectiveness of the program. The degree of implementation considers the extent to which the:

(1) HR changes are given a fair trial period;

(2) changes are implemented; and

(3) 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 protected groups, the Merit System Principles, and the Prohibited Personnel Practices. Additional measures may be added to the model in the event that changes or modifications are made to the demonstration plan.

The intervention model at Appendix D will be used to measure the effectiveness of the personnel system interventions implemented. The intervention model specifies each personnel system change or "intervention" that will be measured and shows:

(1) The expected effects of the intervention,

(2) the corresponding measures, and

(3) the data sources for obtaining the measures.

Although the model makes predictions about the outcomes of specific 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 and automation support systems).

C. Evaluation

A modified quasi-experimental design will be used for the evaluation of the STRL Personnel Demonstration Program. Because most of the eligible laboratories are participating in the program, a title 5 U.S.C. comparison group will be compiled from the Civilian Personnel Data File (CPDF). This comparison group will consist of workforce data from Government-wide research organizations in civilian Federal agencies with missions and job series matching those in the DoD laboratories. This comparison group will be used primarily in the analysis of pay banding costs and turnover rates.

D. Method of Data Collection

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

Both quantitative and qualitative data will be used when evaluating outcomes. *The following data will be collected:*

(1) Workforce data;
(2) Personnel office data;
(3) Employee attitude surveys;
(4) Focus group data;
(5) Local site historian logs and implementation information;
(6) Customer satisfaction surveys; and
(7) Core measures of organizational performance.

The evaluation effort will consist of two phases, formative and summative evaluation, covering at least five 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 protected groups, Merit System Principles, and Prohibited Personnel Practices. The summative evaluation will focus on an overall assessment of project outcomes after five years. The final report will provide information on how well the HR system changes achieved the desired goals, which interventions were most effective, and whether the results can be generalized to other Federal installations.

IX. Demonstration Project Costs

A. Cost Discipline

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

The CNR or designee will track personnel cost changes and recommend adjustments if required to achieve the objective of cost discipline.

B. Implementation Costs

Current cost estimates associated with implementing the ONR demonstration project are shown in Figure 11. 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 five years.

FIGURE 11—PROJECTED IMPLEMENTATION COSTS

[Then year dollars]

	FY 10	FY 11	FY 12	FY 13	FY 14
Training	$200K	$200K	$56K	$25K	$25K
Project Evaluation	100K	50K	100K	50K	100K
Automation	97K	25K	25K	25K	25K
Transition	0	500K	0	0	0
Totals	397K	775K	181K	100K	150K

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 decision-making 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 ONR level, automation support (in the form of local processing applications) is required to facilitate management processes and decision-making.

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 detailed specifications for required changes to DCPDS will be provided in the System Change Request (SCR), Form 804.

C. Core Document (COREDOC)

The COREDOC application is a DoD system which may require modification to accommodate the interventions in this demonstration project. Specifically,

there is an RD that replaces the position description in the basic application; career tracks and pay bands replace GS grades; and a CCS Assessment Summary that replaces 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 are modified to increase the credit for contributions and limit the rounds of competition. The AutoRIF application, developed by DoD, may need to be 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.

Appendix A: Summary of Demonstration Project Features Adopted by ONR

ONR demonstration project features (ONR FR Section)	Modification	Originating lab demo	Originating FR Notice reference
Flexibilities			
Hiring Authority (Section III.A.–C.)	• No substantive changes made	NRL	Pages 33981–33982, Section III.A–C.
Noncitizen Hiring (Section III.D.)	• No substantive changes made	NRL	Page 33982, Section III.D.
Expanded Detail Authority (Section III.E.).	• No substantive changes made	NRL	Page 33982, Section III.E.
Extended Probationary Period for New Employees (Section III.F.).	• No substantive changes made	NRL	Page 33982, Section III.F.
Definitions (Section III.G.)	• No substantive changes made	NRL	Pages 33982–33983, Section III.G.
Pay Setting Determinations Outside CCS (Section III.H.).	• Added procedures for Restoration to Duty for deployed individuals.	NRL	Pages 33983–33984, Section III.H.
Priority Placement Program (Section III.I.).	• No substantive changes made	NRL	Page 33984, Section III.I.
Expanded Temporary Promotion (Section III.J.).	• No substantive changes made	NRL	Page 33984, Section III.J.
Voluntary Emeritus Program (Section III.K.).	• Expanded eligibility for the Voluntary Emeritus Program to all retired and separated employees, not just engineers and scientists.	AMRDEC	Page 34889, Section III.D.2.
Position Classification (Section IV.A.)	Adopting three of NRL's four career tracks/pay plans ONR chooses not to adopt the Science & Engineering Technical career track because the types of positions that fall into this career track do not exist at ONR.	NRL	Pages 33984–33989, Section IV.A.
Integrated Pay Schedule (Section IV.B.)	The ARSAE designations will not be adopted but instead will be rolled into the new above GS–15 levels initiative to be established by DoD. Position management methods established by the new DoD above GS–15 level initiative, rather than the DoD 40-position limit.	NRL	Pages 33989–33991, Section IV.B.
Contribution-based Compensation System (CCS) (Section IV.C.).	• Revised critical elements to ensure applicability to ONR personnel. • Described a more general approach for annual budgeting for merit increases, to provide greater flexibility in establishing and amending internal procedures. • Clarified the use of merit increase funds during each payout cycle; funds may not be carried over to the next payout cycle.	NRL	Pages 33991–34001, Section IV.C.
Performance-based Reduction-in-Pay or Removal Actions (Section V.A.).	• No substantive changes made	NRL	Page 34001, Section V.A
Reduction-in-Force (RIF) Procedures (Section V.B.).	• Amended the CCS RIF assessment categories • Added a definition for Competition in RIF so employees released from retention level will have the right to be assigned to another position within the same career track/level, or retreat to a previously held position.	NRL	Page 34001, Section.V.B.
Administrative Procedures			
Initial Conversion or Movement to the Demonstration Project (Section VI.A.).	• Added procedures for converting employees who are on Temporary Promotions. • Clarified procedures for non-competitive movement into the demonstration project (*e.g.,* lateral transfer, reassignment, or realignment).	NRL	Page 34003, Section VI.A.

ONR demonstration project features (ONR FR Section)	Modification	Originating lab demo	Originating FR Notice reference
CCS Startup (Section VI.B.)	• No substantive changes made	NRL	Page 34003, Section VI.B.
Training (Section VI.C.)	• No substantive changes made	NRL	Page 34004, Section VI.C.
New Hires into the Demonstration Project (Section VI.D.).	• No substantive changes made	NRL	Page 34004, Section VI.D.
Conversion or Movement from the Demonstration Project (Section VII.E.).	• Clarified procedures for setting pay for employees whose basic pay exceeds the maximum basic pay of the highest GS grade for their career level.	NRL	Pages 34004–34005, Section VI.E.
Demonstration Project Duration (Section VII.).	• No substantive changes made	NRL	Page 34005, Section VII.
Demonstration Project Evaluation Plan (Section VIII.).	• Used standard STRL evaluation language provided by DoD; which is virtually identical to NRL's original section.	NRL	Pages 34005–34007, Section VIII.
Cost Containment and Controls (Section IX.).	• Described a more general approach to cost discipline, to enable ONR to develop internal procedures and make modifications over time, as needed.	NRL	Pages 34007–34008, Section IX.
Automation Support (Section X.)	• No substantive changes made	NRL	Page 34008, Section X.

Appendix B: Required Waivers to Laws and Regulations

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

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

Waivers of Law and Regulation

Title V, United States Code	Title 5, Code of Federal Regulations
Chapter 31, section 3111: Acceptance of Volunteer Service. Waived to allow for a Voluntary Emeritus Program in addition to student volunteers.	Part 300, subpart F, sections 300.601 to 300.605—Time-in-grade Restrictions. Waive in entirety
Chapter 31, section 3132: The Senior Executive Service: Definitions and Exclusions. Waived as necessary to allow for the Pay Band VI of the S&E Occupational Family.	Part 300, sections 300.601 through 605: Time-in-grade restrictions. Waived to eliminate time-in-grade restrictions in the demonstration project.
	Part 308, sections 308.101 through 308.103: Volunteer service. Waived to allow for a Voluntary Emeritus Program in addition to student volunteers.
	Part 315, section 315.801(a), 315.801(b)(1), (c), and (e), and 315.802(a) and (b)(1): Probationary period and Length of probationary period. Waived to the extent necessary to allow for up to a three-year probationary period and to permit termination during the extended probationary period without using adverse action procedures for those employees serving a probationary period under an initial appointment except for those with veterans' preference.
	Part 315, section 315.901: Statutory requirement. Waived to the extent necessary to replace "grade" with "pay band."
Chapter 33, subchapter 1, section 3318(a)–Competitive Service; Selection from Certificate. Waive.	Part 332, subpart D, section 332.404—Order of Section of Certificates. Waive in entirety.
Chapter 33, section 3324: Appointments to Positions Classified Above GS–15. Waived the requirement for OPM approval of appointments to positions classified above GS–15.	Part 335, subpart A, section 335.103(c)(1)(i), (ii)—Agency Promotion Program.
	Waive to allow temporary promotions and details to a higher level position 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.	
	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.

Title V, United States Code	Title 5, Code of Federal Regulations
	(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 pay band or, if there are no displacement rights in the employee's current pay band, to any position previously held in the next lower pay band 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 pay band in the same or different career track regardless of whether they previously held the position provided they are fully qualified 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 pay band 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.
	Part 351, subpart B, section 351.403(a)
	Competitive Level. Waive to allow establishing competitive levels consisting of all ONR demo positions in a competitive area, which are in the same pay band level and career track, and which are similar enough in duties, qualifications, and requirements, including any selective placement factors, pay schedules, and working conditions so that the incumbent of one position may be reassigned to any other position in the level without undue interruption.
	Part 351.402(b), subpart D: Competitive area. Waived to the extent necessary to allow for separate competitive areas for demonstration project and non-demonstration project employees.
	Part 351, subpart E, section 351.504—Performance Credit for RIF. Waive in entirety.
Chapter 43, section 4302: Waived to the extent necessary to substitute "pay band" for "grade".	Part 430, subpart B, section 430.207(b)—Waive to the extent this section requires one or more progress reviews during each appraisal period.
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 pay band with no reduction in pay, when such actions result from regression of pay into a lower pay band through reductions and denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference.	Part 430, subpart B, section 430.210—OPM Responsibilities. 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) reduction in pay band with no reduction in pay, when such action results from regression of pay into a lower pay band through reductions and denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference.
Chapter 43, subpart 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.	
Chapter 45, subchapter I, section 4502(a) and (b)—Waive to permit ONR 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 ONR CCS.
	Part 451, subpart A, sections 451.106(b) and 451.107(b)—Waive to permit ONR to approve awards up to $25,000 for individual employees.
Chapter 51, sections 5101 to 5113—Classification. Waive in entirety except section 5104 to the extent needed to permit classification of pay bands 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, 511.604, and 511.605.
Chapter 53, subpart I, section 5301—Pay Policy. Waive in entirety	
Chapter 53, subchapter I, 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 Pay Band V for the S&E Professional Track 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, subpart I, section 5303—Special Pay Authority. Waive in entirety..	
Chapter 53, subchapter III, sections 5331 to 5336—GS Pay Rates. Waive in entirety.	Part 520, subpart C—Specialty Salary Rate Schedules. Waive in entirety.
	Part 531, subpart B—Determining Rate of Basic Pay. Waive in entirety.

Title V, United States Code	Title 5, Code of Federal Regulations
	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 the demonstration project employees to be treated as GS employees, employees in Pay Band V of the S&E Professional Career 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 to entirety.	Part 536—Grade and Pay Retention. Waive in entirety.
Chapter 55, section 5545 (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 employees in Pay Band V of the S&E Professional Career Track.	Part 550, subpart G—Severance Pay. Waive to the extent necessary to allow ONR 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 Pay Band V of the S&E Professional Career Track.
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 Allowances 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 Pay Band V of the S&E Professional Career Track to be treated as ST employees.
Chapter 75, sections 7501(1) and 7511 (a)(1)(A)(ii)—Removal Suspension for More Than 14 Days, Reduction in Grade or Pay, or Furlough. Waived to the extent necessary to allow for up to a three-year probationary period and to permit termination during the extended probationary period without using adverse action procedures for those employees serving a probationary period under an initial appointment except for those with veterans' preference 7511(a)(I)(C)(ii)—Waive.	Part 752, sections 752.101, 752.201, 752.301 and 752.401: Principal statutory requirements and Coverage. Waived to the extent necessary to allow for up to a three-year probationary period and to permit termination during the extended probationary period without using adverse action procedures for those employees serving a probationary period under an initial appointment except for those with veterans' preference.
Chapter 75, subchapter II, section 7512—Adverse Actions. Waive to replace "grade" with "pay band", provide that adverse action provisions do not apply to conversion 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 pay band with no reduction in pay, when such actions result from regression of pay into a lower pay band 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 pay band with no reduction in pay, when such actions result from regression of pay into a lower pay band 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 "pay band".
	Part 752, section 752.401(a)(4)—Adverse Actions. Waive to provide that adverse action provisions do not apply to conversion from General Schedule special rates to demonstration project pay, as long as total pay is not reduced.

Appendix C: Definitions of Career Tracks and Pay Bands

ONR's career level definitions may be modified as experience is gained through their application in classification actions and performance appraisal.

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. S&E's at this level perform supporting work in science or engineering requiring professional training but little experience, and conduct activities with objectives and priorities identified by supervisor or team leader. Assistance is given on new or unusual projects; completed work is reviewed for technical soundness.
Level III	This is the advanced developmental pay band of this career track. S&Es at this level conceive and define solutions to technical problems of moderate complexity; plan, analyze, interpret, and report findings of projects; and guide technical and programmatic work of a program's research efforts. 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. They direct technical activities or assist higher levels on challenging and innovative projects or technical program development with only general guidance on policy, resources and planning; develop solutions to complex problems requiring various disciplines; responsible for fulfilling program objectives.
Level V	S&Es at this level are renowned experts in their fields. They independently define and lead most challenging technical programs consistent with general guidance and/or independently direct overall R&D program managerial and/or supervisory aspects; conceive and develop elegant solutions to very difficult problems requiring highly specialized areas of technical expertise; are recognized within DoD and other agencies for broad technical area expertise and have 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. They may direct the work of an organizational unit; may be held accountable for the success of one or more specific programs or projects; monitor progress toward organizational goals and periodically evaluate and make appropriate adjustments to such goals; supervise the work of employees; or otherwise exercise important policy-making, policy-determining, or other managerial functions.

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 career level of this career track. Employees at this level plan and carry out assignments independently, resolve conflicts that arise, coordinate work with others and interpret 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. They receive general guidance on policy, resources and planning that have an effect on public policies or programs; and are 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 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 expert knowledge of procedures and operations, which is gained through extensive training. Employees at this level receive general guidance on overall resources and objectives, and are 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 D: Table of Occupational Series Within Career Tracks

Definitions for ONR's three career tracks are provided below along with the breakdown of their respective series. Some series may appear in two career tracks depending on the purpose of the position. The breakdown of occupational series reflects only those occupations that currently exist in ONR. Additional series may be added as a result of changes in mission requirements or OPM-recognized occupations. These additional series will be placed in the appropriate career track consistent with the definitions provided below.

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

0180—Psychology Series.
0190—General Anthropology Series.
0335—Computer Clerk & Assistant.
0401—General Natural Resources Management and Biological Sciences Series.
0403—Microbiology Series.
0405—Pharmacology Series.
0413—Physiology Series.
0440—Genetics Series.
0855—Electronics Engineering Series.
0861—Aerospace Engineering Series.
0871—Naval Architecture Series.
0854—Computer Engineering Series.
0893—Chemical Engineering Series.
0896—Industrial Engineering Series.
1301—General Physical Sciences Series.
1310—Physics Series.

0601—General Health Science Series.
0602—Medical Officer Series.
0801—General Engineering Series.
0802—Engineering Technical Series.
0806—Materials Engineering Series.
0810—Civil Engineering Series.
0830—Mechanical Engineering Series.
0840—Nuclear Engineering Series.
0850—Electrical Engineering Series.
1313—Geophysics Series.
1320—Chemistry Series.
1321—Metallurgy Series.
1340—Meteorology Series.
1360—Oceanography Series.
1515—Operations Research Series.
1520—Mathematics Series.
1530—Statistics Series.
1550—Computer Science Series.

Administrative Specialist and Professional Career Track: Professional and specialist positions in areas such as the following: Safety and health, finance, budget, procurement, librarianship, legal, business, facilities management, and student positions associated with these professions.

0080—Security Administration Series.
0110—Economist Series.
0201—Human Resource Management Series.
0260—Equal Employment Opportunity Series.
0301—Miscellaneous Administration and Program Series.
0340—Program Management Series.
0341—Administrative Officer Series.
0343—Management and Program Analysis Series.
0391—Telecommunications Series.
0501—Financial Administration and Program Series.
0505—Financial Management Series.
0510—Accounting Series.
0560—Budget Analysis Series.
0905—General Attorney Series.
0950—Paralegal Specialist Series.
1035—Public Affairs Series.
1084—Visual Information Series.
1101—General Business and Industry Series.
1102—Contracting Series.
1150—Industrial Specialist Series.
1222—Patent Attorney Series.
1412—Technical Information Services Series.
1720—Education Specialist Series.
1801—General Inspection, Investigation, and Compliance Series.
2210—Information Technology Management.

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

0086—Security Clerical and Assistance Series.
0203—Human Resource Assistance Series.
0303—Miscellaneous Clerk and Assistant Series.
0305—Mail and File Series.
0318—Secretary Series.
0326—Office Automation and Clerical Assistance Series.
0335—Computer Clerk and Assistant Series.
0503—Financial Clerical and Assistance Series.
0525—Accounting Technician Series.
0561—Budget Clerical and Assistance Series.
0986—Legal Assistance Series.

Appendix E: Classification and CCS Elements

The CCS Summaries shown in this appendix are draft templates intended to provide an understanding of the information covered by the CCS process. Under the demonstration project, the summaries 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.

OFFICE OF NAVAL RESEARCH CONTRIBUTION-BASED COMPENSATION SYSTEM (CCS) SUMMARY

[Science & Engineering Professional]

Employee Name: Click here to enter text.	**Pay Pool Code:** Click here to enter text.	**Appraisal Period Ending:** Click here to enter text.
Title: Click here to enter text.	**Pay Plan/Series:** Click here to enter text.	**Career Level:** Click here to enter text.
SSN: Click here to enter text	**Supervisor:** Click here to enter text	

Most Recent OCS: Click here to enter text.
Present Salary: Click here to enter text.
Scores within NPR Equivalent to Present Salary: Click here to enter text.

Critical Elements	* Weight	Score	Net Score	Rating of Record Acceptable or Unacceptable
1. Scientific and Technical Leadership	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
2. Program Execution and Liaison	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
3. Cooperation and Supervision	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

* If zero, then element not applicable.

Basic Pay Increase %: *Click here to enter text.*
Contribution Award $: *Click here to enter text.*
Hours *Click here to enter text.*
Summary Rating A (Acceptable) or U (Unacceptable)

Must be U if any critical element is rated U
Click here to enter text.

Overall Contribution Score (Weighted Average): *Click here to enter text.*

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 summary and has a copy of Elements, Descriptors, Discriminators, and Standards applicable to his or her career track.

BILLING CODE 5001–06–P

Science & Engineering Professional

ELEMENT 1. SCIENTIFIC AND TECHNICAL LEADERSHIP

		DISCRIMINATORS				
Level	**Point Range**	**Planning & Scope of Impact**	**Complexity and Creativity**	**Communications and Reporting**	**Technical Credibility and Recognition**	**DESCRIPTORS**
I	0 - 21	Performs tasks specifically assigned by researcher under close supervision.	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/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 collaborative solving problems of moderate complexity, involving limited variables, procedures established in related projects, and minor adaptations to well-established methods and techniques.	Provides data & written analysis for input to scientific papers, journal articles & 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 least publication.	Recognized within own organization for technical ability in assigned areas.	
III	44 - 66	Defines, leads and guides highly challenging and innovative programs consistent with general guidance. Work delivers significant new scientific and/or technical results as well as applications or other outcomes that significantly expand the future capabilities of the Navy and Marine Corps. Individual's contributions are evident across ONR and DON, and usually outside DOD. Requires some direction and oversight.	Formulates and guides programs to address difficult problems in advancing technology and research. Works with international research community, initiating new sub-disciplines, and/or draws on multidisciplinary expertise to address critical technical challenges. Formulates strategic research objectives based on naval strategic guidance.	Effectively prepares and delivers communications at appropriate level for multiple/ various audiences. Ensures overall quality of reporting of all technical products. With minimal supervision prepares and delivers invited or contributes presentations and papers at national and international conferences on technical area.	Leads a program that is recognized nationally for its quality in an area of major importance to ONR's corporate agenda.	
IV	66 - 80	Independently defines, leads, and guides highly challenging and innovative programs consistent with general guidance. Work delivers significant new scientific and/or technical results as well as applications or other outcomes that significantly expand the future capabilities of the Navy and Marine Corps. Individual's contributions are evident across ONR and DON, and usually outside DOD. Requires minimal direction and oversight.	Formulates and guides programs to address difficult problems in advancing technology and research. Leads international research community, initiating new sub-disciplines, and/or draws on multidisciplinary expertise to address critical technical challenges. Recognizes external trends and drivers to formulate strategic research objectives.	Effectively prepares and delivers communications at appropriate level for multiple/ various audiences. Ensures overall quality of reporting of all technical products. Prepares and delivers invited or contributes presentations and papers at national and international conferences on technical area, or gives policy-level briefings.	Leads a program that is recognized nationally/ internationally for its quality in an area of major importance to ONR's corporate agenda.	
V	81 - 89	Leads a community of experts in the conceptualization and definition of major program areas that integrate a broad range of technical disciplines and specialties together with a range of anticipated Naval needs. Work delivers significant new scientific and/or technical results as well as applications or other outcomes that significantly expand the future capabilities of the Navy and Marine Corps. Results may drive technological trends and applications beyond DON and DOD.	Formulates and guides integrated programs that 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 to definitive of important areas of the field. Leads international research community, initiating new sub-disciplines, and/or draws on multidisciplinary expertise to address critical technical challenges that may require novel programmatic and organizational concepts. Recognizes external trends and drivers to formulate strategic research objectives.	Effectively prepares and delivers communications at appropriate level for multiple/ various audiences such that senior decision makers in DON and DOD (and beyond) are influenced to accept and endorse ONR research and technology programs. Ensures overall quality of reporting of all technical products. Prepares and delivers invited or contributes presentations and papers at national and international conferences on technical area, or gives policy-level briefings	Leads an integrated collection of multidisciplinary programs recognized nationally/ internationally for its quality in an area of major importance to ONR's corporate agenda and the DON	

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 SUMMARY OR OTHER APPROPRIATE MEANS

Science & Engineering Professional

ELEMENT 2. PROGRAM EXECUTION AND LIASION

		DISCRIMINATORS					
Level	Point Range	Resource Management	Program Assessment and Documentation	Stakeholder Liaison	Performer/ Peer Liaison	Teamwork	
I	0 - 21	Uses personal and assigned resources efficiently under guidance of supervisor or team leader	Accurately reports on work progress and thoroughly documents works accomplishments	Not applicable	Through effective collaboration within his/her team supports the achievement of project/program goals	Provides assistance to team members consistent with his/her level of education/experience	DESCRIPTORS
II	18 - 47	Manages elements of in house work units or assists in managing a scientific or support contract. Assures of and makes appropriate use of available resources. Uses personal and assigned resources efficiently under guidance of supervisor or team leader	Applies program assessment and documentation processes to effectively monitor and document program progress and results	Not applicable	Through effective collaboration within his/her team supports the achievement of project/program goals. Written documents and oral presentations are recognized within own work unit as providing high quality support and increasing subject matter knowledge	Contributes as a technical researcher or team member to all aspects of team's responsibilities. May technically guide or mentor technicians and/or less experienced and more junior level personnel	
III	44 - 66	Implements program plans including resource allocations (people, contracts, scheduling and funding) to ensure successful program execution. Tracks/monitors corporate business activities to ensure timely execution of program goals using all appropriate management information systems	Implements effective processes for monitoring and assessing the quality and progress of a program's research efforts. Defines scientific/technological objectives and metrics with minimal oversight. Maintains documentation on program performance and accomplishment	Through effective collaboration within ONR and DON enables the achievement of project/program goals. Within scope of program/responsibilities, serves as a trusted partner with the DON (acquisition, requirements, and operational commands), DoD and other Federal Agencies effectively	Actively engages with a wide variety of S&T experts in government, industry and academia to significantly increase ONR's ability to ensure wide access to diverse perspectives. Specifically, attracts and motivates world-class PIs, effectively translates ONR program objectives into specific S&T challenges, and guides and optimizes the number, quality and impact of S&T outputs	Fosters successful working relationships with officials in DON, DoD and other agencies to effectively carry out integrated program work. Effectively and professionally collaborates across ONR business units and support providers to properly plan and execute S&T programs. Contributes to ONR diversity goals through effective liaison with university campuses and other outreach assignments	
IV	66 - 80	Effectively defines and implements program plans including resource allocations (people, contracts, scheduling and funding) to ensure successful program execution with minimal guidance. Tracks/monitors corporate business activities to ensure timely execution of program goals using all appropriate management information systems	Establishes and implements effective processes for monitoring and assessing the quality and progress of a program's research efforts. Defines scientific/technological objectives and metrics. Maintains documentation on program performance and accomplishment	Based on widely recognized capabilities is called upon across ONR and/or across agencies, academia, and industry to advise, consult and speak in ways that can lead to new alliances, enhance integration, and/or set new S&T directions. Serves as a trusted partner with the DON (acquisition, requirements and operational commands), DoD and other Federal Agencies effectively	Actively engages with a wide variety of S&T experts in government, industry and academia to significantly increase ONR's ability to ensure wide access to diverse perspectives. Specifically, attracts and motivates world-class PIs, effectively translates ONR program objectives into specific S&T challenges, and guides and optimizes the number, quality and impact of S&T outputs	Fosters successful working relationships with officials in DON, DoD and other agencies to resolve highly complex problems and to effectively carry out integrated budget and program work. Effectively and professionally collaborates across ONR business units and support providers to properly plan and execute S&T programs. Successfully impacts ONR diversity goals by reinvigorating the S&T workforce, allocation of university funding, or developing S&T talent	
V	81 - 89	Defines near-term through long-range requirements needed to meet ONR product area objectives and devises innovative, effective strategies for acquiring long-term assets or dramatically improving asset utilization in a way that meets strategic goals. Actively works to improve ONR's business functions to support science and technology programs	For all programs within area of responsibility establishes and implements effective processes for monitoring and assessing quality and progress relative to program plan. Defines scientific/technological objectives and metrics. Maintains documentation on program performance and accomplishment	Based on widely recognized capabilities is called upon across ONR, other government agencies, academia, and industry to advise, consult and speak in ways that can lead to new alliances, enhance integration, and/or set new S&T directions. Serves as a trusted partner with the DON (acquisition, requirements and operational commands), DoD and other Federal Agencies effectively. Advocacy leads to adoption of ONR technology and/or transition to programs of record, or the enhancement of basic and applied research in emerging areas of importance to ONR	Employs and develops innovative techniques to identify and engage a wide variety of S&T experts in government, industry and academia to significantly increase ONR's ability to ensure wide access to diverse perspectives. Specifically, attracts and motivates world-class PIs, effectively translates ONR program objectives into specific S&T challenges, and guides and optimizes the number, quality and impact of S&T outputs. Represents the quality of ONR in such a way as to serve as a recruiting attraction for S&E's seeking to work with/for ONR	Fosters successful working relationships with high level officials throughout the S&T community, in DON, DoD and other agencies to resolve highly complex problems and to effectively carry out integrated budget and program work. Effectively and professionally collaborates across ONR business units and support providers to properly plan and execute S&T programs. Successfully impacts ONR diversity goals by reinvigorating the S&T workforce, allocation of university funding, or developing S&T talent	

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 SUMMARY OR OTHER APPROPRIATE MEANS

Science & Engineering Professional

ELEMENT 3. COOPERATION AND SUPERVISION

		DISCRIMINATORS			
Level	Point Range	Organization Development	Performance Management	Workforce Development	
I	0 - 21	Not applicable	Not applicable	Not applicable	
II	18 - 47	Not applicable	Not applicable	Not applicable	
III	44 - 66	Not applicable	Not applicable	Not applicable	
IV	66 - 80	Establishes an organization, position structure, and working environment that is fully responsive to mission and program goals and that attracts and retains high performing scientists, engineers and other personnel reflecting diversity. Within organizational unit, promotes adaptation of best practices in organizational development, human resources, and enterprise management to enhance ONR's attractiveness as an employer of choice for a diverse group of top scientists, engineers, technicians and support personnel.	Establishes internal controls, performance management and incentive techniques that effectively monitor progress and achievements, and provides appropriate individual and team recognition for contributions. Provides support and resources necessary to enable high performance of workforce. Takes timely and effective action to fulfill all program and personnel administrative requirements	Develops the workforce structure with a long-term view to encompass developing individuals, planning for succession and retirements, and recruiting to enable all work unit or team members to function optimally. Ensures continuous learning activities of workforce. Provides timely informative and responsive feedback to subordinates and successfully coaches subordinates to promote competency and professional progression	DESCRIPTORS
V	81 - 89	Establishes an organization, position structure, and working environment that is fully responsive to mission and program goals and that attracts and retains high performing scientists, engineers and other personnel reflecting diversity. Within the ONR S&E community, promotes adaptation of best practices in organizational development, human resources, and enterprise management to enhance ONR's attractiveness as an employer of choice for a diverse group of top scientists, engineers, technicians and support personnel	Establishes organizational goals and objectives that encourage mission identification, promote continuous improvement, and significantly increase individual, work unit or team contributions. Manages organizational change through collaborative techniques that lead to successful implementation	In the context of enhancing the Naval Research Enterprise, develops the workforce structure with a long-term view to encompass developing individuals, planning for succession and retirements, and recruiting to enable the optimal capability of Naval S&E personnel.	

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 SUMMARY OR OTHER APPROPRIATE MEANS

OFFICE OF NAVAL RESEARCH CONTRIBUTION-BASED COMPENSATION SYSTEM (CCS) SUMMARY

[Administrative Specialist and Professional]

Employee Name: Click here to enter text.	Pay Pool Code: Click here to enter text.	Appraisal Period Ending: Click here to enter text.
Title: Click here to enter text.	Pay Plan/Series: Click here to enter text.	Career Level: Click here to enter text.
SSN: Click here to enter text.	Supervisor: Click here to enter text.	

Most Recent OCS: Click here to enter text.
Present Salary: Click here to enter text.

Scores within NPR Equivalent to Present Salary: Click here to enter text.

Critical elements	* Weight	Score	Net score	Rating of record acceptable or unacceptable
1. Problem Solving and Leadership	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

Critical elements	* Weight	Score	Net score	Rating of record acceptable or unacceptable
2. Cooperation and Customer Relations	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
3. Supervision and Resources Management	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

* If zero, then element not applicable.

Basic Pay Increase %: *Click here to enter text.*

Contribution Award $: *Click here to enter text.*

Hours: *Click here to enter text.*

Summary Rating A (Acceptable) or U (Unacceptable)

Must be U if any critical element is rated U *Click here to enter text.*

Overall Contribution Score (Weighted Average): *Click here to enter text.*

SUPLEMENTAL 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 summary and has a copy of Elements, Descriptors, Discriminators, and Standards applicable to his or her career track.

BILLING CODE 5001–06–P

Administrative Specialist and Professional

ELEMENT 1: PROBLEM SOLVING AND LEADERSHIP

		DISCRIMINATORS			
Level	**Point Range**	**Complexity/Scope**	**Applicability of Guidelines**	**Level of Oversight**	
I (Student)	0	Applies standardized rules, procedures, and operations; and assists supervisor or other personnel in the resolution of standard or recurring problems	Locates and selects the most appropriate guidelines and procedures from established sources.	Independently carries out assigned work following supervisor's direction.	DESCRIPTORS
II	18-47	Applies knowledge to analyze and resolve problems which are difficult but for which there are established patterns and methods for solution	Uses judgment in selecting, interpreting, and adapting guidelines which are available but not completely applicable, or which have gaps in specificity.	Consults with supervisor to develop deadlines, priorities and overall objectives. Completed work is evaluated for technical soundness, appropriateness, and conformity to policy and requirements	
III	44-59	Applies expertise to analyze and resolve challenging and complex issues and/or problems. Participates as an effective team member and provides competent technical or subject matter expertise. Includes refinement of methods or development of new ones.	Uses initiative and resourcefulness in interpreting and applying policies, precedents, and guidelines which are applicable but are scarce, conflicting, of limited use, or stated only in general terms	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.	
IV	59-66	Identifies and resolves challenging and complex problems involving multiple disciplines or subject matter areas within a business management functional area. Participates as an active and integral part of a team, serving as technical/subject matter expert. Results impact work products, schedules, and tasks of the Division/Department and its customers.	Uses initiative and resourcefulness in interpreting guidelines, in deviating from traditional methods or researching trends and patterns to develop new methods, criteria, or propose new policies. Uses considerable judgment and originality in developing innovative approaches to define and resolve complex situations.	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	Initiates or leads ONR-wide activities to address ONR/Navy business management requirements or issues, results have far reaching and direct impact on the mission and programs of ONR and/or Navy/DoD and government.	Guidelines are broadly stated and non-specific. Applies considerable judgment and ingenuity in interpreting guidelines that do exist. Develops and applies effective business management concepts, approaches, techniques, or hypotheses to resolve highly complex business management issues.	Independently plans, designs, and carries out functional area requirements such that overall objectives are met Supervisor provides only broadly defined missions and functions. Results of work are considered technically authoritative and are normally accepted without changes.	

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 SUMMARY OR OTHER APPROPRIATE MEANS

Administrative Specialist and Professional

ELEMENT 2: COOPERATION AND CUSTOMER RELATIONS

		DISCRIMINATORS			
Level	**Point Range**	**Cooperation**	**Level and Purpose of Customer Interactions**	**Effectiveness in Developing and Executing Customer-Oriented Support Services**	**DESCRIPTORS**
I (Student)	0	Develops and maintains successful working relationships with colleagues and customers 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	Seeks, builds, and nurtures collaborative relationships with customers and colleagues to improve customer service	Interacts with customers to understand customer needs, communicate information and coordinate actions; independently carries out actions or refers to appropriate personnel.	Contributes ideas for improvement of established services based on knowledge and an understanding of customer needs	
III	44-59	Seeks, builds, and nurtures collaborative relationships with customers and colleagues in other business management functional areas to improve customer service.	Works jointly with customers to define and understand customer needs or requirements and solve difficult customer problems. Develops and carries out strategies, techniques, or process for solving customer problems and meeting needs.	Generates ideas and/or strategies for the development and implementation of new and improved programs or services applicable to a specific administrative or technical functional area serving 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	Leads and facilitates the development and maintenance of collaborative relationships with customer organizations across ONR functional and organizational areas to improve customer service.	Works jointly with customers to define complex or controversial problems or program needs; develops and carries out unique strategies, techniques, or criteria for resolving problems and meeting needs.	Generates key ideas and/or strategies for development and implementation of complex new and improved programs or services which affect a broad administrative or functional area serving ONR's customers; AND 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 ONR, thereby enhancing ONR's ability to meet organizational goals. Seeks and builds coalitions with other support organizations to establish integrated approaches to meeting ONR's needs. Sets and maintains, through-out 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 and implementation of broadly-based programs and services to meet ONR's needs. Ensures overall effectiveness and customer-oriented focus of programs and services.	

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 SUMMARY OR OTHER APPROPRIATE MEANS

Administrative Specialist and Professional

ELEMENT 3: SUPERVISION AND RESOURCES MANAGEMENT

Level	Point Range	DISCRIMINATORS: 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)	DESCRIPTORS
I (Student)	0	Uses personal and assigned resources efficiently under guidance of supervisor. Contributes ideas for streamlining procedures or for more efficiently using resources.	Not applicable	
II	18-47	Generates ideas for effectively streamlining handling of projects or 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.	Not applicable.	
III	41-59	Generates ideas for effectively streamlining handling of moderately complex projects or programs involving analysis and resolution of issues or problems which result in savings of time, money, and administrative burden for organization or customer. AND/OR maintains an organization/program already so streamlined	Not applicable	
IV	59-66	Generates and implements ideas for effectively streamlining handling of complex or controversial projects or programs involving analysis and resolution of issues or problems which result in savings of time, money, and administrative burden for organization or customer. AND 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. Nurtures and maintains an organization and working environment that is effective in accomplishing its assigned goals and function.	
V	66-80	Defines near-term through to long-range asset requirements (e.g., people, funding, equipment) needed to meet ONR business management objectives and devises innovative, effective strategies for acquiring long-term assets for dramatically improving asset utilization in a way that meets strategic goals. Defines and monitors broad (corporate) metrics for measuring business management success in meeting ONR goals and DON needs, integrates new information technologies or business practices to achieve major enhancements in efficiency and effectiveness of business management performance, assessment, and documentation.	Establishes the overall infrastructure necessary for achieving mission goals Successfully mentors the career growth, assignment, and full utilization of top business management leaders and professionals, whose continuing achievements sustain or advance Navy and government business management policies and practices. 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, 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 SUMMARY OR OTHER APPROPRIATE MEANS

OFFICE OF NAVAL RESEARCH CONTRIBUTION-BASED COMPENSATION SYSTEM (CCS) SUMMARY

[Administrative Support]

Employee Name: Click here to enter text.	**Pay Pool Code:** Click here to enter text.	**Appraisal Period Ending:** Click here to enter text.
Title: Click here to enter text.	**Pay Plan/Series:** Click here to enter text.	**Career Level:** Click here to enter text.
SSN; Click here to enter text.	**Supervisor:** Click here to enter text.	

Most Recent OCS: Click here to enter text. **Salary:** Click here to enter text.
Present Salary: Click here to enter text.
Scores within NPR Equivalent to Present

Critical Elements	* Weight	Score	Net Score	Rating of Record Acceptable or Unacceptable
1. Problem Solving	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
2. Cooperation/Customer Relations/Supervision	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

* If zero, then element not applicable.

Basic Pay Increase %: *Click here to enter text.*

Contribution Award $: *Click here to enter text.*

Hours: *Click here to enter text.*

Summary Rating A (Acceptable) or U (Unacceptable)

Must be U if any critical element is rated U

Click here to enter text.

Overall Contribution Score (Weighted Average):

Click here to enter text.

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 summary and has a copy of Elements, Descriptors, Discriminators, and Standards applicable to his or her career track.

BILLING CODE 5001–06–P

Administrative Support

ELEMENT 1: PROBLEM SOLVING

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/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 in a professional and cooperative manner.	Independently carries out recurring and non-complex work. following supervisor's direction regarding work to be done, priorities, and specific procedures/guidelines to be followed. Locates/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 in a professional and cooperative manner.	Independently plans and carries out steps required to complete assignments; handles problems/deviations. Supervisor defines objectives, overall priorities and deadlines. Selects, interprets & 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/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 precedence projects All work is performed in a in a professional and cooperative manner	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 SUMMARY OR OTHER APPROPRIATE MEANS

Administrative Support

ELEMENT 2: COOPERATION/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**
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	Not applicable	Initiates/engages in/facilitates cooperative interactions with others inside and outside 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/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/Safety and other regulations/policies. Develops/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 & consulted by team leader/members as a critical contributor to meeting overall goals. Serves as an example of high level administrative/ technical knowledge, and ability to gain cooperation /compliance by persuasion or negotiation.	Works jointly with customers to define organizational needs and problems; establishes customer alliances and translates customer needs to programs/services **OR** applies knowledge of protocol to assisting particularly high-level customers of his/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 SUMMARY OR OTHER APPROPRIATE MEANS

Appendix F: Computation of the IPS and the NPR

The ONR 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 is maintained 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 = $A*(P \wedge C)$
Mid rail = $(1+M)*A*(P \wedge C)$

High rail = (1+H)*A*(P∧C)
Where P = (B/(A*(1+H)))∧(1/N)

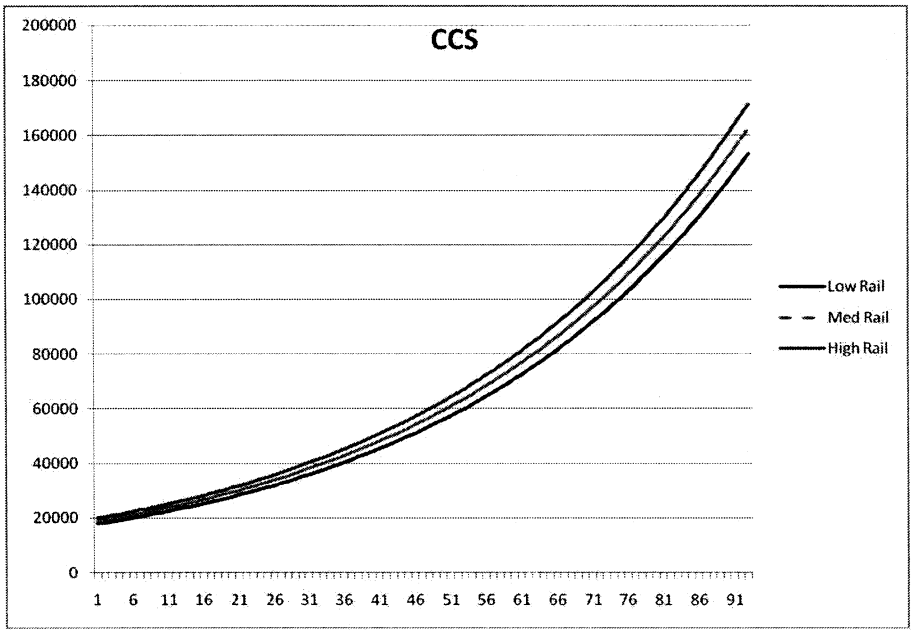
As an example, a result of the above computation, using the 2010 GS Salary Table, P (step increase) equals 1.023664623. Attachment (1) is a complete list of CCS pay band scores and basic pay ranges. Attachment (2) contains graphic representations of these tables for each career track. Once the C-values (0–80) are determined, the CCS pay bands 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 EX–IV effective January 2010. In the example, EX–IV is equal to basic pay of $155,500 and is encompassed by the C-value 89 ($142,734 to $159,862).

SALARY RANGES ASSOCIATED WITH EACH C–VALUE USING 2010 INPUTS

[GS 1–Step 1: 17,803 Hi%: 12.00% #C–values: 80 GS 15–Step 10: 129,517 Mid%: 6.00%]

C–value	Low Rail	Mid Rail	High Rail	C–value	Low Rail	Mid Rail	High Rail
0	17803	18871	19939	48	54709	57992	61275
1	18224	19318	20411	49	56004	59364	62725
2	18656	19775	20894	50	57329	60769	64209
3	19097	20243	21389	51	58686	62207	65728
4	19549	20722	21895	52	60075	63679	67284
5	20012	21212	22413	53	61497	65186	68876
6	20485	21714	22943	54	62952	66729	70506
7	20970	22228	23486	55	64442	68308	72175
8	21466	22754	24042	56	65967	69925	73883
9	21974	23293	24611	57	67528	71579	75631
10	22494	23844	25193	58	69126	73273	77421
11	23026	24408	25790	59	70762	75007	79253
12	23571	24986	26400	60	72436	76782	81128
13	24129	25577	27025	61	74150	78599	83048
14	24700	26182	27664	62	75905	80459	85014
15	25285	26802	28319	63	77701	82363	87025
16	25883	27436	28989	64	79540	84312	89085
17	26496	28085	29675	65	81422	86308	91193
18	27123	28750	30377	66	83349	88350	93351
19	27764	29430	31096	67	85322	90441	95560
20	28422	30127	31832	68	87341	92581	97822
21	29094	30840	32585	69	89408	94772	100136
22	29783	31570	33357	70	91523	97015	102506
23	30487	32317	34146	71	93689	99311	104932
24	31209	33081	34954	72	95906	101661	107415
25	31947	33864	35781	73	98176	104066	109957
26	32703	34666	36628	74	100499	106529	112559
27	33477	35486	37495	75	102877	109050	115223
28	34270	36326	38382	76	105312	111631	117949
29	35081	37185	39290	77	107804	114272	120741
30	35911	38065	40220	78	110355	116977	123598
31	36761	38966	41172	79	112967	119745	126523
32	37630	39888	42146	80	115640	122579	129517
33	38521	40832	43143	81	118377	125479	132582
34	39433	41798	44164	82	121178	128449	135719
35	40366	42788	45210	83	124046	131488	138931
36	41321	43800	46279	84	126981	134600	142219
37	42299	44837	47375	85	129986	137785	145585
38	43300	45898	48496	86	133062	141046	149030
39	44324	46984	49643	87	136211	144384	152556
40	45373	48096	50818	88	139435	147801	156167
41	46447	49234	52021	89	142734	151298	159862
42	47546	50399	53252	90	146112	154879	163645
43	48671	51592	54512	91	149570	158544	167518
44	49823	52813	55802	92	153109	162296	171482
45	51002	54062	57123				
46	52209	55342	58474				
47	53445	56651	59858				

Normal Pay Range (using 2010 Salaries)



ONR Integrated Pay Schedules for Each Career Track and Career Level

ONR Integrated Pay					
S&E Professional					
Career Level	I	II	III	IV	V
GS Equivalent	1-4	5-10	11-13	14-15	SSTM
Score Range	0-21	18-47	44-66	66-80	81-89
Salary Range	$17,803 – $31,871	$27,341 – $59,505	$50,287 – $93,175	$84,697 – $129,517	$119,554 – $155,500

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

ONR Integrated Pay					
Administrative Specialists and Professional					
Career Level	I	II	III	IV[a]	V[a]
GS Equivalent	1-4	5-10	11-12	13	14-15
Score Range	0 – 21	18 - 47	44 - 59	59 - 66	66 -80
Salary Range	$17,803 – $31,871	$27,341 – $59,505	$50,287 – $78,355	$71,674 – $93,175	$84,697 – $129,517

ONR Integrated Pay Schedule in Relation to Administrative Specialists and Professional Career Track

ONR Integrated Pay			
Administrative Support			
Career Level	I	II	III
GS Equivalent	1-4	5-7	8-10
Score Range	0 – 21	18 – 34	31 - 47
Salary Range	$17,803 – $31,871	$27,341 – $44,176	$37,631 – $59,505

ONR Integrated Pay Schedule in Relation to Administrative Support Career Track

Appendix G: Intervention Model

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

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

Intervention	Expected effects	Measures	Data sources
		Average cost per employee served.	Personnel office data, workforce data.
	No negative impact on service quality.	Service quality, timeliness	Attitude survey/focus groups.

[FR Doc. 2010–12690 Filed 5–27–10; 8:45 am]
BILLING CODE 5001–06–P