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Science and Technology Reinvention Laboratory Personnel Management Demonstration Project, Department of the Army, Army Research, Development and Engineering Command, Armament Research, Development and Engineering Center (ARDEC); Notice

DEPARTMENT OF DEFENSE

Office of the Secretary

Science and Technology Reinvention Laboratory Personnel Management Demonstration Project, Department of the Army, Army Research, Development and Engineering Command, Armament Research, Development and Engineering Center (ARDEC)

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

ACTION: Notice of proposal to design and implement a personnel management demonstration project.

SUMMARY: Section 342(b) of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 1995, Public Law (Pub. L.) 103–337 (10 U.S.C. 2358 note), as amended by section 1109 of NDAA for FY 2000, Public Law 106–65, and section 1114 of NDAA for FY 2001, Public Law 106–398, authorizes the Secretary of Defense to conduct personnel demonstration projects at DoD laboratories designated as Science and Technology Reinvention Laboratories (STRLs) to determine whether a specified change in personnel management policies or procedures would result in improved Federal personnel management. Section 1105 of the NDAA for FY 2010, Public Law 111–84, 123 Stat. 2486, October 28, 2009, designates additional DoD laboratories as STRLs for the purpose of designing and implementing personnel management demonstration projects for conversion of employees from the personnel system which applied on October 28, 2009. The ARDEC is listed in subsection 1105(a) of NDAA for FY 2010 as one of the newly designated STRLs.

DATES: ARDEC's demonstration project 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 October 12, 2010. Implementation of this demonstration project, once approved, will begin no earlier than January 1, 2011.

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: *ARDEC:* Ms. Christina Duncan, U.S. Army ARDEC, Human Capital Management Office, Building 1, 3rd Floor, RDAR–EIH, Picatinny Arsenal, NJ 07806–5000.

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

SUPPLEMENTARY INFORMATION:

1. Background

Since 1966, many studies of DoD laboratories have been conducted on laboratory quality and personnel. Almost all of these studies have recommended improvements in civilian personnel policy, organization, and management. 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 commanders and/or directors.

This demonstration project involves:

(1) Two appointment authorities (permanent and modified term);

(2) Modified probationary period for newly hired employees;

(3) Modified supervisory and managerial probationary period;

(4) Pay banding;

(5) Streamlined delegated examining;

(6) Modified reduction-in-force (RIF) procedures;

(7) Simplified job classification;

(8) A contribution-based appraisal system;

(9) Academic degree and certificate training;

(10) Sabbaticals;

(11) A Volunteer Emeritus Corps;

(12) Direct hire authority for candidates with advanced degrees for scientific and engineering positions; and

(13) Distinguished Scholastic Achievement Appointment Authority.

2. Overview

The NDAA for FY 2010 not only designated new STRLs but also repealed the National Security Personnel System (NSPS) mandating conversion of NSPS covered employees to their former personnel system or one that would have applied absent the NSPS. A number of ARDEC employees are covered by the NSPS and must be converted to another personnel system. Section 1105 of NDAA for FY 2010 stipulates the STRLs designated in subsection (a) of section 1105 may not implement any personnel system, other than a personnel system under an appropriate demonstration project as defined in section 342(b) of Public Law 103–337, as amended, without prior congressional authorization. In addition, any conversion under the provisions of section 1105 shall not adversely affect any employee with respect to pay or any other term or condition of employment; shall be consistent with section 4703(f) of title 5 United States Code (U.S.C.), and shall be completed within 18 months after enactment of NDAA for FY 2010. Therefore, since ARDEC is both designated an STRL by section 1105 of NDAA for FY 2010 and has NSPS covered employees, it must convert, at a minimum, its NSPS covered employees to a personnel management demonstration project before the end of April 2011.

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 section 9902(c)(2) of title 5, United States Code, which are now designated in section 1105 of the NDAA for FY 2010, Public Law 111–84, 123 Stat. 2486, October 28, 2009, if they wish to adopt them in accordance with DoD Instruction 1400.37; pages 73248 to 73252 of volume 73, **Federal Register**; and after the fulfilling of any collective bargaining obligations.

Dated: September 2, 2010.

Mitchell S. Bryman,

Alternate OSD Federal Register Liaison Officer, Department of Defense.

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I. Executive Summary

The Armament Research, Development and Engineering Center includes the ARDEC organizations at Picatinny Arsenal, NJ; Watervliet Arsenal, NY; Rock Island Arsenal, IL; and ARDEC employees with duty stations at other sites. The intent of this demonstration project is to cover all employees, subject to bargaining unit agreement.

The ARDEC provides integrated science, technology, and engineering solutions to address the armament, munitions, and fire control needs for the Army. The ARDEC's core competency is working with weapon systems at all stages of the materiel life cycle. The ARDEC maintains the following fundamental capabilities:

(1) Armaments and Weapons;
(2) Fire Control;
(3) Energetics, Warheads, and Ammunition;
(4) Ammunition Logistics;
(5) Explosive Ordnance Disposal; and
(6) Homeland Defense Technology.

In order to sustain these unique capabilities, the ARDEC 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 ARDEC workforce through improvements in the efficiency and effectiveness of the human resource system. The project interventions will strive to achieve the best workforce for the ARDEC mission, adjust the workforce for change, and improve workforce satisfaction. With some modifications, this project mirrors the STRL personnel management demonstration project, designed by the U.S. Army Edgewood Chemical Biological Center (ECBC). The ARDEC Demonstration Project was built on the ECBC concepts and uses much of the same language; however, it includes several concepts from the Air Force Research Laboratory (AFRL), Naval Research Laboratory (NRL), and the DoD Civilian Acquisition Workforce (Acq Demo) personnel management demonstration projects. Of significant note is the inclusion of a contribution-based compensation and assessment system similar to that used in the Acq Demo program. 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 DUSD(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 Present System

The ARDEC has participated in a number of personnel systems and personnel demonstrations over the past 25 years. These include the current Civil Service General Schedule (GS) system (80 percent of ARDEC employees are currently in this GS system); Acq Demo Project from 2001 to 2006; and NSPS from 2006 to the present (20 percent of ARDEC employees are currently in NSPS). The ARDEC's experience with each of these prior personnel systems was that, although each had positive features, each also had negative aspects. As a result of the ARDEC's experience, it was determined that certain features from the earlier systems were worthwhile to carry forward and certain shortcomings/limitations needed to be corrected or alleviated.

The current Civil Service GS system has existed in essentially the same form since 1949. 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 and changes in the work itself.

The performance management model that has existed since the passage of the Civil Service Reform Act in 1980 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 the ARDEC must be able to recruit and retain scientific, engineering, acquisition support and other professionals and skilled technicians. The ARDEC 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 and be in compliance with public law.

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.

The ARDEC's proposed personnel management demonstration project, by building on previous strengths and addressing shortcomings, is intended to provide the highest potential for movement to a single system that will meet the needs of the ARDEC and all its employees.

C. Changes Required/Expected Benefits

The primary benefit expected from this demonstration project is greater organizational effectiveness through increased employee satisfaction. The long-standing Department of the Navy "China Lake" and 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 ARDEC workforce will facilitate increased:

1. Quality in the workforce and resultant products;
2. Timeliness of key personnel processes;
3. Retention of excellent performers;
4. Success in recruitment of personnel with critical skills;
5. Management authority and accountability;
6. Satisfaction of customers; and
7. Workforce satisfaction.

An evaluation model was developed for the Director, Defense, Research, and Engineering (DDR&E) in conjunction with STRL service representatives and the Office of Personnel Management (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.

D. Participating Organizations

The ARDEC is comprised of employees headquartered at Picatinny Arsenal, NJ. The ARDEC employees are geographically dispersed at the locations shown in Appendix A. It should be noted that some sites currently employ fewer than ten people and that the sites may change should ARDEC reorganize or realign. Successor organizations will continue coverage in the demonstration project.

E. Participating Employees and Union Representation

This demonstration project will cover approximately 3,400 ARDEC civilian employees under title 5 U.S.C. in the occupational series listed in Appendix B. The project plan does not cover members of the Senior Executive Service (SES), Scientific and Professional (ST) employees, Federal Wage System (FWS) employees, employees presently covered by the Defense Civilian Intelligence Personnel System (DCIPS), or Department of Army (DA), Army Command centrally funded interns and centrally funded students employed under the Student Career Experience Program (SCEP).

The International Federation of Professional and Technical Engineers (IFPTE) Local 1437; the American Federation of Government Employees (AFGE) Local 225; the American Federation of Government Employees (AFGE) Local 15; and the National Federation of Federal Employees (NFFE) Local 2109 represent a majority of the ARDEC employees. Of those employees assigned to the ARDEC, approximately 75 percent are represented by labor unions.

To foster union acceptance of the ARDEC's proposed personnel demonstration project, initial discussions with the four unions began in November 2009. The ARDEC will continue to fulfill its obligation to consult and/or negotiate with all labor organizations in accordance with 5 U.S.C. 4703(f) and 7117, as applicable.

F. Project Design

In October 2009, the 2010 National Defense Authorization Act directed the ARDEC to transition to a laboratory personnel management demonstration project. Following review and analysis of existing DoD demonstration projects, the ARDEC senior leadership decided to adapt the ECBC model, one of the latest Army projects. A series of focus groups, benchmarking and other sensing sessions were completed to determine the unique ARDEC needs and requirements. One key departure from the ECBC model is the shift from their Performance Management System to a Contribution-Based Compensation System (CBCS), similar to the Acq Demo project.

G. Personnel Management Board (PMB)

1. ARDEC will create a PMB to oversee and monitor the fair, equitable, and consistent implementation of the provisions of the demonstration project to include establishment of internal controls and accountability. Members of the board will be senior leaders appointed by the ARDEC Director. As needed, ad hoc members (such as labor counsel, human resource representatives, *etc.*) will serve as advisory members to the board.

2. At a minimum, duties executed by the board will be to:

a. Determine the composition of the pay pools in accordance with the guidelines of this proposal and internal procedures;

b. Review operation of pay pools and provide guidance to pay pool managers;

c. Oversee disputes in pay pool issues;

d. Formulate and manage the civilian pay pool budget;

e. Formulate and manage the civilian bonus pool budget;

f. Determine hiring, reassignment, and promotion base pay as well as exceptions to Contribution-Based Compensation System base pay increases;

g. Conduct classification review and oversight, monitor and adjust classification practices, and decide board classification issues;

h. Approve major changes in position structure;

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

j. Manage standard Contribution Factors and Descriptors;

k. Identify and implement improvements to demonstration project procedures and policies;

l. Review requests for Supervisory/Team Leader Base Pay Adjustments and provide recommendations to the Director;

m. Ensure in-house budget discipline;

n. Manage the number of employees by Occupational Family and pay band;

o. Develop policies and procedures for administering Developmental Opportunity Programs;

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

q. Monitor the evaluation of the project; and

r. Establish and manage the Accelerated Compensation for Developmental Positions (ACDP).

III. Personnel System Changes

A. Pay Banding

The design of the ARDEC pay banding system takes advantage of the many reviews performed by DA, DoD, OPM, and others. The design also has the benefit of being preceded by exhaustive studies of pay banding systems currently practiced in the Federal sector, to include those practiced by the China Lake experiment and NIST. The ARDEC pay banding system will replace the current GS grade and NSPS pay band structures.

1. Occupational Families

Occupations with similar characteristics will be grouped together

into one of three Occupational Families with career paths and pay band levels designed to facilitate pay progression. These Occupational Families are Engineering and Science (E&S), Business and Technical (B&T), and General (GEN). Each Occupational Family's career path will be composed of pay bands corresponding to recognized advancement and career progression patterns within the covered occupations. These career paths and their pay bands will replace the NSPS pay band structure and the individual GS grades and will not be the same for each Occupational Family. Each Occupational Family will be divided into three to six pay bands. Employees track into an Occupational Family based on their current OPM classification series as provided in Appendix B. All employees are initially assigned to the Occupational Family and pay band in which their comparable grade fits based on position classification using the GS classification standards. Comparison to the GS grades is used in setting the upper and lower base pay dollar limits of the pay band levels with the exception of Pay Band VI of the E&S Occupational Family (refer to III.A.3). The current occupations have been examined; and their characteristics and distribution have served as guidelines in the development of the three Occupational Families.

a. *Engineering and Science (E&S) (Pay Plan DB):* This Occupational Family includes positions as defined in Appendix B. Specific course work or educational degrees are required for these occupations. Six bands have been established for the E&S career path: (refer to Table 1).

(1) Band I includes student trainee positions.

(2) Band II includes developmental positions.

(3) Band III includes full-performance technical positions.

(4) Band IV includes technical specialist and first level supervisory positions.

(5) Band V includes senior technical and managerial positions.

(6) Band VI includes positions classified above the GS–15 level.

b. *Business and Technical (B&T) (Pay Plan DE):* This Occupational Family includes positions as defined in Appendix B. Employees in these positions may or may not require specific course work or educational degrees. Five bands have been established for the B&T career path: (refer to Table 1).

(1) Band I includes student trainee positions.

(2) Band II includes developmental positions.

(3) Band III includes full-performance technical and first level supervisory positions.

(4) Band IV includes senior technical specialist and supervisory positions.

(5) Band V includes managerial positions.

c. *General Support (GEN) (Pay Plan DK):* This Occupational Family includes positions as defined in Appendix B. Employees in these positions may or may not require specific course work or educational degrees. Three bands have been established for the GEN career path: (refer to Table 1).

(1) Band I covers entry-level and student positions.

(2) Band II covers full-performance positions.

(3) Band III includes supervisory and senior positions.

2. Pay Band Design

The pay bands for the Occupational Families and how they relate to the current GS/NSPS frameworks are shown in Table 1.

TABLE 1—PAY BAND CHARTS

Occupational family	Equivalent GS grades					
	I	II	III	IV	V	VI
E&S	GS–01–04	GS–05–11	GS–12–13	GS–14	GS–15	>GS–15
Business & Technical	GS–01–04	GS–05–11	GS–12–13	GS–14	GS–15	
General Support	GS–01–04	GS–05–08	GS–9			

Occupational family	Equivalent NSPS pay bands [1] [2]					
	I	II	III	IV	V	VI
E&S (DB)	YP–1	YD–1, YF–1, YF–2, YP–1	YD–2, YF–2	YD–3, YF–2, YF–3	YD–3, YF–3	
Business & Technical (DE)	YP–1, YB–1, YE–1	YA–1, YA–2, YB–1, YB–2, YB–3, YC–1, YC–2, YE–1, YE–2, YE–3, YP–1	YA–2, YB–3, YC–2, YE–3, YE–4	YA–3, YC–2, YC–3	YA–3, YC–3	
General Support (DK)	YB–1, YE–1, YP–1	YB–1, YB–2, YE–1, YE–2, YP–1	YB–2, YE–2, YP–1			

[1] NSPS Pay Bands overlap Lab Demo bands and Occupational Families.
[2] Student Career Experience Program participants in YP pay bands are not included in this Demonstration Project.

As the rates of the GS are increased due to the annual general pay increases, the upper and lower base pay rates of the pay bands will also be adjusted. Since pay progression through the bands depends directly on contribution, there will be no scheduled Within-Grade Increases (WGIs) or Quality Step Increases (QSIs) for former GS employees once the pay banding system is in place. GS special rate schedules and NSPS Targeted Local Market Supplements (TLMS) will no longer be applicable to demonstration project employees. Special provisions have

been included to ensure no loss of pay upon conversion (refer to III.F.11 Staffing Supplements). Except for those receiving a staffing supplement and employees on pay retention, employees will receive locality pay in addition to their base pay in the same amount and to the same extent as established for GS employees in accordance with 5 U.S.C. 5304 and 5304a. However, adjusted pay (base + locality) for employees in Band V or below cannot exceed Executive Level IV.3. Science and Engineering Positions Classified Above GS–15.

The career path for the E&S Occupational Family includes a pay band VI to provide the ability to accommodate positions having duties and responsibilities that exceed the 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 the technical expertise requirements including inherent supervisory and managerial responsibilities. However, these positions are not considered to be appropriately classified as Scientific or 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 the requirement for advanced specialized scientific or engineering expertise, and because the positions are not at the level of the general managerial authority and impact that is 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 the laboratory 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.

B. Classification

1. Occupational Series

The GS classification system has over 400 occupational series which are divided into 23 occupational groupings. The ARDEC currently has positions in approximately 60 occupational series that fall into approximately 16 occupational groupings. All positions listed in Appendix B will be included in the classification structure. Provisions will be made for including other occupations in response to changing missions.

2. Classification Standards and Position Descriptions

The ARDEC may use an automated classification system. The current OPM classification standards will be used for the identification of proper series and occupational titles of positions within the demonstration project. The grading criteria in the OPM classification standards will be used as a framework to develop new and simplified pay band factor level descriptors for each pay band determination. The objective is to record the essential criteria for each pay band within each Occupational Family by stating the characteristics of the work, the responsibilities of the position, the competencies required, and the expected contributions. The Factor Descriptors will serve as both classification criteria and contribution assessment criteria and may be found in Appendix C. New position descriptions will replace the current position/job descriptions. The Factor Descriptors of each pay band will serve as an important component in the new position description, which will also include position-specific information and provide data element information pertinent to the job. The new descriptions will be easier to prepare, minimize the amount of writing time, and make the position description a more useful and accurate tool for other personnel management functions.

Specialty work codes (narrative descriptions) will be used to further differentiate types of work and the competencies required for particular positions within an Occupational Family and pay band. Each code represents a specialization or type of work within the occupation.

3. Fair Labor Standards Act

Fair Labor Standards Act (FLSA) exemption and non-exemption determinations will be consistent with criteria found in 5 CFR part 551. All demonstration project positions are covered by the FLSA unless they meet the criteria for exemption. Positions will be evaluated as needed by comparing the duties and responsibilities assigned the pay band factor level descriptors for each pay band level, and the 5 CFR part 551 FLSA criteria. As a general rule, the FLSA status of a position can be matched to an Occupational Family, career path, and pay band level as indicated in Table 2. For example, positions classified in Pay Band I of the E&S Occupational Family are typically nonexempt, meaning they are covered by the overtime entitlements prescribed by the FLSA. An exception to this guideline includes supervisors/managers whose primary duty meets the definitions outlined in the OPM GS Supervisory Guide. Therefore, supervisors/managers in any of the pay bands who meet the foregoing criteria are exempt from the FLSA. Supervisors with classification authority will make the determinations on a case-by-case basis by comparing assigned duties and responsibilities and pay band factor level descriptors to the 5 CFR part 551 FLSA criteria. Additionally, the advice and assistance of the servicing Civilian Personnel Advisory Center (CPAC) will be obtained in making determinations. The position descriptions will not be the sole basis for the determination. The basis for exemption will be documented and attached to each position description. Exemption criteria will be narrowly construed and applied only to those employees who clearly meet the spirit of the exemption. Changes will be documented and provided to the CPAC.

TABLE 2—FLSA STATUS

[Pay bands]

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

N—Non-Exempt from FLSA; E—Exempt from FLSA; and N/E—Exemption status determined on a case-by-case basis.

Note: Although typical exemption status under the various pay bands is shown in the above table, actual FLSA exemption determinations are made on a case-by-case basis.

4. Classification Authority

The ARDEC Director will have delegated classification authority and may in turn, re-delegate this authority to appropriate levels. Position descriptions will be developed to assist managers in exercising delegated position classification authority. Managers will identify the Occupational Family, occupational series, functional code, specialty work code, pay band level, and the appropriate acquisition codes. Personnel specialists will provide ongoing consultation and guidance to managers and supervisors throughout the classification process. These decisions will be documented on the position description.

5. Classification Appeals

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

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

The evaluations of classification appeals under this demonstration project are based upon the demonstration project classification criteria. Case files will be forwarded for adjudication through the servicing Civilian Personnel Advisory Center (CPAC) and will include copies of appropriate demonstration project criteria.

C. Contribution-Based Compensation System

1. Overview

The purpose of the Contribution-Based Compensation System (CBCS) is to provide an effective, efficient, and flexible method for assessing, compensating, and managing the ARDEC workforce. CBCS is essential for the development and continued growth of the high quality, extremely productive and innovative workforce needed to meet mission requirements. The CBCS allows for greater employee involvement in the assessment process, fosters increased communication between supervisor and employee, promotes a clear accountability of performance, facilitates employee career progression, and provides an understandable and rational basis for base pay changes by linking pay, performance, and contribution. The CBCS process described herein applies to all Occupational Families and pay band levels except Pay Band VI of the E&S Occupational Family. The assessment process for E&S Pay Band VI positions will be based on the final outcome of the DoD evaluation and documented in ARDEC Internal Operating Instructions.

CBCS is an assessment system that measures the employee's level of contribution to the organization's mission and how well the employee performed. Contribution is simply defined as the measure of the demonstrated value of employee actions in terms of accomplishing or advancing the organizational objectives and mission impact. CBCS promotes base pay adjustment decisions made on the basis of an individual's overall annual contributions and current base pay in relation to other employees' contributions and their level of compensation in the pay pool. The measurement of overall contribution is determined through a rating process which determines the Overall Contribution Score (OCS). OCS is a key component to the CBCS assessment system in that it:

(1) Provides a consistent scoring scale linked to base pay even as salaries increase in accordance with GPI increases.

(2) Provides a rating scale that enables direct comparison of the level and quality of employee contributions to the current base pay of that employee.

To accomplish (2) above, the employee's current base pay is converted to an Expected OCS (EOCS). The other OCS score, Assessed OCS (AOCS) is the measurement of the employee's contributions in the appraisal process. AOCS is the result of measuring contribution and performance by using the pay band level descriptors for a set of contribution factors and discriminators each of which is relevant to mission success of the organization. The comparison of EOCS and AOCS determines if the employee is appropriately compensated. The same factor level descriptors used for classification will also be used for the annual CBCS employee assessments (*see* Appendix C).

2. Contribution Factors

The following six (6) factors will be used for evaluating the yearly contribution of the ARDEC personnel in all three Occupational Families:

(1) Problem Solving.
(2) Teamwork/Cooperation.
(3) Customer Relations.
(4) Leadership/Supervision.
(5) Communication.
(6) Resource Management.

Each factor has multiple levels of increasing contribution corresponding to the pay band levels. Each factor contains descriptors for each respective pay band level within the relevant Occupational Family.

The appropriate Occupational Family pay band level factor descriptors will be used by the rating official to determine the employee's actual contribution score. Employees can score within, above, or below their pay band level. For example, a pay band level II employee could score in the pay band level I, II, III, or IV range.

3. Pay Pools

The ARDEC employees will be placed into pay pools that are defined for the purpose of determining performance payouts under the CBCS. Pay pools will be established and operated in accordance with the guidelines provided in the following paragraphs. These guidelines will be followed noting the following exception. The ARDEC Director may deviate from the guidelines provided there is a compelling need. The rationale must be documented in writing.

The ARDEC Director will establish pay pools. Typically, pay pools will have between 35 and 300 employees. A pay pool should be large enough to encompass a reasonable distribution of ratings but not so large as to compromise rating consistency. Neither the pay pool manager nor supervisors within a pay pool will recommend or set their own individual pay. Decisions regarding the amount of the contribution payout are based on the established formal payout calculations.

Funds within a pay pool available for contribution payouts are divided into two components, base pay and bonus. These funds will be determined based on historical data. The base pay fund will be set at no less than two percent of total base pay of employees eligible for compensation adjustment in CBCS. The bonus fund will be set at no less than one percent of total base pay. The ARDEC PMB will annually review the pay pool funding and recommend adjustments to the ARDEC Director to ensure cost discipline over the life of the demonstration project. CBCS payouts can be in the form of increases to base pay and/or bonuses that are not added to base pay but rather are given as a lump-sum payment. Other awards such as special acts, time-off awards, *etc.,* will be managed separately from the CBCS payouts.

4. Annual Appraisal Cycle and Rating Process

The annual appraisal cycle normally begins on October 1 and ends on September 30 of the following year. The minimum rating period will be 90 days. At the beginning of the annual appraisal period, the pay band level descriptors for each factor will be provided to employees so that they know the basis on which their performance will be assessed. At the discretion of the pay pool manager, weights will be applied to the factors. If weighting is used, the same weighting will be applied to all similar positions within an Occupational Family in a pay pool. Also, if weighting is used, the minimum weighting will be 10 percent and the sum of all weights must equal 100 percent. Employees will be informed of the weights at the beginning of the rating cycle.

Each supervisor will discuss work assignment, performance and conduct standards, and provide clear objectives to their employees. Typically, the rating official is the first-level supervisor. If the current first-level supervisor has been in place for less than 90 days during the rating cycle, the second-level supervisor serves as the initial rating official. If the second-level supervisor is in place for less than 90 days during the rating cycle, the next higher level supervisor in the employee's rating chain conducts the assessment.

Employees and supervisors alike are expected to actively participate in on-going formal and informal performance discussions regarding expectations. The timing of these discussions will vary based on the nature of work performed, but will occur at least at the mid-point and end of the rating period. At least one review, normally the mid-point review, will be documented as a progress review. More frequent, task specific, discussions may be appropriate in some organizations.

The employee will provide a list of his/her accomplishments to the supervisor at both the mid-point and end of the rating period. An employee may elect to provide self-ratings on the contribution factors and/or solicit input from team members, customers, peers, supervisors in other units, subordinates, and other sources which will assist the supervisor in fully evaluating contributions. At the end of the annual appraisal period, the immediate supervisor (rating official), from employees' inputs and his/her own knowledge, identifies for each employee the appropriate contribution level for each factor, and recommends the AOCS.

To determine the AOCS, numerical values are assigned based on the contribution levels of individuals, using the ranges shown in Table 3. The AOCS is calculated by averaging the numerical values (as weighted if applicable) assigned for each of the six contribution factors. (All AOCS's will be rounded to the nearest tenth of a point. If the decimal is .05 or higher, the AOCS will be rounded up.) The rating official in conjunction with the second-level supervisor reviews the AOCS for all employees, correcting any inconsistencies identified and making the appropriate adjustments in the factor ratings.

Table 3. Contribution Score Ranges By Occupational Family

		Engineering and Science	Business and Technical	General Support
Pay Band Levels		**Point Range**	**Point Range**	**Point Range**
VI		TBD	--	--
	Very High	101-115	101-115	--
	High	97-100	97-100	--
V	Med	91-96	91-96	--
	Low	87-90	87-90	--
	High	91-95	91-95	--
IV	Med	84-90	84-90	--
	Low	79-83	79-83	--
	Very High	--	--	60-64
	High	81-86	81-86	53-59
III	Med	68-80	68-80	47-52
	Low	62-67	62-67	43-46
	High	62-68	62-68	46-54
	Med High	51-61	51-61	--
II	Med	41-50	41-50	30-45
	Med Low	30-40	30-40	--
	Low	22-29	22-29	22-29
	High	24-30	24-30	24-30
I	Med	6-23	6-23	6-23
	Low	0-5	0-5	0-5

The pay pool panel conducts a final review of the AOCS for each employee in the pay pool. The pay pool panel has the authority to make AOCS adjustments, after discussion with the initial rating officials, to ensure equity and consistency. Final approval of AOCS rests with the pay pool manager, the individual within the organization responsible for managing the CBCS process. The AOCS, as approved by the pay pool manager, becomes the rating of record. Rating officials will communicate the factor scores and AOCS to each employee and discuss the results.

If on the last day of the appraisal cycle the employee has served under CBCS for less than 90 days, the first rating will be provided at the end of the next annual rating cycle. The first CBCS appraisal must be rendered within 18 months after entering the demonstration project.

When an employee cannot be evaluated readily by the normal CBCS appraisal process due to special circumstances that take the individual away from normal duties or duty station (*e.g.,* long-term full-time training, active military duty, extended sick leave, leave without pay, *etc.*), the rating official will document the special circumstances on the appraisal form. The rating official will then determine which of the following options to use:

a. Re-certify the employee's last contribution appraisal; or

b. Presume the employee is contributing consistently at his/her pay level.

5. Linking OCS to Compensation Adjustment

a. The Normal Pay Range (NPR)

The CBCS integrated pay schedule provides a direct link between contribution level and base pay. This is shown by the graph in Figure 1. The horizontal axis spans from 0 to the maximum OCS of 100 for positions in pay band levels I through V. Impact of Band VI will be determined after receiving DoD guidance on Band VI positions. The vertical axis spans from zero dollars to the dollar equivalent of the highest positions covered by CBCS. This encompasses the full base pay range (excluding locality pay and staffing supplements) under this demonstration for the given calendar year (*note:* Figure 1 currently depicts Calendar Year (CY) 10. Each year the rails for the NPR are adjusted based on the GS general pay increase under 5 U.S.C. 5303. The area between the upper and lower rails is considered the NPR. This pay range represents a base pay range of plus or minus eight percent from the Standard Pay Line (SPL). The SPL is a mapping of the GS base pay scale to OCS values (*see* formula below) that shows the expected level of contributions (EOCS) from an employee at a specific base pay rate. The SPL and NPR provide the means to link base pay and contribution using a scale that does not change even as a base pay range changes with GPI increases. This scale is not a linear scale but rather adopts and reflects the provision that the former GS basic pay increases (*e.g.,* GPI, step increases) are percentage increases. Thus, the scale reflects that each point increase in OCS reflects a fixed percent increase in base pay. For example, an OCS of 61 reflects an approximate two percent base pay difference over an OCS of 60 and an OCS of 87 reflects an approximate two percent base pay difference over an OCS of 86. The SPL and NPR are established using the following parameters:

(1) The lowest possible score is an OCS of 0, which equates to the lowest base pay under this demonstration project, GS–1, step 1,

(2) The OCS of 100 equates to the base pay of GS–15, step 10.

The SPL is calculated as:

Standard Pay Line (SPL) = (GS–1, Step 1) * $(1.020043)^{OCS}$

The factor 1.020043 is called the SPL factor and reflects the percent increase of salary corresponding to a one point increase in OCS:

SPL Factor = (GS–15, Step 10)/$(GS–1, Step 1)^{(0.01)}$

The SPL Factor will remain the same value (1.020043) for as long as GPI increases are applied as the same percentage increase to GS–1, Step 1, to GS–15, Step 10.

The upper rail is calculated as: Upper Rail = SPL * 1.08

The lower rail is calculated as: Lower Rail = SPL * 0.92

The upper and lower rails encompass an area of ± 8.0 percent in terms of base pay which correlates to approximately ± 4.0 OCS points.

The EOCS is the intersection of the employee's current base pay and the SPL. In the instance of an employee on retained pay, the EOCS is determined by using the maximum base pay of the employee's assigned pay band in lieu of their current base pay.

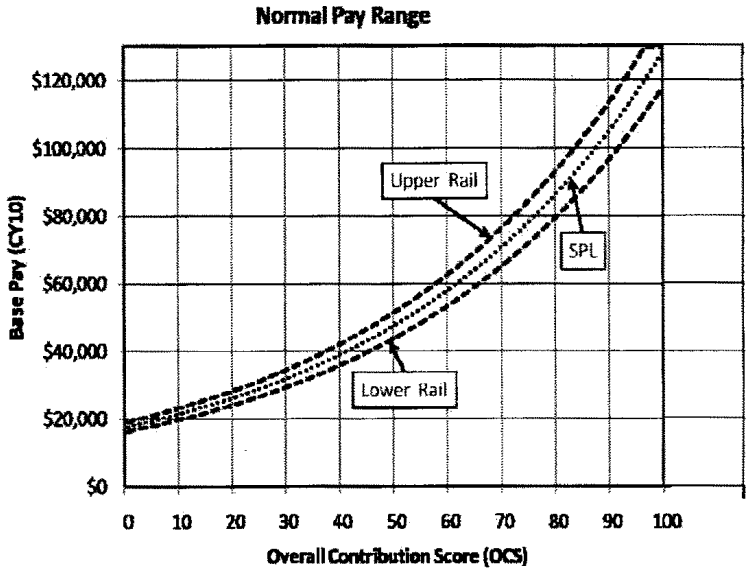

Figure 1. Normal Pay Range

The NPR is the same for all the Occupational Families. What varies among the Occupational Families are the beginnings and endings of the pay band levels. The minimum and maximum numerical OCS values and associated base pay for each pay band level by Occupational Family are provided in Table 4. These minimum and maximum breakpoints represent the lowest and highest base pay for the bands; and the minimum and maximum base pay possible for each pay band level. Locality pay or staffing supplements are not included in the NPR but are added to base pay as appropriate.

Table 4. OCS and Pay Band Base Pay Ranges

Occupational Family	$ (CY10 OCS Salaries)					
	I	II	III	IV	V	VI[1]
E&S	$17,803 – $32,288	$27,548 – $68,634	$60,930 – $98,100	$85,377 – $117,283	$100,066 – $129,517	
	0-30	22-68	62-86	79-95	87-100	
Business & Technical	$17,803 – $32,288	$27,548 – $68,634	$60,930 – $98,100	$85,377 – $117,283	$100,066 – $129,517	
	0-30	22-68	62-86	79-95	87-100	
General Support	$17,803 – $32,288	$27,548 – $51,986	$41,791 – $57,409			
	0-30	22-54	43-59			

[1] Band VI pay and OCS range will be determined based on DoD guidance.

b. OCS-Based Compensation Adjustment Guidelines

After the pay pool manager approves the OCS for all employees in the pay pool, the current base pay versus AOCS is plotted for all employees on a chart similar to Figure 2. This plot relates contribution to base pay, and identifies the placement of each employee into one of three regions: Region A—Above-the-NPR, Region C—Within-the-NPR, or Region B—Below-the-NPR. When an employee is placed in the Region A—Above-the-NPR, the employee is considered to be overcompensated. When an employee is placed in the Region B—Below-the-NPR the employee is considered to be undercompensated and when an employee is placed in the Region C—Within-the-NPR, the employee is considered to be adequately compensated.

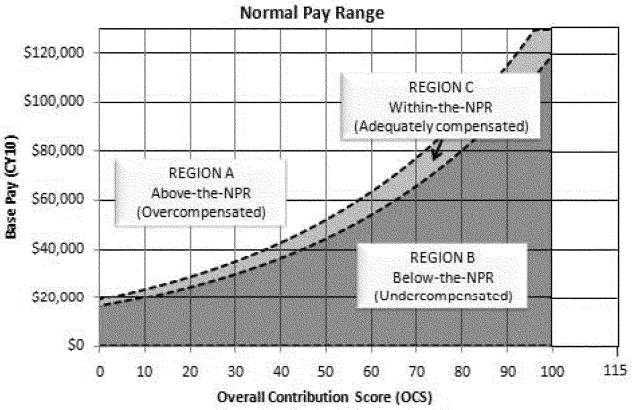

Figure 2. Compensation Regions Defined by NPR

c. The following delineates compensation adjustment guidelines for employees in each of the three regions:

(1) All employees are entitled to the full locality pay or a staffing supplement, as appropriate, (subject to overall salary pay limitations).

(2) The employees whose base pay falls within the NPR (Region C) must receive the full GPI, may receive a Contribution Base Pay Increase of up to 6 percent, and may receive a Contribution Bonus. The Contribution Base Pay Increase is included as a permanent increase in base pay, but the Contribution Bonus is a lump-sum payment that does not affect base pay.

(3) The employees whose base pay falls above the NPR (Region A) could be denied part or all of the GPI and will receive no Contribution Base Pay Increase or Contribution Bonus. The intent of the demonstration project is to allow managers to retain the ability to determine how much, if any, of the GPI an Overcompensated (Region A) employee shall receive, on a case-by-case basis.

(4) The employees whose base pay falls below the NPR (Region B) must receive the full GPI, may receive up to a 20 percent Contribution Base Pay Increase (higher amounts require the approval of the ARDEC Director), and may also receive a Contribution Bonus.

(5) The employees on retained pay in the demonstration project will receive base pay adjustments in accordance with 5 U.S.C. 5363 and 5 CFR part 536. An employee receiving retained pay is not eligible for a Contribution Base Pay Increase, but may receive a Contribution Bonus.

(6) Table 5 illustrates the additional pay adjustments possible for the three groupings of employees.

TABLE 5—COMPENSATION ELIGIBILITY CHART

Category	General pay increase	Contribution base pay increase	Contribution bonus	Locality pay/ staffing supplement [1]
—Above the NPR	Could be reduced or denied	NO	NO	YES.
Within the NPR—	YES	YES [2]—Up to 6 percent	YES [5]	YES.
—Below the NPR	YES	YES [3] [4]—Up to 20 percent	YES [5]	YES.

[1] Base pay plus locality pay/staffing supplement may not exceed Executive Level IV, except for Band VI.
[2] May not exceed upper rail of NPR for employee's AOCS or maximum base pay for current pay band level.
[3] Over 20 percent requires ARDEC Director's approval.
[4] May not exceed 6 percent above the lower rail or the maximum base pay for current pay band level.
[5] Pay pool manager approves up to $10,000. Amounts exceeding $10,000 require ARDEC Director's approval.

(7) In general, those employees whose base pay falls below the NPR should expect to receive greater percentage base pay increases than those whose base pay is above the NPR. Over time, people will migrate closer to the normal pay range and base pay appropriate for their level of contribution.

(8) Employees whose AOCS would result in awarding a Contribution Base Pay Increase such that the base pay exceeds the maximum base pay for their current pay band level may receive a Contribution Bonus equaling the difference.

6. Accelerated Compensation for Developmental Positions (ACDP)

ACDP provides for an increase to base pay, bonus, or a combination of these to employees participating in training programs or in other developmental capacities as determined by the ARDEC policy. ACDP recognizes growth and development in the acquisition of job-related competencies combined with successful contribution. In order to receive an ACDP, the employee must be in a pay and duty status and have been on an approved performance plan (may be from any system) for 90 days. Most ACDP increases will occur yearly, comparable to the GS intern career progression. However, when warranted (*e.g.,* high turnover positions, hard-to-fill positions, exceptional performance by the employee), an ACDP increase may occur anytime during the year. Employees under an ACDP will follow the standard CBCS rating cycle. The employee is only entitled to the bonus component as a result of CBCS rating.

7. Extraordinary Achievement Recognition

A pay pool manager may request approval from the ARDEC Director for use of an Extraordinary Achievement Recognition. Such recognition grants a base pay increase and/or bonus to an employee. The funds available for an Extraordinary Achievement Recognition are separately funded within budget constraints.

8. Awards

To provide additional flexibility in motivating and rewarding individuals and groups, some portion of the award budget will be reserved for special acts and other categories as they occur. Awards may include, but are not limited to, special acts, patents, suggestions, on-the-spot, and time-off. The funds available to be used for traditional title 5 U.S.C. awards are separately funded within budget constraints.

While not directly linked to the CBCS, this additional flexibility is important to encourage outstanding contribution and innovation in accomplishing the diverse mission of the ARDEC. Additionally, to foster and encourage teamwork among its employees, organizations may give group awards. The ARDEC Director will have the authority to grant Special Act Awards to covered employees of up to $25,000 IAW the criteria of AR 672–20, Incentive Awards.

9. Adverse Actions

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

10. Grievance of Assessed Overall Contribution Score

An employee may grieve the AOCS received under the CBCS. Non-bargaining unit employees and bargaining unit employees covered by a negotiated grievance procedure that does not permit grievances over performance ratings must file under administrative grievance procedures. Bargaining unit employees whose negotiated grievance procedures cover performance rating grievances must file under those negotiated procedure. Payout amounts resulting from the contribution assessment cannot be grieved.

11. Inadequate Employee Performance/Contribution

Inadequate performance/contribution at any time during the appraisal period is considered grounds for initiation of a reduction-in-pay or removal action. The following procedures replace those established in 5 U.S.C. 4303 pertaining to reductions in grade or removal for unacceptable performance except with respect to appeals of such actions. 5 U.S.C. 4303(e) provides the statutory authority for appeals of contribution-based actions. As is currently the situation for performance-based actions taken under 5 U.S.C. 4303, contribution-based actions shall be sustained if the decision is supported by substantial evidence; and the Merit Systems Protection Board shall not have mitigation authority with respect to such actions. The separate statutory authority to take contribution-based actions under 5 U.S.C. 75, as modified in the waiver section of this notice (section IX), remains unchanged by these procedures.

When an employee's AOCS plots above the upper rail of the NPR and the employee is considered to be under-performing/contributing, the supervisor has two options. The first is to take no action but to document this decision in a memorandum for the record. A copy of this memorandum will be provided to the employee and management. The second option is to inform the employee, in writing, that unless the contribution increases to, and is sustained at, a higher level, the employee may be reduced in pay, pay band level, or removed.

The second option will include a Contribution Improvement Plan (CIP). The CIP must include standards for acceptable contribution, actions required of the employee, and time in which they must be accomplished to increase and sustain the employee's contribution at an acceptable level. When an employee is placed on a CIP, the rating official will afford the employee a reasonable opportunity (a minimum of 60 days) to demonstrate acceptable contribution. These provisions also apply to an employee whose contribution deteriorates during the year.

Employees who are on a CIP at the time pay determinations are made do not receive performance payouts or the annual GPI. Employees who are on a CIP will not receive any portion of the GPI or RIF service credit until such time as his/her performance improves to the acceptable level and remains acceptable for at least 90 days. When the employee has performed acceptably for at least 90 days, the GPI and RIF service credit will be reinstated at the beginning of the next pay period. No retroactive GPI will be paid for time lost under a CIP.

Once an employee has been afforded a reasonable opportunity to demonstrate acceptable contribution but fails to do so, a reduction-in-pay (which may include a change to a lower pay band level and/or reassignment) or removal action may be proposed. If the employee's contribution increases to an acceptable level and is again determined to deteriorate in any factor within two years from the beginning of the opportunity period, actions may be initiated to effect reduction in pay or removal with no additional opportunity to improve. If an employee has contributed acceptably for two years from the beginning of an opportunity period, and the employee's overall contribution once again declines to an unacceptable level, the employee will be afforded an additional opportunity to demonstrate acceptable contribution before it is determined whether or not to propose a reduction in pay or removal.

An employee whose reduction in pay or removal is proposed is entitled to a 30-day advance notice of the proposed action that identifies specific instances of unacceptable contribution by the employee on which the action is based. The employee will be afforded a reasonable time to answer the notice of proposed action orally and/or in writing.

A decision to reduce pay or remove an employee for unacceptable contribution may be based only on those instances of unacceptable contribution that occurred during the two-year period ending on the date of issuance of the proposed action. The employee will be issued written notice at or before the time the action will be effective. Such notice will specify the instances of unacceptable contribution by the employee on which the action is based and will inform the employee of any applicable appeal or grievance rights.

All relevant documentation concerning a reduction-in-pay or removal that is based on unacceptable contribution will be preserved and made available for review by the affected employee or a designated representative. At a minimum, the records will consist of a copy of the notice of proposed action; the written answer of the employee or a summary when the employee makes an oral reply; and the written notice of decision and the reasons thereof, along with any supporting material including documentation regarding the opportunity afforded the employee to demonstrate acceptable contribution.

D. Hiring Authority

1. Qualifications

The qualifications required for placement into a position in a pay band within an Occupational Family will be determined using the OPM "Operating

Manual for Qualification Standards for GS Positions." Since the pay bands are anchored to the GS grade levels, the minimum qualification requirements for a position will be those corresponding to the lowest GS grade incorporated into that pay band. For example, for a position in the E&S Occupational Family, Pay Band II individuals must meet the basic requirements for a GS–5 as specified in the OPM "Qualification Standard for Professional and Scientific Positions."

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

2. Delegated Examining

Competitive service positions will be filled through Merit Staffing, Direct Hire Authority, or Delegated Examining. Where delegated to the laboratory level, hiring authority will be exercised in accordance with the requirements of the delegation of authority. The Rule of Three will be eliminated. When there are no more than fifteen 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 fifteen or there is a mix of preference and non-preference applicants. Statutes and regulations covering veterans' preference will be observed in the selection process and when rating and ranking are required.

3. Direct Hire Authority for Candidates With Advanced Degrees for Scientific and Engineering Positions

a. Background:

The ARDEC has an urgent need for direct hire authority to appoint qualified candidates possessing an advanced degree to scientific and engineering positions. The market is extremely competitive with industry and academia for the small supply of highly-qualified and security clearable candidates with a Masters Degree or PhD in science or engineering. There are 35,000 scientists and engineers employed in the DoD laboratories; 27 percent hold Masters Degrees, while 10 percent are in possession of a PhD. The ARDEC employs over 2,300 scientists and engineers; 34 percent holding Masters Degrees, while 2.6 percent are in possession of a PhD. Over the next five years, the ARDEC plans to hire approximately 500 of the country's best and brightest scientists and engineers (S&Es) just to keep pace with attrition. This number does not include the impact that actions such as Base Realignment and Closure may have on the attrition of S&Es from the ARDEC. Statistics indicate that the available pool of advanced degree, security clearable candidates is substantially diminished by the number of non-U.S. citizens granted degrees by U.S. institutions. For instance, in 2006, 20 percent of Masters Degrees in science and over 35 percent of PhDs in science were awarded to temporary residents.

It is expected that this hiring authority, together with streamlined recruitment processes, will be very effective in hiring candidates possessing a Masters or PhD and accelerating the hiring process. For instance, under a similar authority found in the NDAA for FY 09, section 1108, Public Law 110–417, October 28, 2009, one STRL had fifteen PhD selectees in 2009 for the sixteen vacancies for which they were using this hiring authority. Another STRL, using this expedited hiring authority in calendar year 2009, made thirty firm hiring offers in an average of thirteen days from receipt of paper work in the Human Resources Office. Of these thirty selectees, twenty-three possessed PhDs.

b. Definitions:

(1) Scientific and engineering positions are defined as all professional positions in scientific and engineering occupations (with a positive education requirement) utilized by the laboratory.

(2) An advanced degree is a Master's or higher degree from an accredited college or university in a field of scientific or engineering study directly related to the duties of the position to be filled.

(3) Qualified candidates are defined as candidates who:

(a) Meet the minimum standards for the position as published in OPM's operating manual, "Qualification Standards for General Schedule Positions," or the laboratory's demonstration project qualification standards specific to the position to be filled;

(b) Possess an advanced degree; and

(c) Meet any selective factors.

(4) The term "employee" is defined by section 2105 of title 5, U.S.C.

c. Provisions:

(1) Use of this appointing authority must comply with merit system principles when recruiting and appointing candidates with advanced degrees to covered occupations.

(2) Qualified candidates possessing an advanced degree may be appointed without regard to the provisions of subchapter 1 of chapter 33 of title 5, United States Code, other than sections 3303, 3321, and 3328 of such title.

(3) The hiring threshold for this authority shall be consistent with DoD policy and legislative language as expressed in any National Defense Authorization Act addressing such.

(4) Positions and candidates must be counted on a full-time equivalent basis.

(5) Science and engineering positions that are filled as of the close of the fiscal year are those positions encumbered on the last day of the fiscal year.

(6) When completing the personnel action, the following will be given as the authority for the Career-Conditional, Career, Term, Temporary, or special demonstration project appointment authority: Section 1108, NDAA for FY 09.

(7) Evaluation of this hiring authority will include information and data on its use, such as numerical limitation, hires made, how many veterans hired, declinations, difficulties encountered, and/or recognized efficiencies.

4. Distinguished Scholastic Achievement Appointment

ARDEC will establish a Distinguished Scholastic Achievement Appointment using an alternative examining process which provides the authority to appoint undergraduates and graduates through the doctoral level to professional positions at the equivalent of GS–7 through GS–11, and GS–12 positions. At the undergraduate level, candidates may be appointed to positions at a pay level no greater than the equivalent of GS–7, step 10, provided that: They meet the minimum standards for the position as published in OPM's operating manual, "Qualification Standards for General Schedule Positions," plus any selective factors stated in the vacancy announcement; the occupation has a positive education requirement; and the candidate has a cumulative grade point average of 3.5 or better (on a 4.0 scale) in those courses in those fields of study that are specified in the qualifications standards for the occupational series. Appointments may also be made at the equivalent of GS–9 through GS–12 on the basis of graduate education and/or experience for those candidates with a grade point average of 3.5 or better (on a 4.0 scale) for graduate level courses in the field of study required for the occupation. Veterans' preference procedures will apply when selecting candidates under this authority.

Preference eligibles who meet the above criteria will be considered ahead of nonpreference eligibles. In making selections, to pass over any preference eligible(s) to select a nonpreference eligible requires approval under current pass-over or objection procedures. Priority must also be given to displaced employees as may be specified in OPM and DoD regulations. Distinguished Scholastic Achievement Appointments will enable ARDEC to respond quickly to hiring needs with eminently qualified candidates possessing distinguished scholastic achievements.

5. Legal Authority

For actions taken under the auspices of this demonstration project, the legal authorities, Public Law 103–337, as amended, and Public Law 111–84 will be used. For all other actions, the nature of action codes and legal authority codes prescribed by OPM, DoD, or DA will continue to be used.

6. Modified Term Appointments

The ARDEC conducts a variety of projects that range from three to six years. The current four-year limitation on term appointments for competitive service employees often results in the termination of these employees prior to completion of projects they were hired to support. This disrupts the research and development process and affects the organization's ability to accomplish the mission and serve its customers.

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

Employees hired under the modified term appointment authority are in a non-permanent status, but may be eligible for non-competitive conversion to career-conditional or career appointments. To be converted, the employee must:

(1) Have been selected for the term position under competitive procedures, with the announcement specifically stating that the individual(s) selected for the term position may be eligible for conversion to a career-conditional or career appointment at a later date;

(2) Have served two years of continuous service in the term position; and

(3) Be performing at an acceptable level of performance.

Employees serving under term appointments at the time of conversion to the demonstration project will be converted to the new modified term appointments provided they were hired for their current positions under competitive procedures. These employees will be eligible for conversion to career-conditional or career appointments if they:

(1) Have served two years of continuous service in the term position;

(2) Are selected under merit promotion procedures for the permanent position; and

(3) Have not been placed on a Contribution Improvement Period (CIP).

Time served in term positions prior to conversion to the modified term appointment is creditable, provided the service was continuous.

7. Initial Probationary Period

The probationary period will not be less than one year and will not exceed three years for all newly hired employees as defined in 5 CFR part 315. The specific probationary period will be defined and controlled by the ARDEC Director. The purpose of the probationary period is to allow supervisors an adequate period of time to fully evaluate an employee's ability to complete a cycle of work and to fully assess an employee's contribution and conduct. All other features of the current probationary period are retained including the potential to remove an employee without providing the full substantive and procedural rights afforded a non-probationary employee. Any employee fulfilling this probationary period prior to the implementation date will not be affected.

8. Termination of Initial Probationary Period Employees

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

9. Supervisory and Managerial Probationary Periods

Supervisory and managerial probationary periods will be made consistent with 5 CFR part 315. Current government employees, selected for an initial appointment to a supervisory or managerial position in ARDEC are required to successfully complete a two-year probationary period. If the employee is transferred to a different supervisory position, he or she does not have to repeat the probationary period, but may continue the duration of the probationary period if the time was not completed in the previous supervisory position. If, during this probationary period, the decision is made to return the employee to a non-supervisory/managerial position for reasons related to supervisory/managerial performance, the employee will be returned to a comparable position of no lower pay than the position from which promoted or reassigned.

10. Volunteer Emeritus Corps

Under the demonstration project, the ARDEC Director will have the authority to offer retired or separated employees voluntary positions. The ARDEC Director may re-delegate this authority. Volunteer Emeritus Corps assignments are not considered employment by the Federal government (except for purposes of injury compensation). Thus, such assignments do not affect an employee's entitlement to buyouts or severance payments based on an earlier separation from Federal service. The volunteer's Federal retirement pay (whether military or civilian) is not affected while serving in a voluntary capacity. Retired or separated Federal employees may accept an emeritus position without a break or mandatory waiting period.

The Volunteer Emeritus Corps will ensure continued quality services while reducing the overall salary line by allowing higher paid employees to accept retirement incentives with the opportunity to retain a presence in the ARDEC community. The program will be beneficial during manpower reductions, as employees accept retirement and return to provide a

continuing source of corporate knowledge and valuable on-the-job training or mentoring to less experienced employees.

To be accepted into the Volunteer Emeritus Corps, a volunteer must be recommended by an ARDEC manager to the Director or delegated authority. Not everyone who applies is entitled to an emeritus position. The responsible official will document acceptance or rejection of the applicant. For acceptance, documentation must be retained throughout the assignment. For rejection, documentation will be maintained for two years.

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

An agreement will be established among the volunteer, the responsible official, and the CPAC. The agreement must be finalized before the assumption of duties and shall include the following:

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

(b) Statement that the volunteer will be considered a Federal employee only for the purpose of injury compensation;

(c) Volunteer's work schedule;

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

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

(f) Statement of duties;

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

(h) Provision allowing either party to void the agreement with two working days written notice;

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

(j) Provision that any publication(s) resulting from his/her work will be submitted to the ARDEC Director for review and approval;

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

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

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

(n) Statement that he/she agrees to disclose any inventions made in the course of work performed at ARDEC. The ARDEC Director has the option to obtain title to any such invention on behalf of the U.S. Government. Should the ARDEC Director elect not to take title, the ARDEC, shall at a minimum, retain a non-exclusive, irrevocable, paid-up, royalty-free license to practice or have practiced the invention worldwide on behalf of the U.S. Government; and

(o) Statement that he/she agrees to comply with designated mandatory training.

Exceptions to the provisions in this procedure may be granted by the ARDEC Director on a case-by-case basis.

E. Internal Placement

1. Promotion

A promotion is the movement of an employee to a higher pay band in the same Occupational Family or to another pay band in a different Occupational Family, wherein the band in the new Occupational Family has a higher maximum base pay than the band from which the employee is moving. The move from one band to another must result in an increase in the employee's base pay to be considered a promotion unless the employee is on retained pay. Positions with known promotion potential to a higher band within an Occupational Family career path will be identified when they are filled. Movement from one Occupational Family to another will depend upon individual competencies, qualifications, and the needs of the organization. Supervisors may consider promoting employees at any time, since promotions are not tied to the CBCS. Progression within a pay band is based upon contribution base pay increases; as such, these actions are not considered promotions and are not subject to the provisions of this section. Except as specified in III.E.6, promotions will be processed under competitive procedures in accordance with Merit System Principles and requirements of the local merit promotion plan.

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

2. Reassignment

A reassignment is the movement of an employee from one position to a different position within the same Occupational Family and pay band or to another Occupational Family and pay band wherein the pay band in the new family has the same maximum base pay. The employee must meet the qualifications requirements for the Occupational Family and pay band.

3. Demotion or Placement in a Lower Pay Band

A demotion is a placement of an employee into a lower pay band within the same Occupational Family or placement into a pay band in a different Occupational Family with a lower maximum base pay. Demotions may be for cause (performance or conduct) or for reasons other than cause (*e.g.,* erosion of duties, reclassification of duties to a lower pay band, application under competitive announcements, at the employee's request, or placement actions resulting from RIF procedures).

4. Simplified Assignment Process

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

organization consistent with that individual's qualifications. This flexibility allows broader latitude in assignments and further streamlines the administrative process and system while providing management the option of granting additional base pay in recognition of more complex work or broader scope of responsibility.

5. Detail Assignment

Under the demonstration project, the ARDEC'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.

Detail assignments beyond one year require the approval of the ARDEC Director, and are not subject to the 120-day renewal requirement.

6. Expanded Temporary Promotions

Current regulations require that temporary promotions for more than 120 days to a higher level position than previously held must be made competitively. Under the demonstration project, the ARDEC 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.

7. Exceptions to Competitive Procedures

The following actions are excepted from competitive procedures:

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

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

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

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

(e) A temporary promotion or detail to a position in a higher pay band of one year or less in a 24-month period.

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

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

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

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

F. Pay Administration

1. General

Pay administration policies will be established by the PMB. These policies will be exempt from Army Regulations or Higher Headquarter pay fixing policies but will conform to basic governmental pay fixing policy. Employees whose performance is acceptable and not on pay retention will receive the full annual general pay increase and the full locality pay. The ARDEC may make full use of recruitment, retention, and relocation payments as provided for by OPM under 5 U.S.C. and 5 CFR pay flexibilities except as waived by this FRN.

2. Pay and Compensation Ceilings

An employee's total monetary compensation paid in a calendar year may not exceed the rate of pay for Level I of the Executive Schedule consistent with 5 CFR 530.201. In addition, each pay band will have its own base pay ceiling. Base pay rates for the various pay bands were established to approximately cover the pay ranges for the GS grade equivalents. Other than where retained rate applies, base pay will be limited to the maximum base pay rate for each pay band. (*See* Table 4.)

3. Pay Setting for Appointment

Upon initial appointment, the individual's pay may be set at the lowest base pay in the pay band or anywhere within the band level consistent with the special qualifications of the individual and the unique requirements of the position. These special qualifications may be in the form of education, training, experience, or any combination thereof that is pertinent to the position in which the employee is being placed. Guidance on pay setting for new hires will be established by the PMB.

4. Highest Previous Rate

Highest Previous Rate (HPR) will be considered in placement actions authorized under rules similar to the HPR rules in 5 CFR 531.221. Use of HPR will be at the supervisor's discretion; but if used, HPR is subject to policies established by the PMB.

5. Pay Setting for Promotion

The minimum base pay increase upon promotion to a higher pay band will be six percent or the amount necessary to set the new base pay at the minimum base pay rate of the new pay band, whichever is greater. The maximum amount of a base pay increase for a promotion will not exceed $10,000 or other such amount as established by the PMB. The maximum base pay increase for promotion may be exceeded when necessary to allow for the minimum base pay increase. For employees promoted from positions external to Lab Demo covered by special rates, the new demonstration project base pay rate will be calculated to assure an adjusted base pay increase of a minimum of six percent.

When a temporary promotion is terminated, the employee's pay entitlements will be re-determined based on the employee's position of record, with appropriate adjustments to reflect pay events during the temporary promotion, subject to the specific policies and rules established by the PMB. In no case may those adjustments increase the base pay for the position of record beyond the applicable pay band maximum base pay rate.

6. Pay Setting for Reassignment

A reassignment may be effected without a change in base pay. However, a base pay increase may be granted where a reassignment significantly increases the complexity, responsibility, and authority or for other compelling reasons. Such an increase is subject to the specific guidelines established by the PMB.

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

Employees demoted for cause (performance or conduct) are not entitled to pay retention and will receive a minimum of a five percent decrease in base pay provided that decrease does not result in base pay falling below the minimum rate for the pay band. Employees demoted for reasons other than cause (*e.g.,* erosion of duties, reclassification of duties to a lower pay band, application under competitive announcements, at the employee's request, or placement actions resulting from RIF procedures) may be entitled to pay retention in accordance with the provisions of 5 U.S.C. 5363 and 5 CFR part 536, except as waived or modified in section X of this plan.

8. Pay Setting for Employees on a CIP

Employees who are on a CIP do not receive contribution payouts or the general pay increase. This action may result in a base pay that is below the assigned band. This occurs because the minimum rate of base pay in a pay band increases as the result of the general pay increase (5 U.S.C. 5303). For this situation, the employee will remain in the assigned band until such time as the CIP is resolved. Upon resolution of the CIP, pay or band adjustments shall be made in accordance with this document. This action will not be considered an adverse action, nor will it be grievable.

9. Supervisory and Team Leader Pay Adjustments

a. Supervisory and team leader pay adjustments may be approved by the ARDEC Director based on the recommendation of the PMB to compensate employees with supervisory or team leader responsibilities. Only employees in supervisory or team leader positions may be considered for the pay adjustment. These pay adjustments are funded separately from performance pay pools. These pay adjustments are increases to base pay ranging up to ten percent of the employee's base pay rate. Pay adjustments are subject to the constraint that the adjustment may not cause the employee's base pay to exceed the pay band maximum base pay. Criteria to be considered in determining the base pay increase percentage include:

(1) Needs of the organization to attract, retain, and motivate high-quality supervisors/team leaders;

(2) Budgetary constraints;

(3) Years and quality of related experience;

(4) Relevant training;

(5) Performance appraisals and experience as a supervisor/team leader;

(6) Organizational level of position; and

(7) Impact on the organization.

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

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

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

c. Supervisors and team leaders will not receive a base pay adjustment at the time of initial conversion into the demonstration project. The supervisor/team leader pay adjustment will be reviewed annually, with possible increases or decreases based on the AOCS. The initial dollar amount of a base pay adjustment will be removed when the employee voluntarily leaves the position. The cancellation of the base pay adjustment under these circumstances is not an adverse action and is not subject to appeal. If an employee is removed from a supervisory/team leader position for personal cause (performance or conduct), the base pay adjustment will be removed under adverse action procedures. However, if an employee is removed from a non-probationary supervisory/team leader position for conditions other than voluntary or for personal cause, pay retention will follow current law and regulations at 5 U.S.C. 5362 and 5363 and 5 CFR part 536, except as waived or modified in section X.

10. Supervisory and Team Leader Pay Differentials

a. Supervisory and team leader pay differentials may be used by the ARDEC Director to provide an incentive and reward supervisors and team leaders. Pay differentials are not funded from performance pay pools. A pay differential is a cash incentive that may range up to ten percent of base pay for supervisors and for team leaders. It is paid on a pay period basis with a specified not-to-exceed (NTE) of one year or less and is not included as part of the base pay. Criteria to be considered in determining the amount of the pay differential are the same as those identified for Supervisory and Team Leader Pay Adjustments. The differential must be terminated if the employee is removed from a supervisory/team leader position, regardless of cause.

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

11. Staffing Supplements

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

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

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

$$\text{Demonstration base pay rate} = \frac{\text{Former GS or NSPS adjusted pay rate or equivalent (specialty or locality rate)}}{\text{Staffing factor}}$$

$$\text{Staffing supplement} = \text{Demo base pay or NSPS base salary rate* (staffing factor-1)}$$

$$\text{Pay upon conversion} = \text{Demonstration base pay rate + staffing supplement (sum will equal existing adjusted rate)}$$

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

An established base pay rate plus the staffing supplement will be considered adjusted base pay for the same purposes as a locality rate under 5 CFR 531.610, *e.g.,* for purposes of retirement, life insurance, premium pay, severance pay, and advances in pay. It will also be used to compute worker's compensation payments and lump-sum payments for accrued and accumulated annual leave.

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

12. Pay Retention

For purposes of actions within the ARDEC demonstration project that provide entitlement to pay retention, the standard provisions of pay retention under 5 U.S.C. 5362 and 5363 and 5 CFR part 536 shall apply to employees after conversion to the demonstration project, except as waived or modified in Section X of this plan. Wherever the term "grade" is used in the law or regulation, the term "pay band" will be substituted. The intent is to only use pay retention for all situations. Grade retention provisions will not be applicable to the ARDEC Demonstration Project. The ARDEC Director may grant pay retention to employees who meet general eligibility requirements, but do not have specific entitlement by law, provided they are not specifically excluded.

G. Employee Development

1. Expanded Developmental Opportunity Program

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

a. *Sabbatical.* The ARDEC Director has the authority to grant paid or unpaid sabbaticals to all career employees. The purpose of a sabbatical will be to permit employees to engage in study or uncompensated work experience that will benefit the organization and contribute to the employee's development and effectiveness. Each sabbatical must result in a product, service, report, or study that will benefit the ARDEC mission as well as increase the employee's individual effectiveness. Various learning or developmental experiences may be considered, such as advanced academic teaching, research, self-directed or guided study, and on-the-job work experience.

One paid sabbatical of up to twelve months in duration or one unpaid sabbatical of up to six months in a calendar year may be granted to an employee in any seven-year period. Employees will be eligible to request a sabbatical after completion of seven years of Federal service. Employees approved for a paid sabbatical must sign a service obligation agreement to continue in service in the ARDEC for a period three times the length of the sabbatical. If an employee voluntarily leaves the ARDEC organization before the service obligation is completed, he/she is liable for repayment of expenses incurred by ARDEC that are associated with training during the sabbatical. Expenses do not include salary costs. The ARDEC Director has

the authority to waive this requirement. Criteria for such waivers will be addressed in the operating procedures. Specific procedures will be developed for processing sabbatical applications upon implementation of the demonstration project.

b. *Critical Skills Training.* The ARDEC Director has the authority to approve academic degree training consistent with 5 U.S.C. 4107. Training is an essential component of an organization that requires continuous acquisition of advanced and specialized knowledge. Degree training is also a critical tool for recruiting and retaining employees with or requiring critical skills.

Each academic degree training program in its entirety can be approved based upon a complete individual degree study program plan; it will ensure continuous acquisition of advanced specialized knowledge essential to the organization and enhance our ability to recruit and retain personnel critical to the present and future requirements of the organization. Degree or certificate payment may not be authorized where it would result in a tax liability for the employee without the employee's express and written consent. Any variance from this policy must be rigorously determined and documented. Guidelines will be developed to ensure competitive approval of degree or certificate payment and that such decisions are fully documented. Employees approved for degree training must sign a service obligation agreement to continue service in the ARDEC for a period three times the length of the training period commencing after the completion of the entire degree program. If an employee voluntarily leaves the ARDEC before the service obligation is completed, he/she is liable for repayment of expenses incurred by the ARDEC that are related to the critical skills training. Expenses do not include salary costs. The ARDEC Director has the authority to waive this requirement. Criteria for such waivers will be addressed in the operating procedures.

c. *Student Career Experience Program (SCEP) Service Agreement.* The extended repayment period also applies to employees under the SCEP who have received tuition assistance. They will be required to sign a service agreement up to three times the length of the academic training period or periods (semesters, trimesters, or quarters).

H. Reduction-in-Force (RIF) Procedures

The competitive area may be determined by Occupational Family, lines of business, product lines, organizational units, funding lines, occupational series, functional area, and/or geographical location, or a combination of these elements, and must include all Demonstration Project employees within the defined competitive area. The RIF system has a single round of competition to replace the current GS two-round process. Once the position to be abolished has been identified, the incumbent of that position may displace another employee when the incumbent has a higher retention standing and is fully qualified for the position occupied by the employee with a lower standing.

Retention standing is based on tenure, veterans' preference, and length of service augmented by performance. Modified term appointment and temporary employees are in tenure group III for RIF purposes. RIF procedures are not required when separating these employees when their appointments expire.

Displacement is limited to one pay band level below the employee's present pay band level within the Occupational Family career path. Pay band level I employees can displace within their current pay band level. A veterans' preference eligible employee with a compensable service connected disability of 30 percent or more may displace up to two pay band levels below the employee's present level within the Occupational Family career path. A pay band level I preference eligible employee (with a compensable service connected disability of 30 percent or more) can displace within their current pay band. Employees bumped to lower pay band levels are entitled to pay retention. The same "*undue disruption*" standard currently utilized, serves as the criteria to determine if an employee is fully qualified.

The additional RIF service credit for performance shall be based on the last three OCS scores and will be applied as follows:

(1) Seven years of credit for each year the OCS is equal to or greater than 94 percent of the EOCS.

(2) Four years of credit for each year the OCS is less than 94 percent of the EOCS, except, zero (0) years of credit for each year the employee was on a CIP during the rating cycle and the OCS is less than 92 percent of the EOCS.

An employee on a CIP, any time during the rating cycle, may only displace an employee who was also on a CIP during the same rating cycle. The displaced individual may similarly displace another employee on a CIP during the same rating cycle. If there is no position in which an employee can be placed by this process or assigned to a vacant position, that employee will be separated. If an employee has not been rated under the demonstration project their rating will be considered acceptable and they will be given the full 21 years of performance credit. After completion of the first or second rating cycle the total years of service will be prorated based on ratings received to date.

IV. Implementation Training

A. Critical to the success of the demonstration project is the training developed to promote understanding of the broad concepts and finer details needed to implement and successfully execute this project. Pay banding, a new position classification system, and a new CBCS all represent significant cultural change for the organization. Training will be tailored to address employee concerns and to encourage comprehensive understanding of the demonstration project. Training will be required both prior to implementation and at various times during the life of the demonstration project.

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

1. An overview of the demonstration project;
2. Conversion in and out of the system;
3. Pay banding;
4. The CBCS;
5. Defining objectives;
6. Assigning weights;
7. Assessing performance, including feedback;
8. New position descriptions; and
9. Demonstration project administration and formal evaluation.

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

V. Conversion

A. Conversion From the GS System to the Demonstration Project

1. Placement Into Demonstration Project Occupational Families, Career Paths, and Pay Bands

Conversion will be into the Occupational Family and career path that 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 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 of total pay.

2. WGI Buy-In

For GS employees, rules governing WGIs will continue in effect until conversion. Adjustments to the employee's GS basic pay for WGI equity will be computed as of the effective date of conversion. WGI equity will be acknowledged by increasing basic pay by a prorated share based upon the number of full weeks an employee has completed toward the next higher step. Payment will equal the value of the employee's next WGI times the proportion of the waiting period completed (weeks completed in waiting period/weeks in the waiting period) at the time of conversion. GS employees at step 10 or receiving a retained rate, on the day of implementation will not be eligible for WGI equity adjustments. GS employees serving on retained grade will receive WGI equity adjustments provided they are not at step 10 or receiving a retained rate.

3. Conversion of Term and Temporary Limited Appointments

Employees serving under a term appointment at the time of demonstration project implementation will be converted to the modified term appointment if all requirements (refer to III.D.6, Modified Term Appointments) have been satisfied. Employees serving under temporary limited appointments at the time of demonstration implementation will be converted to temporary limited appointments.

4. Conversion of Special Salary Rate Employees

Employees who are in positions covered by a special salary rate prior to the demonstration project will no longer be considered a special salary rate employee under the demonstration project. These employees will be eligible for full locality pay. The adjusted pay for these employees will not change. The employees will receive a new staffing adjusted base pay rate computed under the staffing supplement rules in section III.F.11.

5. Probationary Periods

a. Initial probationary period. GS employees who have completed an initial probationary period prior to conversion from GS will not be required to serve a new or extended initial probationary period. GS employees who are serving an initial probationary period upon conversion from GS will serve the time remaining on their initial probationary period and may have their initial probationary period extended in accordance with the demonstration project regulation and implementing issuances.

b. Supervisory probationary period. GS employees who have completed a supervisory probationary period prior to conversion from GS will not be required to serve a new or extended supervisory probationary period while in their current position. GS employees who are serving a supervisory probationary period upon conversion from GS will serve the time remaining on their supervisory probationary period.

B. Conversion From NSPS to the Demonstration Project

1. Placement Into Demonstration Project Occupational Families, Career Paths, Pay Plans, and Pay Bands

The employee's NSPS occupational series, pay plan, pay band, and supervisory code will be considered upon converting into the demonstration project as follows.

a. Determine the appropriate demonstration project pay plan. Employees will be converted into an occupational family career path and pay plan based on the occupational series of their position. In cases where the employee is assigned to a NSPS-unique occupational series, a corresponding OPM occupational series must be identified using OPM GS classification standards and guidance to determine the proper demonstration project pay plan.

b. Determine the appropriate demonstration project pay band. The appropriate pay band will be determined by establishing the corresponding GS grade for the employee's NSPS position using OPM GS classification standards and guidance. Once the GS grade has been determined, the employee's position will be placed in the appropriate demonstration project pay band in the occupational family career path.

2. Pay Upon Conversion From NSPS

Conversion from NSPS into the demonstration project will be accomplished with full employee pay protection. Adverse action provisions will not apply to the conversion action. In accordance with section 1113(c)(1) of NDAA 2010, which prohibits a loss of or decrease in pay upon transition from NSPS, employees converting to the demonstration project will retain the adjusted salary (as defined in 5 CFR 9901.304) from their NSPS permanent or temporary position at the time the position converts. Upon conversion, the retained NSPS adjusted salary may not exceed Level IV of the Executive Schedule plus five percent. If the employee's base pay exceeds the maximum rate for his or her assigned demonstration project pay band, the employee will be placed on indefinite pay retention until an event, as described in 5 CFR 536.308, results in a loss of eligibility for or termination of pay retention.

Employees covered by an NSPS targeted local market supplement (TLMS) prior to conversion to the demonstration project will no longer be covered by a TLMS. Instead, they will receive a staffing supplement. The adjusted base pay upon conversion will not change.

3. Fair Labor Standards Act (FLSA) Status

Since FLSA provisions were not waived under NSPS and duties do not change upon conversion to the demonstration project, the FLSA status determination will remain the same upon conversion. Employees will be converted to the demonstration project with the same FLSA status they had under NSPS.

4. Transition Equity

During the first 12 months following conversion to the demonstration project, management may approve certain adjustments within the pay band for pay equity reasons stemming from conversion. For example, if an employee would have been otherwise promoted but demonstration project pay band placement no longer provides the opportunity for promotion, a pay equity adjustment may be authorized provided the adjustment does not cause the employee's base pay to exceed the maximum rate of his or her assigned pay band and the employee's performance warrants an adjustment. The decision to grant a pay equity adjustment is at the sole discretion of the ARDEC Director and is not subject to employee appeal procedures.

During the first 12 months following conversion, management may approve an adjustment of not more than 20 percent, provided the adjustment does not cause the employee's base pay to exceed the maximum rate of his or her assigned pay band and the employee's performance warrants an adjustment, to mitigate compensation inequities that may be caused by artifacts of the process of conversion into STRL pay bands.

5. Pay Band Retention

Employees converting from NSPS to the demonstration project will not be granted pay band retention based on the

pay band formerly assigned to their NSPS position.

6. Converting Employees on NSPS Term and Temporary Appointments

a. Employees serving under term appointments at the time of conversion to the demonstration project will be converted to modified term appointments provided they were hired for their current positions under competitive procedures. These employees will be eligible for conversion to career or career-conditional appointments in the competitive service provided they:

(1) Have served two years of continuous service in the term position;

(2) Were selected for the term position under competitive procedures; and

(3) Are performing at a satisfactory level.

Converted term employees who do not meet these criteria may continue on their term appointment up to the not-to-exceed date established under NSPS. Extensions of term appointments after conversion may be granted in accordance with 5 CFR part 316, subpart D.

b. Employees serving under temporary appointments under NSPS when their organization converts to the demonstration project will be converted and may continue on their temporary appointment up to the not-to-exceed date established under NSPS. Extensions of temporary appointments after conversion may be granted in accordance with 5 CFR 213.104 for excepted service employees and 5 CFR part 316, subpart D, for competitive service employees.

7. Probationary Periods

a. Initial probationary period. NSPS employees who have completed an initial probationary period prior to conversion from NSPS will not be required to serve a new or extended initial probationary period. NSPS employees who are serving an initial probationary period upon conversion from NSPS will serve the time remaining on their initial probationary period and may have their initial probationary period extended in accordance with the demonstration project regulation and implementing issuances.

c. Supervisory probationary period. NSPS employees who have completed a supervisory probationary period prior to conversion from NSPS will not be required to serve a new or extended supervisory probationary period while in their current position. NSPS employees who are serving a supervisory probationary period upon conversion from NSPS will serve the time remaining on their supervisory probationary period.

C. Conversion From Other Personnel Systems

Employees who enter the demonstration project from other personnel systems (*e.g.,* Defense Civilian Intelligence Personnel System, Civilian Acquisition Workforce Demonstration Project, or other STRLs) will be subject to the pay rules that govern conversion out of their respective systems. Conversion into Lab Demo will be based upon the position classification of the employee's new position and the Lab Demo rules, consistent with the intent as outlined for GS and NSPS above.

D. Movement Out of the ARDEC Demonstration Project

1. Termination of Coverage Under the ARDEC Demonstration Project Pay Plans

In the event employees' coverage under the ARDEC demonstration project pay plans is terminated, employees move with their demonstration project position to another system applicable to ARDEC employees. The grade of their demonstration project position in the new system will be based upon the position classification criteria of the gaining system. Employees when converted to their positions classified under the new system will be eligible for pay retention under 5 CFR part 536, if applicable.

2. Determining a GS-Equivalent Grade and GS-Equivalent Rate of Pay for Pay Setting Purposes When an ARDEC Employee's Coverage by a Demonstration Project Pay Plan Terminates or the Employee Voluntarily Exits the ARDEC Demonstration Project

a. If a demonstration project employee is moving to a GS or other pay system position, the following procedures will be used to translate the employee's project pay band to a GS-equivalent grade and the employee's project base pay to the GS-equivalent rate of pay for pay setting purposes. The equivalent GS grade and GS rate of pay must be determined before movement out of the demonstration project and any accompanying geographic movement, promotion, or other simultaneous action. For lateral reassignments, the equivalent GS grade and rate will become the employee's converted GS grade and rate after leaving the demonstration project (before any other action). For transfers, promotions, and other actions, the converted GS grade and rate will be used in applying any GS pay administration rules applicable in connection with the employee's movement out of the project (*e.g.,* promotion rules, highest previous rate rules, pay retention rules), as if the GS converted grade and rate were actually in effect immediately before the employee left the demonstration project.

(1) Equivalent GS-Grade-Setting Provisions

An employee in a pay band corresponding to a single GS grade is provided that grade as the GS-equivalent grade. An employee in a pay band corresponding to two or more grades is determined to have a GS-equivalent grade corresponding to one of those grades according to the following rules:

(a) The employee's adjusted base pay under the demonstration project (including any locality payment or staffing supplement) is compared with step 4 rates in the highest applicable GS rate range. For this purpose, a GS rate range includes a rate in:

i. The GS base schedule;

ii. The locality rate schedule for the locality pay area in which the position is located; or

iii. The appropriate special rate schedule for the employee's occupational series, as applicable.

If the series is a two-grade interval series, only odd-numbered grades are considered below GS–11.

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

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

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

lowest grade in the band, the employee is converted to the lowest grade.

(e) *Exception:* An employee will not be provided a lower grade than the grade held by the employee immediately preceding a conversion, lateral reassignment, or lateral transfer into the project, unless since that time the employee has either undergone a reduction in band or a reduction within the same pay band due to unacceptable performance.

(2) Equivalent GS-Rate-of-Pay-Setting Provisions

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

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

(b) An employee's adjusted base pay under the demonstration project (*i.e.,* including any locality payment or staffing supplement) is converted to a GS adjusted base pay rate on the highest applicable GS rate range for the converted GS grade. For this purpose, a GS rate range includes a rate range in:

i. The GS base schedule,

ii. An applicable locality rate schedule, or

iii. An applicable special rate schedule.

(c) If the highest applicable GS rate range is a locality pay rate range, the employee's adjusted base pay under the demonstration project is converted to a GS locality rate of pay. If this rate falls between two steps in the locality-adjusted schedule, the rate must be set at the higher step. The converted GS unadjusted rate of base pay would be the GS base rate corresponding to the converted GS locality rate (*i.e.,* same step position).

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

(3) Employees With Pay Retention

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

VI. Other Provisions

A. 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 CPACs will continue to process personnel-related actions and provide consultative and other appropriate services.

B. Automation

The ARDEC will continue to use standard systems such as 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 bonus and other personnel processes and systems associated with this project.

C. 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 making minor changes to an existing demonstration project and requesting new initiatives.

VII. Project Duration

Public Law 103–337 removed any mandatory expiration date for section 342(b) demonstration projects. The ARDEC, DA, and DoD will ensure this project is evaluated for the first five years after implementation in accordance with 5 U.S.C. 4703. Modifications to the original evaluation plan or any new evaluation will ensure the project is evaluated for its effectiveness, its impact on mission, and any potential adverse impact on any employee groups. Major changes and modifications to the interventions would be made if formative evaluation data warrants and will be published in the **Federal Register** to the extent required. At the five-year point, the demonstration will be reexamined for permanent implementation, modification and additional testing, or termination of the entire demonstration project.

VIII. Evaluation Plan

A. Overview

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

B. Evaluation Model

1. Appendix D 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, and 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.

2. 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:

a. The extent to which the HR changes are given a fair trial period;

b. The extent to which the changes are implemented; and

c. The extent to which the changes conform to the HR interventions as planned.

The support of implementation factor accounts for the impact that factors such as training, internal regulations, and automated support systems have on the support available for program implementation. The support for program implementation factor can also be affected by the personal characteristics (*e.g.,* attitudes) of individuals who are implementing the program.

3. 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.

4. 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:

a. The expected effects of the intervention,

b. The corresponding measures, and

c. The data sources for obtaining the measures.

Although the model makes predictions about the outcomes of specific intervention, causal attributions about the full impact of specific interventions will not always be possible for several reasons. For example, many of the initiatives are expected to interact with each other and contribute to the same outcomes. In addition, the impact of changes in the HR system may be mitigated by context variables (*e.g.,* the job market, legislation, and internal support systems) or support factors (*e.g.,* training, automation support systems).

C. Evaluation

A modified quasi-experimental design will be used for the evaluation of the 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 Central 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

1. 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.

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

a. Workforce data;

b. Personnel office data;

c. Employee attitude surveys;

d. Focus group data;

e. Local site historian logs and implementation information;

f. Customer satisfaction surveys; and

g. Core measures of organizational performance.

3. 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, step buy-in costs, and evaluation costs) are considered one-time costs and will not be included in the cost discipline.

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

B. Developmental Costs

Costs associated with the development of the personnel demonstration project include software automation, training, and project evaluation. All funding will be provided through the organization's budget. The Projected Annual Expenses are summarized in Table 6. Project evaluation costs are not expected to continue beyond the first five years unless the results and external requirements warrant further evaluation.

TABLE 6—PROJECTED ANNUAL EXPENSES

	FY10	FY11	FY12	FY13	FY14
Training	25K	15K	10K	5K	5K
Project Evaluation	0K	15K	15K	15K	15K
Automation	60K	40K	40K	40K	40K
Totals	85K	70K	65K	60K	60K

X. Required Waivers to Law and Regulation

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

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

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

Chapter 5, section 552a: Records maintained on individuals. This section is waived only to the extent required to clarify that volunteers under the Volunteer Emeritus Corps are considered employees of the Federal government for purposes of this section.

Chapter 31, section 3111: Acceptance of Volunteer Service. Waived to allow for a Volunteer Emeritus Corps in addition to student volunteers.

Chapter 33, subchapter 1, section 3318(a): Competitive Service, Selection from Certificate. Waived to the extent necessary to eliminate the requirement for selection using the "Rule of Three."

Chapter 33, section 3319: Alternative Ranking and Selection Procedures. This section is waived to eliminate quality categories.

Chapter 33, section 3321: Competitive Service; Probationary Period. This section waived only to the extent necessary to replace grade with "pay band level."

Chapter 33, section 3341: Details. Waived in entirety.

Chapter 41, section 4107a(1) and b(2) to the extent required to allow ARDEC to pay for all courses related to a degree program approved by the ARDEC Director.

Chapter 41, section 4108(a)–(c): Employee Agreements; Service After Training. Waived to the extent necessary to: (1) Provide that the employee's service obligation is to the ARDEC organization for the period of the required service; (3) permit the Director, ARDEC, to waive in whole or in part a right of recovery; and (3) require employees under the Student Career Experience Program who have received tuition assistance to sign a service agreement up to three times the length of the training.

Chapter 43, section 4302 and 4303: Waived to the extent necessary to: (1) Substitute pay band for grade and (2) provide that moving to a lower pay band as a result of not receiving the general pay increase because of poor performance is not an action covered by the provisions of sections 4303(a) through (d).

Chapter 43, section 4304(b)(1) and (3): Responsibilities of the OPM. Waived in its entirety to remove the responsibilities of the OPM with respect to the performance appraisal system.

Chapter 45, subchapter I, section 4502(a) and (b)—Waiver to permit ARDEC to approve awards up to $25,000 for individual employees.

Chapter 51, sections 5101–5112: Classification. Waived as necessary to allow for the demonstration project pay banding system.

Chapter 53, sections 5301, 5302 (8) and (9), 5303, and 5304: Pay Comparability System. Sections 5301, 5302, and 5304 are waived to the extent necessary to allow:

(1) Demonstration project employees to be treated as GS employees and (2) basic rates of pay under the demonstration project to be treated as scheduled rates of pay. Occupational Family Chapter 53, section 5305: Special Pay Authority. Waived to the extent necessary to allow for use of a staffing supplement in lieu of the special pay authority.

Chapter 53, sections 5331–5336: General Schedule Pay Rates. Waived in its entirety to allow for the demonstration project's pay banding system and pay provisions.

Chapter 53, sections 5361–5366: Grade and Pay Retention. These sections waived to the extent necessary to: (1) Replace grade with "pay band;" and (2) allow Demonstration project employees to be treated as GS employees.

Chapter 55, section 5542(a)(1)–(2): Overtime rates; computation. Waived to the extent necessary to provide that the GS–10 minimum special rate (if any) for the special rate category to which a project employee belongs is deemed to be the "applicable special rate" in applying the pay cap provisions.

Chapter 55, section 5545(d): Hazardous duty differential. Waived to the extent necessary to allow demonstration project employees to be treated as GS employees.

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

Chapter 57, section 5753, 5754, and 5755: Recruitment and relocation bonuses, retention incentives and supervisory differentials. Waived 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) that management may offer a bonus to incentivize geographic mobility to an SCEP student.

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

Chapter 75, sections 7501(1), 7511(a)(1)(A)(ii), and 7511(a)(1)(C)(ii): Adverse Actions—Definitions. 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, section 7512(3): Adverse actions. Waived to the extent necessary to replace "Grade" with "Pay Band."

Chapter 75, section 7512(4): Adverse actions. Waived to the extent necessary to provide that adverse action provisions do not apply to: (1) Conversions from GS special rates to demonstration project pay, as long as total pay is not reduced; (2) reductions in pay due to the removal of a supervisory or team leader pay adjustment upon voluntary movement to a non-supervisory or non-team leader position; and (3) reduction in supervisory pay due to a performance review.

B. Waivers to Title 5, CFR

Part 300, sections 300.601 through 300.605: 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 Volunteer Emeritus Corps 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 and 315.907: Probation on Initial Appointment to a Supervisory or Managerial Position. This section waived only to the extent necessary to replace "grade" with "pay band level."

Part 316, sections 316.301, 316.303, and 316.304: Term Employment. These sections are waived to allow modified term appointments as described in this **Federal Register** notice.

Part 332, sections 332.401 and 332.404: Order on Registers and Order of Selection from Certificates. These sections are waived to the extent necessary to allow: (1) No rating and ranking when there are 15 or fewer qualified applicants and no preference eligibles; (2) the hiring and appointment authorities as described in this **Federal Register** notice; and (3) elimination of the "rule of three."

Part 335, section 335.103: Agency promotion programs. Waived to the extent necessary to extend the length of details and temporary promotions without requiring competitive procedures or numerous short-term renewals.

Part 337, section 337.101(a): Rating applicants. Waived to the extent necessary to allow referral without rating when there are 15 or fewer qualified candidates and no qualified preference eligibles.

Part 340, subpart A, subpart B, and subpart C: Other than Full-Time Career Employment. These subparts are waived to the extent necessary to allow a Volunteer Emeritus Corps.

Part 351, Reduction in Force. This part is waived to the extent necessary to allow provisions of the RIF plan as described in this **Federal Register** notice. In accordance with this FR, ARDEC will define the competitive area, retention standing, and displacement limitations. Specific waivers include:

Sections 351.402–351.404: Scope of Competition: this part is waived to the extent necessary to allow for modification of the competitive area;

Sections 351.501–351.504: Retention Standing: this part is waived to the extent necessary to allow for modification of the calculation of the retention standing;

Sections 351.601–351.608: Release from Competitive Level: this part is waived to the extent necessary to allow for the use of pay bands in lieu of grades; and

Section 351.701: Assignment involving displacement. Waived to the extent that bump and retreat rights are limited to one pay band with the exception of 30 percent preference eligibles who are limited to two pay bands (or equivalent of five GS grades), and to limit the assignment rights of employees with an unacceptable current rating of record to a position held by another employee with an unacceptable rating of record.

Part 410, section 410.308(a) and (c) sufficient to allow ARDEC to pay for all courses related to an academic degree program approved by the ARDEC Director.

Part 410, section 410.309: Agreements to continue in service. Waived to the extent necessary to allow the ARDEC Director to determine requirements related to continued service agreements, including employees under the Student Career Experience Program who have received tuition assistance.

Part 430, subpart B: Performance Appraisal for GS and Certain Other Employees. Waived to the extent necessary to be consistent with the CBCS.

Part 430, section 430.208(a)(1) and (2): Rating Performance. Waived to allow presumptive ratings for new employees hired 90 days or less before the end of the appraisal cycle or for other situations not providing adequate time for an appraisal.

Part 432, sections 432.101–432.105: Regarding performance based reduction in grade and removal actions. These sections are waived to the extent necessary to: (1) Replace grade with "pay band"; (2) Exclude reductions in pay band level not accompanied by a reduction in pay; and (3) allow provisions of CBCS. For employees who are reduced in pay band level without a reduction in pay, sections 432.105 and 432.106(a) do not apply.

Part 451, subpart A, section 451.103(c)(2): Waived with respect to performance awards under the ARDEC CBCS.

Part 451, sections 451.106(b) and 451.107(b): Awards. Waived to permit ARDEC to approve awards up to $25,000 for individual employees.

Part 511, subpart A: General Provisions and subpart B: Coverage of the GS. Waived to the extent necessary to allow for the demonstration project classification system and pay banding structure.

Part 511, section 511.601: Applicability of regulations. Classification appeals modified to the extent that white collar positions established under the project plan, although specifically excluded from title 5 CFR, are covered by the classification appeal process outlined in this FRN section III.B.5., as amended below.

Part 511, section 511.603(a): Right to appeal. Waived to the extent necessary to substitute pay band for grade.

Part 511, section 511.607(b): Non-Appealable Issues. Add to the list of issues that are neither appealable nor reviewable, the assignment of series under the project plan to appropriate Occupational Families and the demonstration project classification criteria.

Part 530, subpart C: Special Rate Schedules for Recruitment and Retention. Waived in its entirety to allow for staffing supplements.

Part 531, subpart B: Determining Rate of Basic Pay. Waived to the extent necessary to allow for pay setting and pay for performance under the provisions of the demonstration project.

Part 531, subparts D and E: Within-Grade Increases and Quality Step Increases. Waived in its entirety.

Part 531, subpart F: Locality-Based Comparability Payments. Waived to the extent necessary to allow (1) demonstration project employees to be treated as GS employees, and (2) base rates of pay under the demonstration project to be treated as scheduled annual rates of pay.

Part 536: Grade and Pay Retention: These sections waived to the extent necessary to: (1) Replace grade with "pay band;" (2) allow demonstration project employees to be treated as GS employees; and (3) to allow provisions of this **Federal Register** notice pertaining to ARDEC pay band and pay retention provisions.

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

Part 550, section 550.703: Definitions. Waived to the extent necessary to modify the definition of "reasonable offer" by replacing "two grade or pay levels" with "one band level" and "grade or pay level" with "band level."

Part 550, section 550.902: Definitions. Waived to the extent necessary to allow demonstration project employees to be treated as GS employees.

Part 575, subparts A, B, and C: Recruitment, Relocation, and Retention Incentives. Waived to the extent necessary to allow: (1) Employees and positions under the demonstration project covered by pay banding to be treated as employees and positions under the GS; (2) Occupational Family relocation incentives to new SCEP students; and (3) relocation incentives to SCEP students whose worksite is in a different geographic location than that of the college enrolled.

Part 575, subpart D: Supervisory Differentials. Subpart D is waived in its entirety.

Part 591, subpart B: Cost-of-Living Allowance and Post Differential—Non-foreign Areas. Waived to the extent necessary to allow demonstration project employees to be treated as employees under the GS system.

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.

Part 752, section 752.401: Coverage. Waived to the extent necessary to replace grade with pay band and to provide that a reduction in pay band level is not an adverse action if it results from the employee's rate of base pay being exceeded by the minimum rate of base pay for his/her pay band.

Part 752, section 752.401(a)(4): Coverage. Waived to the extent necessary to provide that adverse action provisions do not apply to: (1) Conversions from GS special rates or NSPS Targeted Local Market Supplements to demonstration project pay, as long as total pay is not reduced; and (2) reductions in pay due to the removal of a supervisory or team leader pay adjustment upon voluntary movement to a non-supervisory or non-team leader position or decreases in the amount of a supervisory or team leader pay adjustment based on the annual review.

Appendix A

ARDEC EMPLOYEES BY DUTY LOCATION

[Totals Exclude SES, ST, DCIPS and FWS Employees]

Duty location	Employees	Servicing personnel office
Picatinny Arsenal, NJ	2956	NE Region.
Aberdeen Proving Ground, MD	23	NE Region.
Rock Island, IL	155	NC Region.
Adelphi, MD	31	NE Region.
Watervliet, NY	239	NE Region.
Washington, DC	5	NE Region.
Ft. Benning, GA	1	NE Region.
Ft. Knox, KY	1	NE Region.
Ft. Lee, VA	1	NE Region.
Ft. Leonardwood, MO	1	NE Region.
Ft. Shafter, HI	1	NE Region.
Ft. Sill, OK	2	NE Region.
Indianhead, MD	1	NE Region.
MacDill AFB, FL	1	NE Region.
Redstone Arsenal, AL	3	SC Region.
Total All Employees	3,421	

Appendix B

Occupational Series by Occupational Family

I. Engineering & Science

0801 General Engineering Series
0803 Safety Engineering Series
0806 Materials Engineering Series
0819 Environmental Engineering Series
0830 Mechanical Engineering Series
0840 Nuclear Engineering Series
0850 Electrical Engineering Series
0854 Computer Engineering Series
0855 Electronics Engineering Series
0858 Bioengineering and Biomedical Engineering Series
0861 Aerospace Engineering Series
0893 Chemical Engineering Series
0896 Industrial Engineering Series
0899 Engineering and Architecture Trainee Series
1301 General Physical Science Series
1306 Health Physics Series
1310 Physics Series
1320 Chemistry Series
1321 Metallurgy Series
1399 Physical Science Student Trainee Series
1501 General Mathematics and Statistics Series
1515 Operations Research Series
1520 Mathematics Series
1550 Computer Science Series
1599 Mathematics and Statistics Student Trainee Series

II. Business/Technical

0018 Safety and Occupational Health Management Series
0301 Miscellaneous Administration and Program Series
0340 Program Management Series
0341 Administrative Officer Series
0342 Support Services Administration Series
0343 Management and Program Analysis Series
0346 Logistics Management Series
0501 Financial Administration and Program Series
0510 Accounting Series
0601 General Health Science Series
0802 Engineering Technical Series
0856 Electronics Technical Series
0895 Industrial Engineering Technical Series
0905 General Attorney Series
0950 Paralegal Specialist Series
1001 Information and Arts Group Series General Arts and Information Series
1035 Public Affairs Series
1071 Audiovisual Production Series
1083 Technical Writing and Editing Series
1084 Visual Information Series
1101 Business and Industry Series
1102 Contracting Series
1222 Patent Attorney Series
1311 Physical Science Technician Series
1410 Librarian Series
1412 Technical Information Services Series
1670 Equipment Services Series
1702 Education and Training Technician Series
1712 Training Instruction Series
1801 General Inspection, Investigation, Enforcement, and Compliance Series
1910 Quality Assurance Series
2032 Packaging Series

2210 Information Technology Management Series

III. General Support

0303 Miscellaneous Clerk and Assistant Series
0318 Secretary Series
0326 Office Automation Clerical and Assistance Series
0335 Computer Clerk and Assistant Series
0344 Management and Program Clerical and Assistance Series

Appendix C

Contribution Factors and Level Descriptors

1. Occupational Family DB—Engineering and Science

Factor 1–1: Problem Solving

FACTOR DESCRIPTION: This factor describes/captures personal and organizational problem-solving results.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Completed work meets projects/programs objectives. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I	
• Performs activities on a task; assists supervisor or other appropriate personnel.	• Scope/Impact
• Resolves routine problems within established guidelines.	• Complexity/Difficulty
• Independently performs assigned tasks within area of responsibility; refers situations to supervisor or other appropriate personnel when existing guidelines do not apply.	• Independence
• Takes initiative in determining and implementing appropriate procedures.	• Creativity
Level II	
• Plans and conducts functional technical activities for projects/programs.	• Scope/Impact
• Identifies, analyzes, and resolves complex/difficult problems.	• Complexity/Difficulty
• Independently identifies and resolves conventional problems which may require deviations from accepted policies or instructions.	• Independence
• Adapts existing plans and techniques to accomplish complex projects/programs. Recommends improvements to the design or operation of systems, equipment, or processes.	• Creativity
Level III	
• Independently defines, directs, or leads highly challenging projects/programs. Identifies and resolves highly complex problems not susceptible to treatment by accepted methods.	• Scope/Impact
• Develops, integrates, and implements solutions to diverse, highly complex problems across multiple areas and disciplines.	• Complexity/Difficulty
• Anticipates problems, develops sound solutions and action plans to ensure program/mission accomplishment.	• Independence
• Develops plans and techniques to fit new situations to improve overall program and policies. Establishes precedents in application of problem-solving techniques to enhance existing processes.	• Creativity
Level IV	
• Plans and performs work across a broad range of highly complex activities that require substantial	• Scope/Impact

LEVEL DESCRIPTORS	DISCRIMINATORS
Level V • Establishes and/or leads teams to carry out complex projects or programs. Resolves conflicts. Creates climate where empowerment and creativity thrive. Recognized as a technical/functional authority. • Leads, defines, manages, and integrates efforts of several groups or teams. Ensures organizational mission and program success. • Fosters the development of other team members by providing guidance or sharing expertise. Directs assignments to encourage employee development and cross-functional growth to meet organizational needs. Pursues personal professional development.	• Leadership Role • Breadth of Influence • Mentoring/ Employee Development
Level VI • TBD	

Factor 1–2: Teamwork/Cooperation

FACTOR DESCRIPTION: This factor, applicable to all teams, describes/captures individual and organizational teamwork and cooperation.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Personal and organizational interactions exhibit and foster cooperation and teamwork. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level. Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Works with others to accomplish routine tasks • Contributes ideas in own area of expertise. Interacts cooperatively with others. • Regularly completes assignments in support of team goals.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level II • Works with others to accomplish projects/programs. • Uses varied approaches to resolve or collaborate on projects/programs issues. Facilitates cooperative interactions with others. • Guides/supports others in executing team assignments. Proactively functions as an integral part of the team.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level III • Works with others to accomplish complex projects/programs. • Applies innovative approaches to resolve unusual/difficult issues significantly impacting important policies or programs. Promotes and maintains environment for cooperation and teamwork. • Leads and guides others in formulating and executing team plans. Expertise is sought by peers.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level IV • Leads team(s) working on critical aspects of technology areas or programmatic/ business management efforts. Team results significantly affect internal/external organizations and/or relationships. • Is accountable for quality and effectiveness of team efforts. Integrates efforts across disciplines. • Leads/guides team(s) on highly complex, high priority programs. Is sought out for leadership roles and for consultation on complex issues with internal/external impact.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level V • Leads/guides/mentors workforce in dealing with complex problems. • Solves broad organizational issues. Implements strategic plans within and across organizational components. Ensures a cooperative teamwork environment. • Leads/guides workforce in achieving organizational goals. Participates on high-level teams. Is sought out for consultation on issues of organizational strategy.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level VI • TBD	

Factor 1–3: Customer Relations

FACTOR DESCRIPTION: This factor describes/captures the effectiveness of personal and organizational interactions with customers (anyone to whom services or products are provided), both internal (within an assigned organization) and external (outside an assigned organization).

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Personal and organizational interactions enhance customer relations and actively promote rapport with customers. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

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LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Independently carries out routine customer requests. • Participates as a team member to meet customer needs. • Interacts with customers on routine issues with appropriate guidance.	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level II • Guides the technical/functional efforts of individuals or team members as they interact with customers. • Initiates meetings and interactions with customers to understand customer needs/expectations. • Interacts independently with customers to communicate information and coordinate actions	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level III • Guides and integrates functional efforts of individuals or teams in support of customer interaction. Seeks innovative approaches to satisfy customers. • Establishes customer alliances, anticipates and fulfills customer needs, and translates customer needs to programs/projects. • Interacts independently and proactively with customers to identify and define complex/difficult problems and to develop and implement strategies or techniques for resolving program/project problems (e.g., determining priorities and resolving conflict among customers' requirements).	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level IV • Leads efforts involving extensive customer interactions and partnerships. Establishes successful working relationships with customers to address and resolve highly complex or controversial issues. • Identifies and fosters new customer alliances. Anticipates customer needs to avoid potential problems and improve customer satisfaction. • Works proactively at senior level to assure customer satisfaction on programs and issues with a high level of customer interest and concern.	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level V • Leads and manages the organizational interactions with customers from a strategic standpoint. • Works to assess and promulgate political, fiscal, and other factors affecting customer and program/project needs. Works with customer at management levels to resolve problems affecting programs/projects (e.g., problems that involve determining priorities and resolving conflicts among customers' requirements). • Collaborates at senior level to stimulate customer alliances for program/project support. Stimulates, organizes, and leads overall customer interactions.	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level VI • TBD	

Factor 1–4: Leadership/Supervision

FACTOR DESCRIPTION: This factor describes/captures individual and organizational leadership and/or supervision. Recruits, develops, motivates, and retains quality team members in accordance with EEO/AA and Merit Principles. Takes timely/appropriate personnel actions, communicates mission and organizational goals; by example, creates a positive, safe, and challenging work environment; distributes work and empowers team members.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Leadership and/or supervision effectively promotes commitment to mission accomplishment. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I	
• Takes initiative in accomplishing assigned tasks.	• Leadership Role
• Provides inputs to others in own technical/functional area.	• Breadth of Influence
• Seeks and takes advantage of developmental opportunities.	• Mentoring/ Employee Development
Level II	
• Actively contributes as a team member/leader; provides insight and recommends changes or solutions to problems.	• Leadership Role
• Proactively guides, coordinates, and consults with others to accomplish projects.	• Breadth of Influence
• Identifies and pursues individual/team development opportunities.	• Mentoring/ Employee Development
Level III	
• Provides guidance to individuals/teams; resolves conflicts. Considered a functional/technical expert by others in the organization; is regularly sought out by others for advice and assistance.	• Leadership Role
• Defines, organizes, and assigns activities to accomplish projects/programs goals. Guides, motivates, and oversees the activities of individuals and teams with focus on projects/programs issues.	• Breadth of Influence
• Fosters individual/team development by mentoring. Pursues or creates training development programs for self and others.	• Mentoring/ Employee Development
Level IV	
• As a program area expert, resolves highly complex team problems and conflicts. Effectively seeks out and capitalizes on opportunities for teams/work units to achieve significant results that support organizational goals. Is sought out for consultation and leadership roles.	• Leadership Role
• Leads teams engaged in highly complex and critical work, with accountability for employee motivation, quality, and effectiveness and for team success.	• Breadth of Influence
• Fosters and initiates effective team development to meet current and future organizational needs. Actively seeks out opportunities for and engages in mentoring, coaching, and instruction. Pursues personal professional development.	• Mentoring/ Employee Development

LEVEL DESCRIPTORS	DISCRIMINATORS
Level V • Establishes and/or leads teams to carry out complex projects or programs. Resolves conflicts. Creates climate where empowerment and creativity thrive. Recognized as a technical/functional authority. • Leads, defines, manages, and integrates efforts of several groups or teams. Ensures organizational mission and program success. • Fosters the development of other team members by providing guidance or sharing expertise. Directs assignments to encourage employee development and cross-functional growth to meet organizational needs. Pursues personal professional development.	• Leadership Role • Breadth of Influence • Mentoring/ Employee Development
Level VI • TBD	

Factor 1–5: Communication

FACTOR DESCRIPTION: This factor describes/captures the effectiveness of oral/written communications.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Communications are clear, concise, and at appropriate level. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level. Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Communicates routine task status/results as required. • Provides timely data and written analyses for input to management/technical reports or contractual documents. • Explains status/results of assigned tasks.	• Level of Interaction (Audience) • Written • Oral
Level II • Communicates team or group tasking results, internally and externally, at peer levels. • Writes, or is a major contributor to, management/technical reports or contractual documents. • Presents informational briefings.	• Level of Interaction (Audience) • Written • Oral
Level III • Communicates team or group tasking results, internally and externally, at peer levels. • Writes, or is a major contributor to, management/technical reports or contractual documents. • Presents informational briefings.	• Level of Interaction (Audience) • Written • Oral
Level IV • Communicates complex technical, programmatic, and/or management information across multiple organizational levels to drive decisions by senior leaders internally and externally. • Leads efforts in documenting diverse and highly complex information, concepts, and ideas in a highly responsive and effective manner. Authors and enables authoritative reports pertaining to multiple areas of expertise, incorporating diverse viewpoints, with minimal guidance from others. Reviews communications of others for appropriate and accurate content. • Demonstrates expert speaking skills and the adaptability to be effective in critical briefings.	• Level of Interaction (Audience) • Written • Oral
Level V • Determines and communicates organizational positions on major projects or policies to senior level. • Prepares, reviews, and approves major reports or policies of organization for internal and external distribution. Resolves diverse viewpoints/controversial issues. • Presents organizational briefings to convey strategic vision or organizational policies.	• Level of Interaction (Audience) • Written • Oral
Level VI • TBD	

Factor 1–6: Resource Management

FACTOR DESCRIPTION: This factor describes/captures personal and organizational utilization of resources to accomplish the mission. (Resources include, but are not limited to, personal time, equipment and facilities, human resources, and funds.)

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Resources are utilized effectively to accomplish mission. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Uses assigned resources needed to accomplish tasks. • Plans individual time and assigned resources to accomplish tasks. • Effectively accomplishes assigned tasks.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level II • Plans and utilizes appropriate resources to accomplish project goals. • Optimizes resources to accomplish projects/programs within established schedules. • Effectively accomplishes projects/programs goals within established resource guidelines.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level III • Plans and allocates resources to accomplish multiple projects/programs. • Identifies and optimizes resources to accomplish multiple projects/programs goals. • Effectively accomplishes multiple projects/programs goals within established guidelines.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level IV • Plans, allocates, and monitors resources in a complex environment with substantial instability in resources/requirements. • Anticipates changes in workload and other resource requirements for multiple programs/projects and develops and advocates solutions in advance. • Leads others in using resources more efficiently and implements innovative ideas to stretch limited resources.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level V • Develops, acquires, and allocates resources to accomplish mission goals and strategic objectives. • Formulates organizational strategies, tactics, and budget/action plan to acquire and allocate resources. • Optimizes, controls, and manages all resources across projects/programs. Develops and integrates innovative approaches to attain goals and minimize expenditures.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level VI • TBD	

1. Occupational Family DE—Business and Technical

Factor 2–1: Problem Solving

FACTOR DESCRIPTION: This factor describes/captures personal and organizational problem-solving results.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Completed work meets projects/programs objectives. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Performs activities on a task; assists supervisor or other appropriate personnel. • Resolves routine problems within established guidelines. • Independently performs assigned tasks within area of responsibility; refers situations to supervisor or other appropriate personnel when existing guidelines do not apply. • Takes initiative in determining and implementing appropriate procedures.	• Scope/Impact • Complexity/Difficulty • Independence • Creativity
Level II • Plans and conducts functional technical activities for projects/programs. • Identifies, analyzes, and resolves complex/difficult problems. • Independently identifies and resolves conventional problems which may require deviations from accepted policies or instructions. • Adapts existing plans and techniques to accomplish complex projects/programs. Recommends improvements to the design or operation of systems, equipment, or processes.	• Scope/Impact • Complexity/Difficulty • Independence • Creativity
Level III • Independently defines, directs, or leads highly challenging projects/programs. Identifies and resolves highly complex problems not susceptible to treatment by accepted methods. • Develops, integrates, and implements solutions to diverse, highly complex problems across multiple areas and disciplines. • Anticipates problems, develops sound solutions and action plans to ensure program/mission accomplishment. • Develops plans and techniques to fit new situations to improve overall program and policies. Establishes precedents in application of problem-solving techniques to enhance existing processes.	• Scope/Impact • Complexity/Difficulty • Independence • Creativity
Level IV • Plans and performs work across a broad range of highly complex activities that require substantial	• Scope/Impact

LEVEL DESCRIPTORS	DISCRIMINATORS
depth of analysis and expertise and/or organizational problem solving skills. The work significantly affects policies/major programs. Actively engages in organizational planning.	
• Resolves critical, multifaceted problems and/or develops new theories or methods that affect the work of other experts, major aspects of management programs, or a large number of people.	• Complexity/Difficulty
• Independently plans and carries out work from general objectives. Work results are considered authoritative. Expertise is recognized both internally and externally.	• Independence
• Uses judgment and ingenuity in making decisions or developing methodologies for areas with substantial uncertainty. Adapts to tasks with changing/competing requirements. Approaches to solving problems require interpretation, deviation from traditional methods, or research of trends and patterns to develop new methods, scientific knowledge, or organizational principles.	• Creativity
Level V	
• Defines, establishes, and directs organizational focus (on challenging and highly complex project/programs). Identifies and resolves highly complex problems that cross organizational boundaries and promulgates solutions. Resolution of problems requires mastery of the field to develop new hypotheses or fundamental new concepts.	• Scope/Impact
• Assesses and provides strategic direction for resolution of mission critical problems, policies, and procedures.	• Complexity/Difficulty
• Works at senior level to define, integrate, and implement strategic direction for vital programs with long-term impact on large numbers of people. Initiates actions to resolve major organizational issues. Promulgates innovative solutions and methodologies.	• Independence
• Works strategically with senior management to establish new fundamental concepts and criteria and stimulate the development of new policies, methodologies, and techniques. Converts strategic goals into programs or policies.	• Creativity

Factor 2–2: Teamwork/Cooperation

FACTOR DESCRIPTION: This factor, applicable to all teams, describes/captures individual and organizational teamwork and cooperation.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Personal and organizational interactions exhibit and foster cooperation and teamwork. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Works with others to accomplish routine tasks • Contributes ideas in own area of expertise. Interacts cooperatively with others. • Regularly completes assignments in support of team goals.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level II • Works with others to accomplish projects/programs. • Uses varied approaches to resolve or collaborate on projects/programs issues. Facilitates cooperative interactions with others. • Guides/supports others in executing team assignments. Proactively functions as an integral part of the team.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level III • Works with others to accomplish complex projects/programs. • Applies innovative approaches to resolve unusual/difficult issues significantly impacting important policies or programs. Promotes and maintains environment for cooperation and teamwork. • Leads and guides others in formulating and executing team plans. Expertise is sought by peers.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level IV • Leads team(s) working on critical aspects of technology areas or programmatic/ business management efforts. Team results significantly affect internal/external organizations and/or relationships. • Is accountable for quality and effectiveness of team efforts. Integrates efforts across disciplines. • Leads/guides team(s) on highly complex, high priority programs. Is sought out for leadership roles and for consultation on complex issues with internal/external impact.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level V • Leads/guides/mentors workforce in dealing with complex problems. • Solves broad organizational issues. Implements strategic plans within and across organizational components. Ensures a cooperative teamwork environment. • Leads/guides workforce in achieving organizational goals. Participates on high-level teams. Is sought out for consultation on issues of organizational strategy.	• Scope of Team Effort • Contribution to Team • Effectiveness

Factor 2–3: Customer Relations

FACTOR DESCRIPTION: This factor describes/captures the effectiveness of personal and organizational interactions with customers (anyone to whom services or products are provided), both internal (within an assigned organization) and external (outside an assigned organization).

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Personal and organizational interactions enhance customer relations and actively promote rapport with customers. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Independently carries out routine customer requests. • Participates as a team member to meet customer needs. • Interacts with customers on routine issues with appropriate guidance.	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level II • Guides the technical/functional efforts of individuals or team members as they interact with customers. • Initiates meetings and interactions with customers to understand customer needs/expectations. • Interacts independently with customers to communicate information and coordinate actions	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level III • Guides and integrates functional efforts of individuals or teams in support of customer interaction. Seeks innovative approaches to satisfy customers. • Establishes customer alliances, anticipates and fulfills customer needs, and translates customer needs to programs/projects. • Interacts independently and proactively with customers to identify and define complex/difficult problems and to develop and implement strategies or techniques for resolving program/project problems (e.g., determining priorities and resolving conflict among customers' requirements).	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level IV • Leads efforts involving extensive customer interactions and partnerships. Establishes successful working relationships with customers to address and resolve highly complex or controversial issues. • Identifies and fosters new customer alliances. Anticipates customer needs to avoid potential problems and improve customer satisfaction. • Works proactively at senior level to assure customer satisfaction on programs and issues with a high level of customer interest and concern.	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level V • Leads and manages the organizational interactions with customers from a strategic standpoint. • Works to assess and promulgate political, fiscal, and other factors affecting customer and program/project needs. Works with customer at management levels to resolve problems affecting programs/projects (e.g., problems that involve determining priorities and resolving conflicts among customers' requirements). • Collaborates at senior level to stimulate customer alliances for program/project support. Stimulates, organizes, and leads overall customer interactions.	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level VI • TBD	

Factor 2–4: Leadership/Supervision

FACTOR DESCRIPTION: This factor describes/captures individual and organizational leadership and/or supervision. Recruits, develops, motivates, and retains quality team members in accordance with EEO/AA and Merit Principles. Takes timely/appropriate personnel actions, communicates mission and organizational goals; by example, creates a positive, safe, and challenging work environment; distributes work and empowers team members.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Leadership and/or supervision effectively promotes commitment to mission accomplishment. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I	
• Takes initiative in accomplishing assigned tasks.	• Leadership Role
• Provides inputs to others in own technical/functional area.	• Breadth of Influence
• Seeks and takes advantage of developmental opportunities.	• Mentoring/ Employee Development
Level II	
• Actively contributes as a team member/leader; provides insight and recommends changes or solutions to problems.	• Leadership Role
• Proactively guides, coordinates, and consults with others to accomplish projects.	• Breadth of Influence
• Identifies and pursues individual/team development opportunities.	• Mentoring/ Employee Development
Level III	
• Provides guidance to individuals/teams; resolves conflicts. Considered a functional/technical expert by others in the organization; is regularly sought out by others for advice and assistance.	• Leadership Role
• Defines, organizes, and assigns activities to accomplish projects/programs goals. Guides, motivates, and oversees the activities of individuals and teams with focus on projects/programs issues.	• Breadth of Influence
• Fosters individual/team development by mentoring. Pursues or creates training development programs for self and others.	• Mentoring/ Employee Development
Level IV	
• As a program area expert, resolves highly complex team problems and conflicts. Effectively seeks out and capitalizes on opportunities for teams/work units to achieve significant results that support organizational goals. Is sought out for consultation and leadership roles.	• Leadership Role
• Leads teams engaged in highly complex and critical work, with accountability for employee motivation, quality, and effectiveness and for team success.	• Breadth of Influence
• Fosters and initiates effective team development to meet current and future organizational needs. Actively seeks out opportunities for and engages in mentoring, coaching, and instruction. Pursues personal professional development.	• Mentoring/ Employee Development

LEVEL DESCRIPTORS	DISCRIMINATORS
Level V	
• Establishes and/or leads teams to carry out complex projects or programs. Resolves conflicts. Creates climate where empowerment and creativity thrive. Recognized as a technical/functional authority.	• Leadership Role
• Leads, defines, manages, and integrates efforts of several groups or teams. Ensures organizational mission and program success.	• Breadth of Influence
• Fosters the development of other team members by providing guidance or sharing expertise. Directs assignments to encourage employee development and cross-functional growth to meet organizational needs. Pursues personal professional development.	• Mentoring/ Employee Development

Factor 2–5: Communication

FACTOR DESCRIPTION: This factor describes/captures the effectiveness of oral/written communications.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Communications are clear, concise, and at appropriate level. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Communicates routine task status/results as required. • Provides timely data and written analyses for input to management/technical reports or contractual documents. • Explains status/results of assigned tasks.	• Level of Interaction (Audience) • Written • Oral
Level II • Communicates team or group tasking results, internally and externally, at peer levels. • Writes, or is a major contributor to, management/technical reports or contractual documents. • Presents informational briefings.	• Level of Interaction (Audience) • Written • Oral
Level III • Communicates team or group tasking results, internally and externally, at peer levels. • Writes, or is a major contributor to, management/technical reports or contractual documents. • Presents informational briefings.	• Level of Interaction (Audience) • Written • Oral
Level IV • Communicates complex technical, programmatic, and/or management information across multiple organizational levels to drive decisions by senior leaders internally and externally. • Leads efforts in documenting diverse and highly complex information, concepts, and ideas in a highly responsive and effective manner. Authors and enables authoritative reports pertaining to multiple areas of expertise, incorporating diverse viewpoints, with minimal guidance from others. Reviews communications of others for appropriate and accurate content. • Demonstrates expert speaking skills and the adaptability to be effective in critical briefings.	• Level of Interaction (Audience) • Written • Oral
Level V • Determines and communicates organizational positions on major projects or policies to senior level. • Prepares, reviews, and approves major reports or policies of organization for internal and external distribution. Resolves diverse viewpoints/controversial issues. • Presents organizational briefings to convey strategic vision or organizational policies.	• Level of Interaction (Audience) • Written • Oral

Factor 2–6: Resource Management

FACTOR DESCRIPTION: This factor describes/captures personal and organizational utilization of resources to accomplish the mission. (Resources include, but are not limited to, personal time, equipment and facilities, human resources, and funds.)

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Resources are utilized effectively to accomplish mission. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Uses assigned resources needed to accomplish tasks. • Plans individual time and assigned resources to accomplish tasks. • Effectively accomplishes assigned tasks.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level II • Plans and utilizes appropriate resources to accomplish project goals. • Optimizes resources to accomplish projects/programs within established schedules. • Effectively accomplishes projects/programs goals within established resource guidelines.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level III • Plans and allocates resources to accomplish multiple projects/programs. • Identifies and optimizes resources to accomplish multiple projects/programs goals. • Effectively accomplishes multiple projects/programs goals within established guidelines.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level IV • Plans, allocates, and monitors resources in a complex environment with substantial instability in resources/requirements. • Anticipates changes in workload and other resource requirements for multiple programs/projects and develops and advocates solutions in advance. • Leads others in using resources more efficiently and implements innovative ideas to stretch limited resources.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level V • Develops, acquires, and allocates resources to accomplish mission goals and strategic objectives. • Formulates organizational strategies, tactics, and budget/action plan to acquire and allocate resources. • Optimizes, controls, and manages all resources across projects/programs. Develops and integrates innovative approaches to attain goals and minimize expenditures.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency

3. Occupational Family DK—General Support

Factor 3–1: Problem Solving

FACTOR DESCRIPTION: This factor describes/captures personal and organizational problem solving.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Completed work meets project/program objectives. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Conducts activities on a segment of a task. Assists supervisor or other appropriate personnel. • Applies standard rules, procedures, or operations to resolve routine problems. • Independently carries out routine tasks. • Takes initiative in selecting and implementing appropriate procedures.	• Scope/Impact • Complexity/Difficulty • Independence • Creativity
Level II • Plans and conducts administrative activities for projects. • Develops, modifies, and/or applies rules, procedures, or operations to resolve problems of moderate complexity/difficulty. • Independently plans and executes assignments; resolves problems and handles deviations. • Identifies and adapts guidelines for new or unusual situations.	• Scope/Impact • Complexity/Difficulty • Independence • Creativity
Level III • Plans and conducts complex administrative activities. • Develops rules, procedures, or operations for complex/difficult organizational tasks. • Identifies issues and determines approaches and methods to accomplish tasks. Initiates effective actions and resolves related conflicts. • Identifies issues requiring new procedures and develops appropriate guidelines.	• Scope/Impact • Complexity/Difficulty • Independence • Creativity

Factor 3–2: Teamwork/Cooperation

FACTOR DESCRIPTION: This factor describes/captures individual and organizational teamwork and cooperation.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Personal and organizational interactions exhibit and foster cooperation and teamwork. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Works with others to accomplish routine tasks. • Contributes ideas on routine procedures. Interacts cooperatively with others. • Regularly completes tasks in support of team goals.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level II • Works with others to accomplish tasks. • Resolves administrative problems; facilitates cooperative interactions with others. • Guides others and coordinates activities in support of team goals. Proactively functions as an integral part of the team.	• Scope of Team Effort • Contribution to Team • Effectiveness
Level III • Works with others on complex issues/problems that may cross functional areas. • Applies expertise in resolving complex administrative issues. Promotes and maintains environment for cooperation/teamwork. Sets tone for internal/external cooperation. • Leads and guides others in formulating and executing plans in support of team goals.	• Scope of Team Effort • Contribution to Team • Effectiveness

Factor 3–3: Customer Relations

FACTOR DESCRIPTION: This factor describes/captures the effectiveness of personal and organizational interactions with customers (anyone to whom services or products are provided), both internal (within an assigned organization) and external (outside an assigned organization).

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Personal and organizational interactions enhance customer relations and actively promote rapport with customers. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Assists customer support activities. • Meets routine customer needs. • Interacts with customers on routine issues within specific guidelines.	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level II • Guides the administrative efforts of individuals or team members as they interact with customers. • Independently interacts with customers to understand customer needs/expectations. • Interacts independently with customers to communicate information and coordinate actions.	• Breadth of Influence • Customer Needs • Customer Interaction Level
Level III • Identifies, defines, and guides administrative efforts in support of customer interactions; coordinates and focuses activities to support multiple customers. • Establishes customer alliances and translates needs to customer service. • Works independently with customers at all levels to define services and resolve non-routine problems.	• Breadth of Influence • Customer Needs • Customer Interaction Level

Factor 3–4: Leadership/Supervision

FACTOR DESCRIPTION: This factor describes/captures individual and organizational leadership and/or supervision. Recruits, develops, motivates, and retains quality team members in accordance with EEO/AA and Merit Principles. Takes timely/appropriate personnel actions, communicates mission and organizational goals; by example, creates a positive, safe, and challenging work environment; distributes work and empowers team members.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Leadership and/or supervision effectively promotes commitment to mission accomplishment. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Takes initiative in accomplishing assigned tasks. Asks for assistance as appropriate. • Provides input in administrative/functional area. • Seeks and takes advantage of developmental opportunities.	• Leadership Role • Breadth of Influence • Mentoring/Employee Development
Level II • Actively contributes as team member or leader; takes initiative to accomplish assigned projects. • Guides others in accomplishing projects. • Identifies and pursues individual/team developmental opportunities.	• Leadership Role • Breadth of Influence • Mentoring/Employee Development
Level III • Provides guidance to individuals/teams; resolves conflicts. Expertise solicited by others. • Guides and accounts for results or activities of individuals, teams, or projects. • Promotes individual/team development; leads development of training programs for self and others.	• Leadership Role • Breadth of Influence • Mentoring/Employee Development

Factor 3–5: Communication

FACTOR DESCRIPTION: This factor describes/captures the effectiveness of oral/written communications.

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Communications are clear, concise, and at appropriate level. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Communicates routine task/status results as required. • Writes timely and accurate draft documentation. • Explains status/results of assigned tasks.	• Level of Interaction (Audience) • Written • Oral
Level II • Interprets and communicates administrative procedures within immediate organization. • Prepares, coordinates, and consolidates documents, reports, or briefings. • Communicates/presents internal administrative/functional procedures and tasks internally and externally.	• Level of Interaction (Audience) • Written • Oral
Level III • Develops and advises on administrative procedures and communicates them to all levels, both internally and externally. • Prepares, reviews, and/or approves documents, reports, or briefings. • Explains and/or communicates administrative/functional procedures at all levels.	• Level of Interaction (Audience) • Written • Oral

Factor 3–6: Resource Management

FACTOR DESCRIPTION: This factor describes/captures personal and organizational utilization of resources to accomplish the mission. (Resources include, but are not limited to, personal time, equipment and facilities, human resources, and funds.)

EXPECTED PERFORMANCE CRITERIA (Applicable to all contributions at all levels):

Work is timely, efficient, and of acceptable quality. Available resources are utilized effectively to accomplish mission. Flexibility, adaptability, and decisiveness are exercised appropriately.

Descriptors indicate the type of contribution appropriate for the high end of each level.

Descriptors are not to be used individually to assess contributions, but rather are to be taken as a group to derive a single evaluation of the factor.

LEVEL DESCRIPTORS	DISCRIMINATORS
Level I • Uses assigned resources to accomplish tasks. • Plans individual time and assigned resources to accomplish tasks. • Effectively accomplishes assigned tasks.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level II • Identifies and uses resources to accomplish projects. • Plans resources to achieve project schedules. • Effectively accomplishes projects within established resource guidelines.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency
Level III • Plans, acquires, and allocates resources to accomplish objectives. • Coordinates resources across projects. • Optimizes resource utilization across projects.	• Scope of Responsibility • Planning/Budgeting • Execution/Efficiency

Appendix D

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 Total payroll costs	Workforce data 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 Cost as a percent of payroll	Attitude survey Workforce data
c. Pay differentials/ adjustments	Increased incentive to accept supervisory/team leader positions	Perceived motivational power	Attitude survey
2. PERFORMANCE MANAGEMENT			

Intervention	Expected Effects	Measures	Data Sources
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 Performance management	Attitude survey/ focus groups Personnel regulations
c. New appraisal process	Reduced administrative burden	Employee and supervisor	Attitude survey

Intervention	Expected Effects	Measures	Data Sources
		perceptions of revised procedures	
	Improved communication	Perceived fairness of process	Focus groups
d. Performance development	Better communication of performance expectations	Feedback and coaching procedures used Time, funds spent on training by demographics	Focus groups Personnel office data 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 Reduction of paperwork/number of personnel actions (classification/ promotion)	Personnel office data 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 Management satisfaction with service provided by personnel office	Personnel records Attitude survey
	No negative impact on internal pay equity	Internal pay equity	Attitude survey
c. Dual career	Increased flexibility	Assignment	Focus groups,

Intervention	Expected Effects	Measures	Data Sources
ladder	to assign employees	flexibility	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 dataAttitude 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,	Personnel office data

Intervention	Expected Effects	Measures	Data Sources
		educational levels	
	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 Number/percentage of employees completing probationary period Number of separations during probationary period	Workforce data Personnel office data Workforce data Personnel office data 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

Intervention	Expected Effects	Measures	Data Sources
b. Critical Skills Training	Improved organizational effectiveness	Number and type of training Placement of employees, skills imbalances corrected	Personnel office data
		Employee and supervisor perceptions	Personnel office data 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
		Average cost per employee served	Personnel office data, workforce data
	No negative impact on service quality	Service quality, timeliness	Attitude survey/focus groups

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