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Office of the Secretary

Science and Technology Reinvention Laboratory Personnel Management Demonstration Project, Department of Navy, Office of Naval Research; Notice

DEPARTMENT OF DEFENSE

Office of the Secretary

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

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

ACTION: Notice.

SUMMARY: Section 342(b) of Public Law (Pub .L.) 103–337, as amended by section 1114 of Public Law 106–398, authorizes the Secretary of Defense (SECDEF) to conduct personnel management demonstration projects at Department of Defense (DoD) laboratories designated as Science and Technology Reinvention Laboratories (STRLs). Section 1107 of Public Law 110–181, as amended by section 1109 of Public Law 110–417, requires the SECDEF to execute a process and plan to employ the Department's personnel management demonstration project authorities found in section 4703 of title 5, United States Code (U.S.C.) at the STRLs enumerated in section 9902(c)(2) of title 5 U.S.C., as redesignated in section 1105 of Public Law 111–84 and 73 **Federal Register** (FR) 73248, to enhance the performance of the missions of the laboratories. Section 1107 of Public Law 110–181 further authorizes in subsection 1107(c) that any flexibility available to any demonstration laboratory shall be available for use at any other laboratory as enumerated in section 9902(c)(2) of title 5 U.S.C. The Office of Naval Research (ONR) is listed as one of the designated STRLs.

This notice announces the approval of the final personnel demonstration project plan for the ONR. This includes adoption of existing demonstration project flexibilities in other STRL demonstration project plans and any necessary modifications thereto for better conformance to the ONR mission requirements and culture.

DATES: Implementation of this demonstration project will begin no earlier than December 1, 2010.

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SUPPLEMENTARY INFORMATION:

1. Background

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

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

2. Overview

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

Accordingly, ONR intends to build its demonstration project using flexibilities adopted from existing STRL demonstration projects (specifically the Naval Research Laboratory (NRL), Aviation Missile Research, Development and Engineering Center (AMRDEC), Medical Research and Materiel Command (MRMC), and Communications-Electronics Research, Development and Engineering Center (CERDEC)). Final plans for the NRL, AMRDEC, MRMC, CERDEC personnel management demonstration projects were published in **Federal Registers** as follows:

- *Department of the Navy:* NRL—64 FR 33970, June 24, 1999. No amendments have been published;
- *Department of the Army:* AMRDEC—62 FR 34876 and 62 FR 34906, June 27, 1997; and amendments and/or corrections to final plans published—64 FR 11074, March 8, 1999; 64 FR 12216, March 11, 1999; 65 FR 53142, August 31, 2000; and 67 FR 5716, February 6, 2002;
- *Department of the Army:* MRMC—63 FR 10439, March 3, 1998; and amendments and/or corrections to final plans published—64 FR 30377, June 7, 1999; 64 FR 12216, March 11, 1999; 65 FR 53142, August 31, 2000; and 67 FR 5716, February 6, 2002; and
- *Department of the Army:* CERDEC—66 FR 10439, October 30, 2001.

On May 28, 2010, DoD published the proposed ONR demonstration project plan in 75 FR 30918. During the public comment period ending June 28, 2010, DoD received comments from 22 individuals. All comments were carefully considered.

The following summary addresses the comments received, provides responses, and notes resultant changes to the original proposed project plan. Most commenters addressed several topics which are counted separately. Thus, the total number of comments exceeds the number of individuals cited earlier.

A. General Project Comments

(1) *Comment:* Five commenters addressed the necessity and wisdom of implementing a laboratory personnel demonstration project at ONR considering the recent repeal of the DoD National Security Personnel System (NSPS), and that the implementation of a demonstration project similar to NSPS could not improve overall performance of an above-average organization and could only create controversial concerns for ONR's workforce.

Response: Government studies have validated the need for establishing different personnel systems within STRLs. There are currently eight operating STRL Personnel Demonstration Projects with another seven STRL personnel demonstration projects pending expected implementation between December 2010 and April 2011. These seven STRLs were mandated to implement a demonstration project within eighteen months of enactment of NDAA for FY 2010 (Public Law 111–84) by section 1105 of that law. Regarding the similarity to NSPS, ONR's demonstration project does have foundational similarities, but its rating and payout structures differ from NSPS.

(2) *Comment:* One commenter wanted to know what the reasons are behind ONR's decision to implement a demonstration project.

Response: Section 1105 of Public Law 111–84 requires all STRLs named therein to implement a demonstration project within 18 months of the enactment of the law. Regardless of the legal mandate to implement a demonstration project, ONR has displayed a continued interest in having a demonstration project since 2001. Since that time, ONR leadership has believed that a personnel demonstration project will enable greater overall organizational effectiveness, enable ONR to sustain a quality workforce, improve overall employee satisfaction, and ultimately improve ONR's ability to achieve its mission.

(3) *Comment:* One commenter felt that the implementation of a demonstration project performance management system will be overly cumbersome, elaborate, and time consuming.

Response: The performance management system to be carried out under the demonstration project will require more attention from employees and supervisors when compared to the General Schedule's performance management system. The demonstration project places a greater emphasis on performance management by utilizing the concepts of cascading, line-of-sight goals and on-going performance communications. Organizations employing such techniques in their performance management systems experience increased productivity and customer satisfaction. A primary goal of the performance management system under ONR's demonstration project is to facilitate a decrease in misdirected work activities, and as a result, provide meaning and distinguishing value to the employee's work and contributions.

(4) *Comment:* Three commenters questioned ONR's decision to adopt the Naval Research Laboratory's demonstration project, as they do not see a similarity between NRL's and ONR's operation, location, and workforce structure.

Response: Although there are some important differences between work performed by NRL and ONR, there are close similarities between the workforces. Just like NRL, ONR has a highly educated and experienced workforce, with expertise in science, engineering, acquisition/contracting, finance, and other professional areas. The demonstration project programs that were designed to attract, motivate, reward, and retain the NRL workforce have been carefully reviewed by ONR management to be sure they are right for the ONR workforce. Where needed, some modifications to NRL's programs have been made to better suit ONR's workforce needs and culture. The demonstration project programs are not dependent on where the employees are physically working, but rather they make up a new system for the Command to manage and reward all employees' work and contributions consistently and fairly.

(5) *Comment:* Two commenters inquired about the possibility of conducting a pilot demonstration project at ONR Headquarters to test the demonstration project programs prior to implementation at the regional or global offices.

Response: As established by section 1105 of Public Law 111–84, ONR must implement a demonstration project before the end of April 2011 for all eligible employees, regardless of the location of their official duty station. Due to the deadline of this mandate, there is not sufficient time to design, implement, and test a small pilot before activating the demonstration project for all eligible ONR employees.

(6) *Comment:* One commenter believed that the WIGI buy-in calculation is flawed for OCONUS employees because the formula assumes everyone receives locality pay. This was specifically in reference to paragraph 5 on page 30217 stating that special salary employees will be eligible to receive full locality pay and OCONUS employees do not receive locality pay.

Response: The determination of basic pay (not including locality pay or a special salary rate) is the foundation of the formula for both the WIGI buy-in and the recalculation of pay for an employee on a special salary rate. Once the new basic pay is determined in either situation, any WIGI buy-in is added to the new basic pay and the sum is multiplied by a locality pay percentage, if appropriate. If the new basic pay exceeds the maximum for the current pay band, the employee will be granted maintained pay.

(7) *Comment:* One commenter asked how Living Quarters Allowance (LQA) and post allowance levels established by the Department of State Standardized Regulations (DSSR) would be determined under Lab Demo.

Response: Typically, personnel demonstration projects determine a General Schedule grade equivalency using their conversion out of the demonstration project schema to determine entitlements to such items as Living Quarters Allowance, training, base housing, etc. The equivalent General Schedule grade is then used to compare with the entitlement requirements. For example, the demo General Schedule equivalency grade would be compared to the LQA matrix chart containing GS grades in section 135.2 of the DSSR to determine comparable LQA entitlements.

(8) *Comment:* One commenter asked how the Global offices will be supported when there is a large time-zone difference and ONR's Human Resource (HR) department is not opened 24 hours a day.

Response: ONR's Global offices will continue to receive the same high level of support under the demonstration project as they do currently under the General Schedule. Based on the experience of other previously implemented personnel demonstration projects, ONR does not anticipate any issues associated with the demonstration project that would require routine around-the-clock access to the Headquarters HR Department. ONR HR will endeavor to respond to any concern within 24 hours on demo issues and make accommodations for their Global customers to ensure continued enhanced customer satisfaction.

(9) *Comment:* One commenter noted that ONR has primarily adopted NRL's STRL personnel demonstration project, and used in its FRN the language from NRL's original FRN. A proposed amendment has since been written by NRL and the commenter recommended that ONR review NRL's proposed amendment and adopt the suggested changes as appropriate. The commenter also recommended ONR review the minor changes that NRL made as well and include those where appropriate.

Response: ONR agrees with the commenter and has carefully reviewed NRL's amendment and list of minor changes. ONR has modified the FRN in a number of places as a result of this review and those changes are listed in the subsequent summary of substantive changes.

B. CCS Appraisal Process

(1) *Comment:* One commenter expressed concern that employees will be told verbally by their supervisors to expect a certain Overall Contribution Score (OCS) and payout but the actual payout amount received would be less than what the employee was led to expect by their supervisor.

Response: Under ONR's demonstration project, standard operating procedures and policies will be such that employees receive notification of their OCS and adjusted basic pay including locality only after a final decision has been rendered by the Pay Pool Panel. Employees are not to be

made aware of their initial suggested score provided by their supervisor or potential adjusted basic pay prior to the Pay Pool Manager's approval of the Pay Pool Panel's final decision.

(2) *Comments:* Fairness: Six commenters stated concerns about the equitable application of the evaluations made under the Contribution-based Compensation System (CCS). Two commenters thought the system was too subjective and favoritism would drive the process. One commenter expressed concern that more credit would be given to scientific than support personnel. One commenter felt that the CCS system would only reward supervisors for outcomes and ultimately create a negative working environment for their subordinates. Two commenters discussed the need for a 360-degree performance evaluation plan for supervisors to ensure accountability for their performance management duties.

Response: To promote fairness and reduce favoritism, the CCS process provides for review of employee assessments by a group of supervisory officials who are in the same pay pool. In the pay pool panel process, scores assigned by individual supervisors are reviewed by other supervisors in the same pay pool. The supervisors work to apply the CCS level descriptors consistently within their pay pool, and to identify and correct any inappropriately inflated or deflated scores. The pay pool manager provides an additional level of review and is the ultimate approval level. CCS contains various mechanisms to ensure employees receive proper credit under the generic contribution elements, descriptors, and discriminators. Contribution elements may be weighted, expectations and results to be achieved for the work assigned may be described in supplemental criteria, and discriminators may be considered either separately or in a more integrated manner for groups of employees. Meaningful assessment demands consideration of quality, value, customer service, and other criteria can be established early in the cycle and described in supplemental information to the CCS factors. Flexibility was deemed necessary for individual divisions to tailor the system to their special needs. Supervisors will continue to determine the value of employees' accomplishments when assessing their contributions. Work valued under the current system will continue to be valued under CCS. In addition, supervisors and employees will be encouraged to communicate throughout the appraisal period to avoid misunderstandings at the end of the year.

The primary benefit expected from Lab Demo is greater organizational effectiveness through increased supervisor and employee interaction leading to enhanced employee involvement, communication, understanding, satisfaction, and productivity. Lab Demo training, targeting the CCS process and goals, has been rolled out across the Command to ensure a synonymous understanding of performance management practices for both employees and supervisors, and to ensure that proper performance management techniques will occur under CCS. The CCS performance management process is designed to help supervisors create a performance culture in which the performance and contributions of the workforce are linked to the ONR mission. This in turn will add meaning to the employee's job and contributions.

Supervisors will be held accountable for their performance management duties under CCS. The CCS contribution elements and level descriptors specifically include expectations regarding performance management and workforce development to recognize the importance of this value at ONR.

The managers/second-line supervisors have always been free to solicit feedback from subordinate employees and other customers to consider in assessing and appraising the supervisory effectiveness of their direct subordinates and their employees. This will continue to be an option under CCS. However, a formal program providing for 360-degree evaluations for supervisors has not currently been implemented. ONR has also provided mandatory hands-on training for supervisors that emphasized supervisory responsibilities and how to engage employees in the performance management process. In addition, supervisor performance will be evaluated as an enhancement of the normal pay pool process.

(3) *Comment:* One commenter questioned the use of the CCS terms Overcompensated and Undercompensated. The commenter felt that both terms have a negative connotation and will not be received well by the workforce.

Response: ONR agrees these terms could have a potential negative connotation to some employees. However, because ONR is adopting the CCS automated system from NRL where these terms are hosted, ONR has decided to adopt these terms as well in order to make efficient use of available resources. Other demos have used and are using these terms, including NRL which has not experienced any difficulties as a result of this terminology. It is important to note that the over- and undercompensated nomenclature do not reflect employees' work ethic and/or the value of their work.

(4) *Comment:* One commenter stated that the grouping of different General Schedule (GS) grades in the same pay band and pay pool will not incentivize the workforce to take on supervisory/team lead positions; instead, it will inhibit one's decision to take on a leadership role since, for example, a GS–14 could potentially make the same amount as a GS–15 without taking on the added leadership responsibilities.

Response: This commenter may have misunderstood the purpose and intent behind pay banding (grouping GS grades into one pay band). One of the goals of ONR's demonstration project is to provide a compensation system that will provide more flexibility to enable ONR to compensate its employees equitably at a rate that is commensurate with their levels of responsibility and contribution, and is more competitive with those found in the labor market. Although the General Schedule system did allow an organization to distinguish levels of performance and provide different levels of rewards, the demonstration project will provide more authority and flexibility for ONR to utilize a wider variety of recognition. By implementing pay banding, ONR will have the opportunity to provide a more direct link between levels of individual contribution and the compensation received. ONR will be able to compensate their workforce in a manner that is appropriate to their contribution. Basic pay increases will no longer be automatic under Lab Demo. Therefore, the workforce should have increased motivation to take on leadership and/or supervisory roles in order to have a higher contribution, thus having eligibility for a larger payout. In addition, ONR has decided to adopt a Supervisory Pay Adjustment and Differential flexibility providing even additional incentive for the workforce to take on supervisory/team lead positions.

(5) *Comment:* One commenter noted that the Contribution Elements had not yet been finalized by leadership and still needed to be reviewed and possibly modified.

Response: This commenter is correct and ONR's leadership has reviewed and modified the Contribution Elements as needed. The revised Contribution Elements are included in this version of the FRN.

(6) *Comment:* One commenter noted that OCSs against normal pay range

would actually not be available until January; therefore, any reference to providing them at the beginning of the performance assessment cycle was incorrect.

Response: ONR agrees and has modified the FRN to reflect that OCSs applicable to an employee's normal pay range for each appraisal period will be available when pay actions are effected in January.

C. Compensation

(1) *Comment:* Two commenters had questions pertaining to those individuals who are at the top of their pay band and questioned how under the new system those employees would receive any benefit; whether these individuals could receive additional compensation, and how the system specifically would benefit, those that were assigned to a pay band that hosted only one GS grade.

Response: If an employee's basic pay is at the top of the pay band, s/he can receive a pay increase that is commensurate with the general increase designated by Congress for that year. An employee whose basic pay is at the maximum of her/his pay band may receive recognition through a contribution award, Time-off Award, or a combination of both. For those employees entering into a pay band that hosts only a single grade, they will only be eligible for basic pay assigned to that pay band. However, the employee may have the opportunity to advance to a pay band with a higher maximum basic pay through a CCS promotion, if appropriate.

(2) *Comment:* One commenter expressed concern over the possibility of the science and engineering professionals' pay pool receiving disproportionate funding over the other pay pools in order to provide greater benefit to those in the Science and Engineering Career Track with greater bonuses and basic pay increases over others at ONR.

Response: The pay pool funding normally will be set percentages of the total basic pay of all eligible employees in a specific pay pool. The pay pool funding percentages are the same for all pay pools. The percentage of basic pay allotted for basic pay increases for employees in the ONR pay pools will be the same for each pay pool, and the percentage of basic pay allotted for contribution bonuses will also be the same for each pay pool. For example, if the total basic pay of the employees in Pay Pool A is $1,000,000 and the total basic pay of the employees in Pay Pool B is $2,000,000, then the pay pool funding for performance-based contribution awards (using ONR's historical percentage of 1.5% for contribution-based bonuses) would be $15,000 for Pay Pool A and $30,000 for Pay Pool B to be distributed among their respective members based on contribution.

(3) *Comment:* Four commenters suggested for ONR to adopt a flexibility for Supervisory Pay Differentials and Adjustments to compensate supervisors for their additional performance management responsibilities and workload.

Response: ONR agrees with the commenters and has adopted CERDEC's flexibility for a Supervisory Pay Differential and Adjustment.

(4) *Comment:* One commenter expressed concern that a decision could be made by the pay pool panel to decrease an employee's compensation.

Response: Under CCS, as with the General Schedule, an employee's salary can only decrease as a result of an adverse or performance-based action. This requirement currently operates under the General Schedule and will be retained by the demonstration project to preserve an emphasis on employee performance and conduct under a contribution-based compensation system. The CCS rating system by itself does not implement any mechanism to decrease an employee's basic pay. During the actual CCS rating process and pay pool panel deliberations an employee's basic pay will not be decreased. If based on the OCS and current salary an employee is assessed to be in the Overcompensated category then that employee would not be eligible for a merit increase or contribution award, and may or may not receive a general increase. They would still receive locality pay.

(5) *Comment:* One commenter noted the adjusted minimum basic rate of pay for the S&E Professional Level V needs to be adjusted to be 120% of the GS–15, step 1, basic pay rate for 2010, or $119,554.

Response: ONR agrees and has made the change where applicable in the FRN.

D. Accessions and Internal Placements

(1) *Comment:* One Commenter expressed the need for ONR to have Lab Demo training required for all new hires.

Response: ONR agrees and will make Lab Demo training mandatory for all new employees and new supervisors.

(2) *Comment:* One commenter questioned if veterans' preference still applied under the demonstration project and if ONR's demonstration project complied with laws protecting veterans and disabled veterans.

Response: All statutes and regulations covering veterans' preference will be observed under all lab demonstration programs.

E. Technology

(1) *Comment:* One commenter expressed the concern that the RIF Support Systems (RIFSS) could not accommodate NRL's need and ONR should reconsider if they will still use this system or adopt another.

Response: ONR agrees and prior to committing specifically to RIFSS will look closely at the system's availability and capacity.

(2) *Comment:* One commenter pointed out that DCPDS is no longer a legacy system.

Response: ONR agrees and the language in Section X.B. has been modified accordingly.

(3) *Comment:* One commenter noted that ONR does not intend to use the COREDOC application to generate RDs.

Response: The commenter is correct and ONR will be using RDWriter instead. The language in Section X.C. has been updated to reflect the correct tool intended to be used.

F. Classification

(1) *Comment:* Three commenters did not believe that some of the occupational series were correctly aligned with the proper career tracks; one stated that 0335, Computer Clerk series, was listed under both Administrative Support and Administrative Specialist and Professional and only belonged in the Administrative Support Career Track; the second stated that 0110, Economist series, should be moved to the S&E Professional Career Track because of the similarities to the education requirements and other social science professions included in that Career Track; and a third stated that 0802, Engineering Technician series, should not be in the Science and Engineering Professional Career Track but rather in the Administrative Specialist and Professional Career Track.

Response: ONR management agrees with the reasoning of the first commenter. Therefore, occupational series 0335 will only be aligned with the Administrative Support Career Track. Based on the work being done, the qualifications required, and how other STRLs, such as the Air Force Research Laboratory, have classified 0110, ONR management disagrees with the second commenter and occupational series 0110 will remain in the Administrative Specialist & Professional Career Track. In the case of the third commenter, ONR management agrees and since ONR does

not have a technical career track, the proper classification for 0802 is the Administrative Specialist and Professional Career Track.

(2) *Comment:* Seven commenters felt that the construction of the pay band levels for the Administrative Specialist and Professional Career Track is either unfair or biased. One commenter specifically noted pay band IV in the Administrative Specialist and Professional career track sets an unfair barrier for those employees who are currently a GS–13, and in turn signals that their work is of less importance and therefore is not mixed with higher GS grades. Six commenters specifically questioned why the Administrative Specialists and Professionals Career Track does not have an Above 15 Pay Band the same way the S&E Professionals Career Track does and feel it unfairly elevates the importance of the S&E group over the Administrative Specialist and Professionals.

Response: In accordance with DoD Instruction 1400.37, pages 73248 to 73252 of volume 73, ONR's demonstration project was modeled after the demonstration project implemented at NRL. During the initial review of ONR's demonstration project, ONR leadership learned that any change to the NRL pay band structure would have created a year's delay in implementing ONR's demonstration project, due to additional approval and IT system modification requirements. Given the NDAA requirement that ONR be under a Lab Demo before the end of April 2011, an additional year to implement was not an option. ONR leadership evaluated NRL's pay bands and concluded that the NRL structure would work with ONR's current career paths and GS breakdown of the workforce. ONR leadership decided to move forward with the NRL pay band structure. Operational procedures and guidelines will address any unintended limitations that this structure would impose on the career progression of ONR employees. For example, there will be procedures for non-competitive promotion between bands (if in a career ladder position or if warranted by level of work and value of contributions).

ONR made the decision to participate in the DoD initiative to implement an Above 15 Pay Band for scientific and engineering professionals in order to take advantage of an opportunity to correct a critical void in classification standards and guidance for civilian senior executive Scientific and Professional (ST) and Senior Executive Service (SES) positions. This void impacted an organization's ability to advance scientific and engineering positions which surpass the GS–15 classification criteria because of the combination of excellent scientific and/or engineering expertise and performance of high-level science and technology (S&T) research and development work with significant technical supervisory and managerial responsibilities comprising 25 percent or more of the position's time. These positions were not considered to be appropriately classified as STs because of the degree of supervisory and managerial responsibilities. Conversely, these positions were not appropriately classified as SES positions because of their requirement for highly specialized scientific or engineering expertise and because the positions were not at the level of general managerial authority and impact required for an SES position.

(3) *Comment:* Two commenters questioned ONR's proposed pay band grade composition and if it was the most suitable structure for ONR. One commenter suggested that both the S&E Professional and Administrative Specialist and Professional Career Tracks should be modified to have GS–5 through GS–13 in one pay band. Another commenter suggested that a specific position could be more easily/appropriately filled if the Administrative Support Career Track pay bands were modified to include at least up to a GS–12 level.

Response: As stated in the response to previous comments, ONR leadership evaluated NRL's pay bands and concluded that the NRL structure would work with ONR's current career paths and GS breakdown of the workforce. The different pay band structures in the Career Tracks support the various levels of duties, qualifications, and types and scope of work encompassed by ONR's position management structure. Therefore, ONR management considers the NRL pay banding scheme appropriate at this time. Since 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.

(4) *Comment:* One commenter questioned the approval process designated for promotions under ONR's demonstration project. The commenter felt that including the CNR's approval for certain promotions (laid out in section IV.C.8) would slow down the promotion process and actual create a more inflexible system for promotions.

Response: ONR agrees with the commenter's concern and has made the appropriate change under section IV.C.8. It is not ONR's intent to make the promotion process less flexible under the demonstration project. Thus, all individuals covered under the demonstration project who are eligible for a promotion will need a promotion nomination by their supervisor, endorsement from the pay pool panel, and final approval by the pay pool manager. CCS Promotions under the demonstration project will not need approval beyond the pay pool manager.

(5) *Comment:* One commenter stated that the Career Promotion Eligibility clause needed to be expanded to include those employees who may be eligible for an established career ladder promotion to a grade encompassed in the next higher pay band during the first 12 months of the demonstration project and as a result would advance into a higher pay band.

Response: ONR agrees with the commenter's point and the Career Promotion Eligibility clause in the FRN has been modified to also cover previously established career ladders which would contain a career promotion that would be into a higher pay band within the first 12 months of the demonstration project if recommended and the employee meets all requirements. The FRN language has been edited to make this clause clearer.

G. Formatting and Language

(1) *Comment:* Eight commenters made note of various places in the FRN where language was inconsistently used or information was not consistent; the term pay band should be used in places where the term career level was used instead; score ranges and basic pay information listed in the appendices was in some instances different than what was listed in the main part of the document; in various places footnotes do not show up in the correct place or are non-existent; in the normal pay range graph in the appendix it should read mid-rail and not med-rail; and Figure 4 is missing the word 'review' for Administrative Support Career Track pay band III.

Response: ONR agrees and has made these appropriate changes and corrections to formatting and the text.

(2) *Comment:* Three commenters noted places where language was vague and needed to be clarified; the language in section VI.A.4 was noted to be unclear; the language in section IV.C.2 and 3 is unclear if there will only be one pay pool manager; and section VI.A.3 the language was noted as not being clear if this was a prorated portion.

Response: ONR agrees and in each of the sections listed above the language has been edited for clarification.

3. Demonstration Project Notice Changes

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

A. Supplementary Information, Overview. Added MRMC and CERDEC to the list of existing STRL demonstration projects from which ONR is using flexibilities to build its demonstration project.

B. III.H.2. Internal Actions. Added a flexibility for Supervisory Pay Adjustments and Supervisory Pay Differentials.

C. IV.A.1.d. Fair Labor Standards Act. Corrected Figure 4 by including the word 'review' for Pay Band III of the Administrative Support career track.

D. IV.C.4. Annual CCS Appraisal Process. The current FRN states that employees will be notified of the Overall Contribution Scores (OCSs) which correspond to each employee's Normal Pay Range (NPR) at the beginning of the appraisal period. This is corrected to state that OCSs which correspond to each employee's NPR will be available after pay adjustments have been processed, normally early-to-mid January.

E. IV.C.4 and 5. Annual CCS Appraisal Process and Exceptions. Provision added that requires employees who serve less than 90 days during an appraisal cycle to receive a presumptive rating of acceptable.

F. IV.C.4. Annual CCS Appraisal Process. In order to ensure compliance with state bar rules a provision was added that prohibits the pay pool panel from changing CCS scores on ONR attorneys provided by the ONR Counsel.

G. IV.C.4 and 5. Exceptions. Clarified the conditions for which employees who would normally be exempted from the CCS process may still be given a CCS score.

H. IV.C.8.b. Career Movements based on CCS. Corrected to state that it is the ONR Executive Director and not the CNR which must approve certain promotions.

I. IV.C.9. Grievance Process. Modified to clarify the process; prevent the need for the ONR Executive Director from possibly deciding the same grievance twice; inform employees that the contents of the CCS Plans are nongrievable as were the contents of performance plans in the traditional performance management system; and ensure compliance with state bar rules.

J. VI.A.3. WGI Buy-in. Added clarifying language to state that employees will be provided a prorated portion.

K. VI.A.4. Career Promotion Eligibility. Modified to state that an exception will also be made for employees who become eligible for a career ladder promotion during the first 12 months after conversion if their promotion would cause them to move to a higher pay band. Examples included providing greater clarity to the entire section.

L. VI.D. New Hires. Modified to add that mandatory demonstration project training will be provided to new employees and new supervisors.

M. VI.D.3. New Hires. Provided clarification for Federal employees who are on retained pay or who are receiving special salary rates and are moving into the ONR demonstration project.

N. VI.E.1.Grade Determination. Clarified conversion-out rules when there are more than two GS grade levels in a career field.

O. X. Automation. Clarified that DCPDS is not a legacy system, that RD Writer will be used instead of COREDOC, and that the automated tool RIFSS will not specifically be used.

P. Appendix A. Updated chart based on the addition of the supervisory pay adjustment and differential flexibility, and added the MRMC Career Promotion flexibility which had mistakenly been left out previously.

Q. Appendix B. Added required waivers for; the Supervisory Pay Adjustment and Differential Flexibility; the presumptive rating of acceptable for employees who serve less than 90 days, and the Voluntary Emeritus Program (which were erroneously left out previously).

R. Appendix D. Corrected 0335, Computer Clerk series, to be listed only under the Administrative Support career track and moved the 0802 series to the Administrative Specialist and Professional Career Track.

S. Appendix E. Science & Engineering Professional contribution elements were updated to provide additional clarification of the discriminators.

T. Appendix F. Integrated pay chart was updated to reflect the minimum basic pay for S&E pay band V as $119,554.

4. Access to Flexibilities of Other STRLs

Flexibilities published in this **Federal Register** 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 the fulfilling of any collective bargaining obligations.

Dated: December 2, 2010.

Patricia Toppings,

OSD Federal Register Liaison Officer, Department of Defense.

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I. Executive Summary

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

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

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

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

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

II. Introduction

A. Purpose

The purpose of the project is to demonstrate that the effectiveness of DoD STRLs can be enhanced by expanding opportunities available to employees and by allowing greater managerial control over personnel functions through a more responsive and flexible personnel system. Federal laboratories need more efficient, cost effective, and timely processes and methods to acquire and retain a highly creative, productive, educated, and trained workforce. This project, in its entirety, attempts to improve employees' opportunities and provide managers, at the lowest practical level,

the authority, control, and flexibility needed to achieve the highest quality organization and hold them accountable for the proper exercise of this authority within the framework of an improved personnel management system.

Many aspects of a demonstration project are experimental. Modifications may be made from time to time as experience is gained, results are analyzed, and conclusions are reached on how the system is working. The provisions of this project plan will not be modified, or extended to individuals or groups of employees not included in the project plan without the approval of the 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 Current System

The current Civil Service GS system has existed in essentially the same form since the 1920's. Work is classified into one of fifteen overlapping pay ranges that correspond with the fifteen grades. Basic 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 has come under extreme criticism. Employees frequently report there is inadequate communication of performance expectations and feedback on performance. There are perceived inaccuracies in performance ratings with general agreement that the ratings are inflated and often unevenly distributed by grade, occupation and geographic location.

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

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

C. Waivers Required

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

D. Expected Benefits

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

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

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

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

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

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

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

E. Participating Organizations and Employees

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

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

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

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

F. Project Design

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

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

III. Accessions and Internal Placements

A. Hiring Authority

1. Background

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

2. Delegated Examining

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

b. The "Rule of Three" will be eliminated. When there are no more than 15 qualified applicants and no preference eligibles, all eligible applicants are immediately referred to the selecting official without rating and ranking. Rating and ranking will be required only when the number of qualified candidates exceeds 15 or there is a mix of preference and nonpreference applicants. Statutes and regulations covering veterans'

preference will be observed in the selection process and when rating and ranking are required. If the candidates are rated and ranked, a random number selection method using the application control number will be used to determine which applicants will be referred when scores are tied after the rating process. Veterans will be referred ahead of non-veterans with the same score.

B. Legal Authority

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

C. Determining Employee and Applicant Qualifications

Figure 2 displays the minimum General Schedule (GS) qualifications requirements for each career path and pay band. Special DON or DoD requirements not covered by the OPM Qualification Standards Operating Manual for GS Positions, such as Defense Acquisition Workforce Improvement Act (DAWIA) qualification requirements for acquisition positions, physical performance requirements for sea duty, work on board aircraft, etc., must be met.

Minimum Qualifications Requirements

Level	Minimum Qualifications Requirement Equivalent
S&E Professional (NP)	
I	GS-1
II	GS-5
III	GS-11
IV	GS-14
V	Appropriate Experience
Administrative Specialist and Professional (NO)	
I	GS-1
II	GS-5
III	GS-11
IV	GS-13
V	GS-14
Administrative Support (NC)	
I	GS-1
II	GS-5
III	GS-8

Figure 2. Minimum Qualifications Requirements

D. Noncitizen Hiring

Where Executive Orders or other regulations limit hiring noncitizens, ONR will have the authority to approve the hiring of noncitizens into competitive service positions when qualified U.S. citizens are not available. Under the demonstration project, as with the current system, a noncitizen may be appointed only if it has been determined there are no qualified U.S. citizens. In order to make this determination, the position will be advertised extensively throughout the nation using paid advertisements in

major newspapers or scientific journals, etc., as well as the "normal" recruiting methods. If a noncitizen is the only qualified candidate for the position, the candidate may be appointed. The selection is subject to approval by the Department Head or Director of the hiring organization. The demonstration project constitutes a delegated examining agreement from OPM for the purposes of 5 CFR 213.3102(bb).

E. Expanded Detail Authority

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

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

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

Details beyond the one-year require the approval of the Chief of Naval Research or designee and are not subject to the 120-day renewal requirement.

F. Extended Probationary Period

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

G. Definitions

1. Basic Pay

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

2. Maintained Pay

An employee may be entitled to maintain his or her rate of basic pay if that rate exceeds the maximum rate of basic pay for his or her pay band as a result of certain personnel actions (as described in this plan). An employee's initial maintained pay rate is equal to the lesser of (1) the basic pay held by the employee at the time an action is taken which entitles the employee to maintain his or her pay or (2) 150 percent of the maximum rate of basic pay of the pay band to which assigned. The employee is entitled to maintained pay for 2 years or until the employee's basic pay is equal to or more than the employee's maintained pay, whichever occurs first. Exceptions to the 2-year limit include employees on grade and pay retention "grandfathered" in upon initial conversion into the demonstration project, former special rate employees receiving maintained pay as a result of conversion into the project, and employees placed through the priority placement programs. Employees will receive half of the across-the-board GS percentage increase in basic pay and the full locality pay increase while on maintained pay. Upon termination of maintained pay, the employee's basic pay will be adjusted according to the CCS appraisal process. If the employee's basic pay exceeds the maximum basic pay of his or her pay band upon expiration of the 2-year period, the employee's pay will not be reduced; the employee will be in the overcompensated range of basic pay category for CCS pay increase purposes, see Figure 9.

Maintained pay shall cease to apply to an employee who: (1) Has a break in service of 1 workday or more; or (2) is demoted for personal cause or at the employee's request. The employee's maintained rate of pay is basic pay for purposes of locality pay (locality pay is basic pay for purposes of retirement, life insurance, premium pay, severance pay, advances in pay, workers' compensation, and lump-sum payments for annual leave but not for computing promotion increases). Employees promoted while on maintained pay may have their basic pay (excluding locality pay) set up to 20 percent greater than the maximum basic pay for their current pay band or retain their "maintained pay," whichever is greater.

3. Promotion

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

4. Reassignment

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

5. Change to Lower Pay Band

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

6. Pay Adjustment

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

7. Detail

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

8. Highest Previous Rate

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

9. Approving Manager

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

H. Pay Setting Determinations Outside the CCS

1. External New Hires

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

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

c. A recruitment or relocation bonus may be paid using the same provisions available for GS employees under 5 U.S.C. 5753. Employees placed through

the DoD Priority Placement Program (PPP), the DON Reemployment Priority List (RPL), or the Federal Interagency Career Transition Assistance Plan are entitled to the last earned rate if they have been separated.

2. Internal Actions

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

a. Promotion.

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

b. Pay Adjustment (Voluntary Change to Lower Pay) or Change to Lower Pay Band (except RIF).

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

(1) Examples of Voluntary Change to a Lower Pay Band. An employee in an Administrative Specialist and Professional Career Track, Pay Band III, position may decide he or she would prefer a Pay Band II position in the Administrative Support Career Track because it offers a different work schedule or duty station. An employee in Pay Band IV of the Administrative Specialist and Professional Career Track who has a family member with a serious medical problem and wants to be relieved of supervisory responsibilities may request a change to Pay Band III.

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

c. Pay Adjustment (Involuntary Change to Lower Pay) or Change to Lower Pay Band Due to Adverse or Performance-based Action.

When an employee is changed to a lower pay band, or receives a change to lower pay due to an adverse or performance-based action, the employee's basic pay will be reduced by at least 6 percent, but will be set at a rate within the rate range for the pay band to which assigned. (The approving manager authorizes the basic pay.) Such employees will be afforded appeal rights as provided by 5 U.S.C. 4303 or 7512.

d. Involuntary Change to Lower Pay Band or Reassignment to a Career Track with a Lower Salary Range, Other than Adverse or Performance-based.

If the change is not a result of an adverse or performance-based action, the basic pay will be preserved to the extent possible within the basic pay range of the new pay band. If the pay cannot be set within the rate range of the new pay band, it will be set at the maximum rate of the new pay band and the employee's pay will be reduced. If the change is a result of a position reclassification resulting in the employee being assigned to a lower pay band or reassigned to a different career track with a lower maximum basic salary range, the employee is entitled to maintained pay if the employee's current salary exceeds the maximum rate for the new band.

e. RIF Action (including employees who are offered and accept a vacancy at a lower pay band or in a different career track).

The employee is entitled to maintained pay, if the employee's current salary exceeds the maximum rate for the new band.

f. Upward Mobility or Other Formal Training Program Selection.

The employee is entitled to maintained pay, if the employee's current salary exceeds the maximum rate for the new band.

g. Return to Limited or Light Duty from a Disability as a Result of Occupational Injury to a Position in a Lower Pay Band or to a Career Track with Lower Basic Pay Potential than Held Prior to the Injury.

The employee is entitled indefinitely to the basic pay held prior to the injury and will receive full general and locality pay increases. If upon reemployment, an employee was not given the higher basic pay (basic pay received at the time of the injury), any retirement annuity or severance pay computation would be based on his or her lower basic pay (salary based on placement in a lower pay band). Even though the Department of Labor (DOL) would make up the difference between the lower basic pay and the higher basic pay earned at the time of injury, the DOL portion is not considered in the retirement or severance pay computation.

h. Restoration to Duty.

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

i. Reassignment.

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

j. Student Educational Employment Program.

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

k. Hazard Pay or Pay for Duty Involving Physical Hardship.

Employees under the demonstration project will be paid hazardous duty pay under the provisions of 5 CFR part 550, subpart I.

l. Supervisory Pay Adjustments.

(1) Supervisory pay adjustments may be approved by the ONR Executive Director based on the recommendation of the Talent Management Board to compensate employees with supervisory responsibilities. Only employees in supervisory positions as defined by the OPM GS Supervisory Guide may be considered for the pay adjustment. These pay adjustments are funded separately from performance pay pools. These pay adjustments are increases to basic pay, ranging up to ten percent of that pay rate for supervisors. Pay adjustments are subject to the constraint that the adjustment may not cause the employee's basic pay to exceed the pay band maximum basic pay. Criteria to be considered in determining the basic pay increase percentage include:

i. Needs of the organization to attract, retain, and motivate high quality supervisors;

ii. Budgetary constraints;

iii. Years and quality of related experience;

iv. Relevant training;

v. Performance appraisals and experience as a supervisor;

vi. Organizational level of position; and

vii. Impact on the organization.

(2) The pay adjustment will not apply to employees in Pay Band V of the S&E Professional Career Track.

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

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

ii. An employee selected for a supervisory position that is within the employee's current pay band may also be considered for a basic pay adjustment. If a supervisor is already authorized a basic pay adjustment and is subsequently selected for another supervisor position within the same pay band, then the basic pay adjustment will be re-determined.

iii. Existing supervisors will be converted at their existing rate of basic pay and may be eligible for a basic pay adjustment upon review of the Talent Management Board following the conversion.

(4) The supervisor pay adjustment will be reviewed annually, with possible increases or decreases based on the appraisal scores for the performance elements Cooperation & Supervision or Supervision & Resources Management. The initial dollar amount of a basic pay adjustment will be removed when the employee voluntarily leaves the position. The cancellation of the adjustment under these circumstances is not an adverse action and is not subject to appeal. If an employee is involuntarily removed from a non-probationary supervisory position for unacceptable performance or conduct, the basic pay adjustment will be removed under adverse action procedures. However, if an employee is involuntarily removed from a non-probationary supervisory position for conditions other than unacceptable performance or conduct, then 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 IX.

m. Supervisory Pay Differentials.

Supervisory pay differentials may be used by the ONR Executive Director to provide an incentive and to reward supervisors as defined by the OPM GS Supervisory Guide. Pay differentials are not funded from performance pay pools. A pay differential is a cash incentive that may range up to ten percent of basic pay for supervisors. It is paid on a pay-period basis for a specified period of time not to exceed (NTE) one year and is not included as part of the basic pay. Criteria to be considered in determining the amount of the pay differential are the same as those identified for Supervisory Pay Adjustments. The pay differential will not apply to employees in Pay Band V of the S&E Professional Career Track.

The pay differential may be considered, either during conversion into or after initiation of the demonstration project. The differential must be terminated if the employee is removed from a supervisory position, regardless of cause.

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

I. Priority Placement Program (PPP)

Current PPP procedures apply to new hires and internal actions.

J. Expanded Temporary Promotion

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

K. Voluntary Emeritus Program

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

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

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

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

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

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

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

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

(3) Volunteer's work schedule;

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

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

(6) A one page Statement of Duties and Experience;

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

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

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

IV. Sustainment

A. Position Classification

The position classification changes are intended to streamline and simplify the process of identifying and categorizing the work done at ONR. ONR will establish an Integrated Pay Schedule (IPS) for all demonstration project positions in covered occupations. The IPS will replace the current GS and extend the pay schedule equivalent to the basic pay range of the Government's Senior Level Pay System to accommodate positions classified above the GS–15 level under a proposed new STRL demonstration project initiative being developed by DoD.

1. Career Tracks and Pay Bands

Within the IPS, occupations with similar characteristics will be grouped together into three career tracks. Each career track consists of a number of pay bands, representing the phases of career progression that are typical for the respective career track. The pay bands within each career track are shown in Figure 3, along with their GS equivalents. The equivalents are based on the levels of responsibility as defined in 5 U.S.C. 5104 and not on current basic pay schedules. Appendix C provides definitions for each of the career tracks and the pay bands within them. The career tracks and pay bands were developed based upon administrative, organizational, and position management considerations at ONR. They are designed to enhance pay equity and enable a more seamless career progression to the target pay band for an individual position or category of positions. This combination of career tracks and pay bands allows for competitive recruitment of quality candidates at differing rates of compensation within the appropriate career track, occupation, and pay band. It will also facilitate movement and placement based upon contribution, in conjunction with the CCS described in paragraph IV.C. Other benefits of this arrangement include a dual career track for S&E employees and greater competitiveness with academia and private industry for recruitment. Appendix D identifies the occupational series currently within each of the three career tracks.

S&E Professional (NP)	**Band I**				**Band II**						**Band III**			**Band IV**		**Band V**
GS Equivalent	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	>15
Administrative Specialist and Professional (NO)	**Band I**				**Band II**						**Band III**		**Band IV**	**Band V**		
GS Equivalent	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Administrative Support (NC)	**Band I**				**Band II**			**Band III**								
GS Equivalent	1	2	3	4	5	6	7	8	9	10						

Figure 3. Career Tracks and Pay Bands with Equivalents

a. Target Pay Band.

Each position will have a designated target pay band under the demonstration project. This target pay band will be identified as the pay band to which an incumbent may be advanced without further competition within a career track. These target pay bands will be based upon present full performance levels. Target pay bands may vary based upon occupation or career track. Employees' basic pay will

be capped at the target pay band until other appropriate conditions (*e.g.,* competition, position management approval, increase in or acquisition of higher level duties, and approval of an accretion of duties promotion) have been met, and the employee has been promoted into the next higher level.

b. Occupational Series and Position Titling.

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

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

c. Classification Standards.

Under the proposed demonstration project, the number of classification standards would be reduced to three (*see* Figure 3.) Each standard would align with one of the three career tracks and would cover all positions within that career track. Each career track has two or three elements that are considered in both classifying a position and in judging an individual's contributions for pay setting purposes. Each element has generic descriptors for every pay band. These descriptors explain the type of work, degree of responsibility, and scope of contributions that need to be ultimately accomplished to reach the highest basic pay potential within each pay band. (*See* Appendix E.) To classify a position, a manager would select the pay band which is most indicative overall of the type of duties to be performed and the contributions needed. For example: A supervisor needs a secretarial position for a branch. In reading the elements and descriptors for the Administrative Support Career Track, the supervisor determines that the Pay Band II descriptors illustrate the type of work and contributions needed. Therefore, the position would be classified as a Secretary, Pay Band II.

d. Fair Labor Standards Act (FLSA).

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

(1) Guidelines for FLSA Determinations.

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

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

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

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

(2) Nonsupervisory and Leader Positions.

Figure 4 shows the exempt or nonexempt status applicable to nonsupervisory and leader positions in the indicated career track and pay band. In those cases where "Review" is indicated, the FLSA status must be determined based on the specific duties and responsibilities of the subject position.

FLSA Status of Nonsupervisory and Leader Positions*

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

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

Figure 4. FLSA Status of Nonsupervisory and Leader Positions

(3) Supervisory Positions.

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

2. Requirements Document (RD)

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

3. Delegation of Classification Authority

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

a. Delegated Authority.

i. The Chief of Naval Research will delegate classification authority to the Human Resources Office (HRO) Director. The HRO Director may further delegate authority to Department Heads and Directors of the immediate organization of the position being classified.

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

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

iv. HRO support will be available for guidance and recommendations concerning the classification process. (Any dispute over the proper classification between a manager and the HRO will be resolved by the CNR or designee.)

b. Position Classification Accountability.

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

B. Integrated Pay Schedule

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

1. Annual Pay Action

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

2. Overtime Pay

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

3. Classification Appeals

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

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

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

4. Above GS–15 Positions

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

The original Above GS–15 Position concept was to be tested for a five-year period. The number of trial positions was set at 40 with periodic reviews to determine appropriate position requirements. The Above GS–15 Position concept is currently being evaluated by DoD management for its effectiveness; continued applicability to the current STRL scientific, engineering and technology workforce needs; and appropriate allocation of billets based on mission requirements. The degree to which 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.

5. Distinguished Contributions Allowance (DCA)

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

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

a. Eligibility.

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

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

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

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

b. Nomination.

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

c. Reduction or Termination of a DCA.

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

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

d. Lump-Sum DCA Payments.

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

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

e. DCA Budget Allocation.

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

f. Concurrent Monetary Payments.

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

C. Contribution-Based Compensation System (CCS)

1. General

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

provide an understandable basis for career progression by linking contribution to basic pay determinations.

CCS combines performance appraisal and job classification into one annual process. At the end of each CCS appraisal period, basic pay adjustment decisions are made based on each employee's actual contribution to the organization's mission during the period. A separate function of the process includes comparison of performance in contribution elements to acceptable standards to identify unacceptable performance that may warrant corrective action in accordance with 5 CFR part 432. Supervisory officials determine scores to reflect each employee's contribution, considering both how well and at what level the employee is performing. Often the two considerations are inseparable. For example, an employee whose written documents need to be returned for rework more often than those of his or her peers also likely requires a closer level of oversight, an important factor when considering level of pay.

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

2. CCS Process

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

CCS ELEMENTS

S&E Technical

Scientific and Technical Leadership

Program Execution and Liaison

Cooperation and Supervision

Administrative Specialist and Professional

Problem Solving and Leadership

Cooperation and Customer Relations

Supervision and Resources Management

Administrative Support

Problem Solving

Cooperation/Customer Relations/Supervision

Figure 5. CCS Elements

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

Scores currently range between 0 and 92; specific relationships between scores and pay bands are different for each career track. (*See* Figure 6.) Basic pay adjustments are based on a comparison of the employee's level of contribution to the normal pay range for that contribution and the employee's present rate of basic pay.

CCS Pay Band Scores and Basic Pay Ranges*

LEVEL	SCORE	CCS $K
S&E Professional		
I	0 – 21	17,803 – 31,871
II	18 – 47	27,431 – 59,505
III	44 – 66	50,287 – 93,175
IV	66 – 80	84,697 – 129,517
V	81 – 92	119,554 – 155,500**
Administrative Specialist and Professional		
I	0 – 21	17,803 – 31,871
II	18 – 47	27,431 – 59,505
III	44 – 59	50,287– 78,355
IV	59 – 66	71,674 – 93,175
V	66 - 80	84,697 – 129,517
Administrative Support		
I	0 – 21	17,803 – 31,871
II	18 – 35	27,431 – 44,176
III	31 - 47	37,631 – 59,505

* Basic pay based on 2010 GS with no locality adjustment

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

Figure 6. CCS Pay Band Scores and Basic Pay Ranges

Supervisors and pay pool panels determine an employee's contribution level for each element considering the discriminators as appropriate to the position. A contribution score, available to that level, is assigned accordingly. For example, a scientist whose contribution in the Technical Problem Solving element for S&E Professionals is determined to be at Pay Band II may be assigned a score of 18 to 47. Eighteen reflects the lowest level of responsibility, exercise of independent judgment, and scope of contribution; and 47 reflects the highest. For Pay Band III contributions, a value of 44 to 66 may be assigned. Each higher pay band equates to a higher range of values with the total points available to S&E Professionals to be determined based on the salary range for pay band V under the proposed DoD above GS–15 position initiative. Each element is judged separately and level of work may vary for different elements. The scores for each element are then averaged to determine the Overall Contribution Score (OCS).

The CCS process will be carried out within pay pools made up of combined ONR organizations. The organizations in each pay pool will be combined based on criteria such as similarity of work and chain of command. To facilitate equity and consistency, element weights and applicability and CCS score adjustments are determined by a pay pool panel, rather than by individual supervisors. Basic pay adjustments, contribution awards, and DCA's may be recommended by the pay pool panel or by individual supervisors. Pay pool panels will consist of Department heads and Directors, or other individuals who are familiar with the organization's work and the contributions of its employees. The Executive Director, or designee, will function as the pay pool manager, with final authority to decide weights, scores, basic pay adjustments, and awards.

3. Pay Pool Annual Planning

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

a. Element Weights and Applicability.

As written, all elements are weighted equally. If the pay pool manager and panels decide that some elements are more important than others or that some do not apply at all to the effective accomplishment of the organization's mission, they may establish element weights including a weight of zero which renders the element not applicable. Element weights are not intended for application to individual employees. Instead, they may be established only for subcategories of

positions, not to exceed a maximum of five subcategories in each career track. Subcategories for S&E Professionals might be: Supervisor, Program Manager, and Support S&E. Subcategories should include a minimum of five positions, when possible. Weights must be consistent within the subcategory.

b. Supplemental Criteria.

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

4. Annual CCS Appraisal Process (*See* Figure 7.)

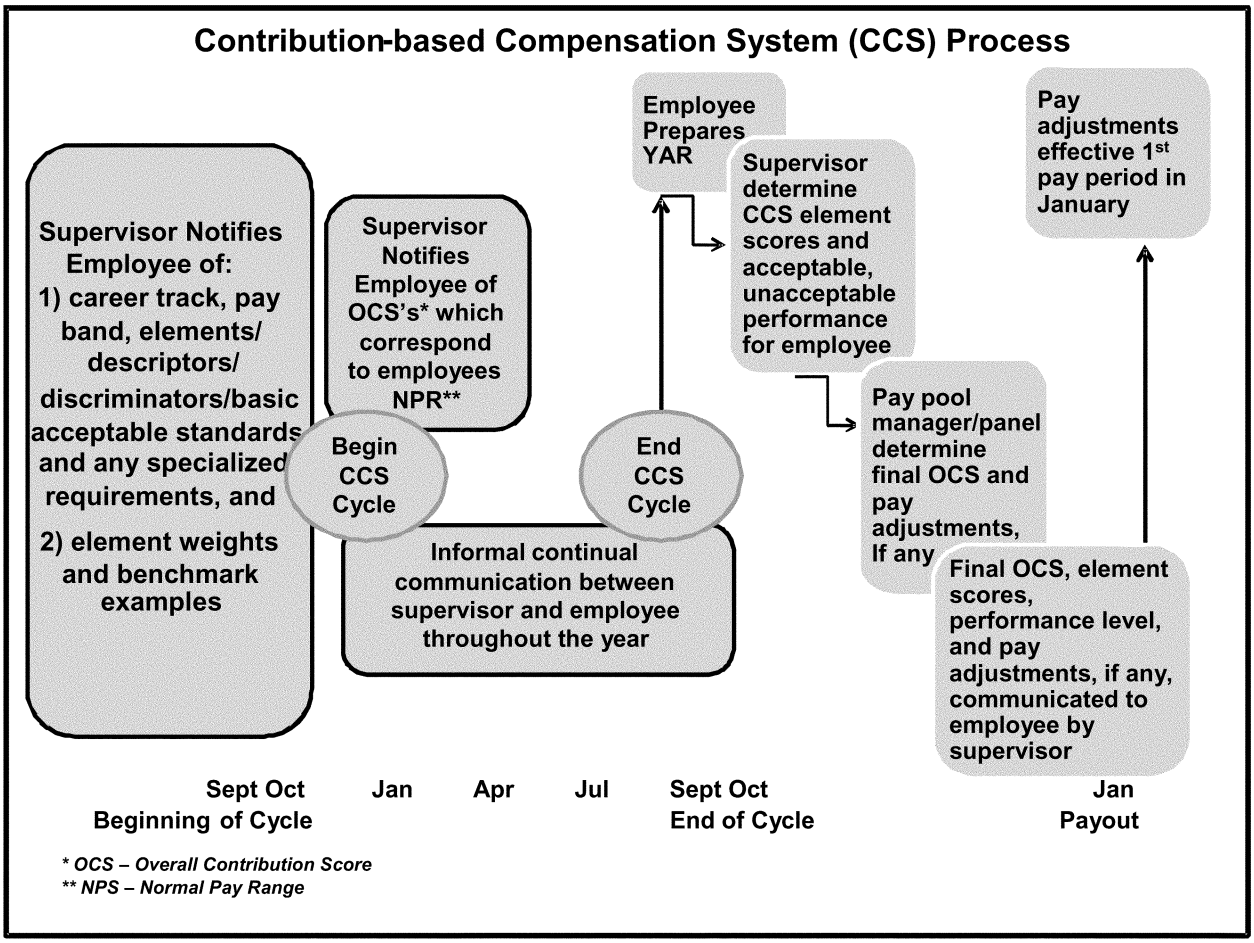

Figure 7. Annual CCS Appraisal Process

The ONR appraisal period will normally be one year, with a minimum appraisal period of 90 days. Employees who serve less than 90 days during an appraisal cycle will receive a presumptive performance rating of acceptable. At the beginning of the appraisal period, or upon an employee's arrival at ONR or into a new position, the following information will be communicated to employees so that they are informed of the basis on which their performance and contributions will be assessed: their career track and pay band; applicable elements, descriptors and discriminators; element weights; any established supplemental criteria and basic acceptable performance standards. OCS's, which correspond to each employee's NPR (*see* section IV.C.6), will be available after pay adjustments have been processed, normally early-to-mid January. All employees will be provided this information; however, employees in some situations may not receive CCS scores. These situations are described in section IV.C.5, Exceptions. The communication of information described by this paragraph constitutes performance planning as required by 5 CFR 430.206(b).

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

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

supervisors. This will include procedures for capturing contribution information regarding employees who serve on details, who change positions during the appraisal period, who are new to ONR, and other such circumstances.

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

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

The pay pool panel will meet to compare scores, make appropriate adjustments, and determine the final OCS for each employee. Final approval of CCS scores and element and summary ratings will rest with the pay pool manager (unless higher level approval is requested or deemed necessary). To avoid conflict with state bar rules, the pay pool panel may not alter the CCS element scores or the Overall Contribution Score that ONR Counsel assigns to an attorney; however, the pay pool panel may make independent judgments, such as pay adjustments, after considering that score. Supervisors will communicate the element scores, ratings, summary level, and OCS to each employee, and discuss the results and plans for continuing growth. Employees rated Unacceptable will be provided assistance to improve their performance (*see* paragraph V.A.). The CCS process will be facilitated by an automated system, the Contribution-based Compensation System Data System (CCSDS). During the appraisal process, all scores and supervisory comments will be entered into the CCSDS. The CCSDS will provide supervisors, pay pool panel members, and pay pool managers with background information (*e.g.,* YARS, employees' prior year scores and current basic pay) and spreadsheets to assist them in comparing contributions and determining scores. Records of employee appraisals will be maintained in the CCSDS, and the system will be able to produce a hard copy document for each employee which reflects his or her final approved score.

5. Exceptions

All employees who have worked 90 days or more by the end of the appraisal period will receive a performance rating of record. Those employees who have performed less than 90 days will receive a presumptive performance rating of Acceptable. However, in certain situations ONR does not consider the actual determination of CCS scores to be necessary. In other situations, it may not be feasible to determine a meaningful CCS score. Therefore, the determination of CCS scores will not be required for the following types of employees: (a) Employees on intermittent work schedules; (b) Those on temporary appointments of one year or less; (c) Those who work less than six months in an appraisal period (*e.g.,* on extended absence due to illness); (d) Those on long-term training for all or much of the appraisal period; (e) Employees who have reported to ONR or to a new position during the 90 days prior to the end of the appraisal period; and (f) Student Educational Employment Program employees.

If supervisors believe that the nature of such an employee's contributions provide a meaningful basis to determine a CCS score, they may appraise employees in the categories listed above, provided that the employee has worked at least 90 days in an ONR position by the time the pay pool manager forwards final decisions. The employee will be retroactively assessed as of 30 September.

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

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

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

The lower boundary of the NPR is initially established by fixing the basic pay equivalent to GS–1, step 1, (without locality pay), with a CCS score of zero. The upper boundary is fixed at the basic pay equivalent to GS–15, step 10, (without locality pay), with a CCS score of 80. The distance between these upper and lower boundaries for a given overall contribution score is 12 percent of basic pay for all available CCS scores. Using these constraints, the interval between scores is approximately 2.37 percent through the entire range of pay. The lines will be extended using the same interval so that the upper boundary of the normal range of basic pay accommodates the basic pay needed for the S&E Professional career track pay band V. (The actual end point will vary depending on any pay adjustment factors, *e.g.,* general increase.) The formula used to derive the NPR may be adjusted in future years of the demonstration project. See Appendix F for further details regarding the formulation of the NPR.

Each year the boundaries for the NPR plus the minimum and maximum rate of basic pay for each pay band will be adjusted by the amount of the across-the-board GS percentage increase granted to the Federal workforce. At the end of each annual appraisal period, employees' contribution scores will be determined by the CCS process described above, then their overall contribution scores and current rates of basic pay will be plotted as a point on a graph along with the NPR. The position of the point relative to the NPR gives a relative measure of the degree of over- or undercompensation of the employee, as shown in Figure 8. Points which fall below the NPR indicate

undercompensation; points which fall above the NPR indicate overcompensation.

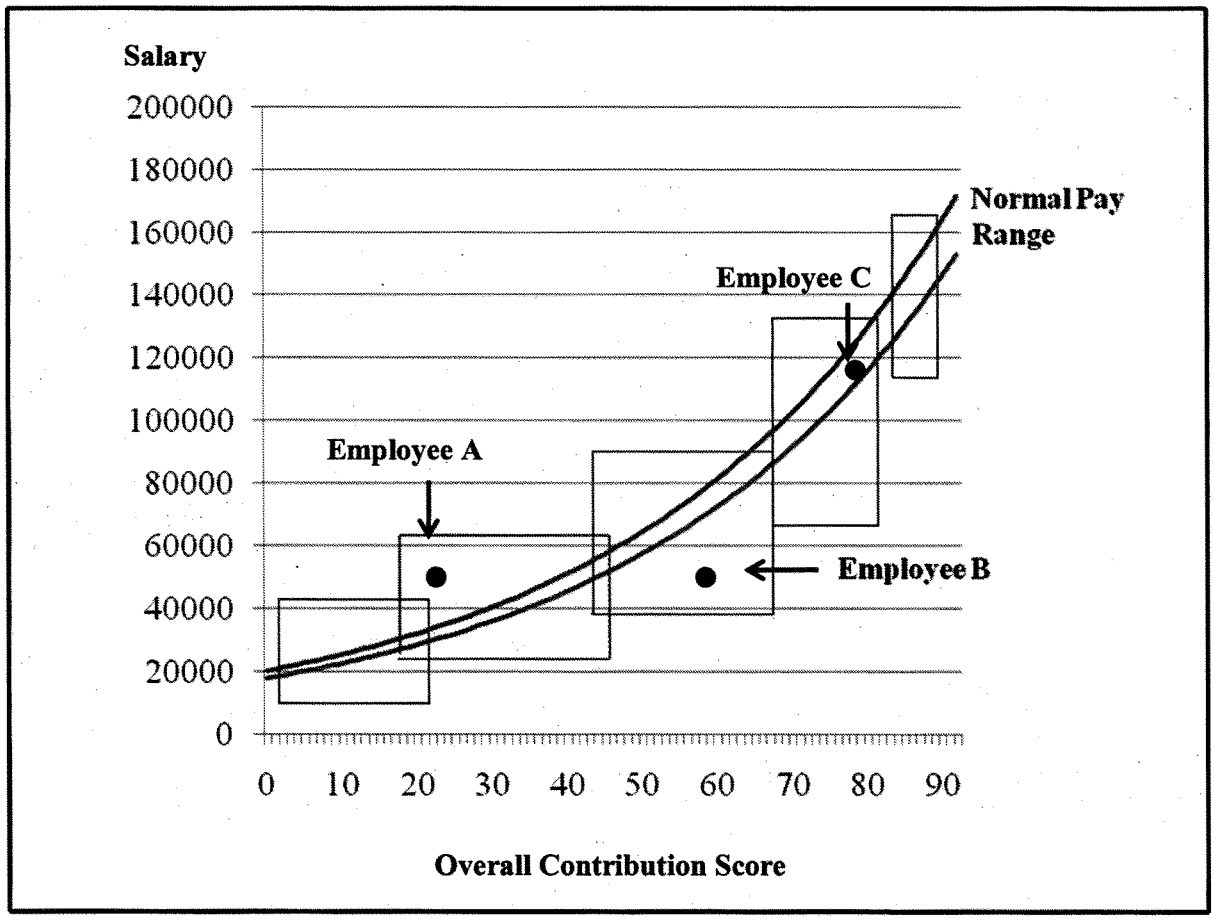

Figure 8. Notional Plotting of OCS and Basic Pay on the NPR for S&E Professionals

7. Compensation

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

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

After the CCS appraisal process has been completed and the employees' standing relative to the NPR has been determined, the pay pool manager, in consultation with the pay pool panel or other pay pool supervisory and staff officials, will determine the appropriate basic pay change and contribution award, if appropriate, for each employee. Standard operating procedures will provide guidance, including market salary reference data, to assist pay pool managers in making pay determinations. In most cases, the pay pool manager will approve basic pay changes and awards. In some cases, however, approval of a higher level official will be required. Figure 9 summarizes the eligibility criteria and applicable limits for each pay category.

Eligibility Chart for Pay Increases				
Range of Basic Pay	**General Increase**	**Merit Increase**	**Contribution Award**	**Locality Pay**
Over-compensated	Could be reduced or denied	No	No(f)	Yes-Full(d)
Normal Range	Yes-Full	Yes(c)-Up to 6%	Yes(a)	Yes-Full(d)
Under-Compensated	Yes-Full	Yes(b,e)	Yes(a)	Yes-Full(d)

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

Figure 10. Eligibility Chart for Pay Increases

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

a. General Increases. General increase budget authority will be available to pay pools as a straight percentage of employee salaries, as derived under 5 U.S.C. 5303 or similar authority. Pay pool panels or managers may reduce or deny general pay increases for employees whose contributions are in the overcompensated category. (*See* Figure 9.) Such reduction or denial may not place an employee in the undercompensated category. An employee receiving maintained pay (except one receiving maintained pay for an occupational injury who receives a full general pay increase) will receive half of the across-the-board GS percentage increase in basic pay until the employee's basic pay is within the basic pay range assigned for their current position or for two years, whichever is less. ONR employees on pay retention at the time of demonstration project implementation or as a result of placement through the DON RPL, DoD PPP or the Federal Interagency Career Transition Assistance Plan will receive half of the across-the-board GS percentage increase until the employee's maintained pay is exceeded by the maximum rate for the employee's pay band or the maintained pay is ended due to a promotion. General increase authority not expended is available to either the merit increase or contribution award pay categories or both.

b. Merit Increases.

Merit increases will be calculated after the determination of employees' general increases. Merit increases may be granted to employees whose contribution places them in the "normal" or "undercompensated" categories. (*See* Figure 9.) In general, the higher the range in which the employee is contributing compared to his or her basic pay, the higher the merit increase should be. However, the following limitations apply: A merit increase may not place any employee's basic pay (1) in the "overcompensated" category (as established by the NPR for the upcoming year, which has been adjusted by the amount of the new general increase); (2) in excess of established basic pay caps; (3) in excess of the maximum rate of basic pay for the individual's pay band (unless the employee is being concurrently advanced to the higher pay band); or (4) above any outside-imposed dollar limit. Merit increases for employees in the NPR will be limited to six percent of basic pay, not to exceed the upper limit of the NPR for the employee's score. In addition, merit increases for employees in the undercompensated range may not exceed six percent above the lower rail of the NPR, or 20 percent of basic pay without CNR or designee approval.

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

The amount of budget authority available to each pay pool will be determined annually by the CNR. Factors to be considered by the CNR in determining annual budget authority may include market salaries, mission priorities, and organizational growth. Because statistical variations will occur in year-to-year personnel growth, any unexpended merit increase authorities may be transferred to the Contribution Awards category.

c. Locality Increases.

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

d. Contribution Awards.

Authority to pay contribution awards (lump-sum payments recognizing significant contributions) will be initially available to pay pools as a straight 1.5 percent of employees' basic pay (similar to the amount currently available for performance awards). The percentage rate may be adjusted in

future years of the demonstration project. In addition, unexpended general increase and merit increase budget authorities may be used to augment the award category. Contribution awards may be granted to those employees whose contributions place them in the "normal" or "undercompensated" category, and to employees in the "overcompensated" category who are on maintained pay. Standard operating procedures will provide guidance to pay pool managers in establishing and applying criteria to determine significant contributions which warrant awards. An award exceeding $10,000 requires CNR approval. (*See* Figure 9.) Pay pools may also grant time-off as a contribution award, in lieu of or in addition to cash.

8. Career Movement Based on CCS

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

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

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

a. Advancements in Pay Band Which May be Approved by the Pay Pool Manager.

Advancements to all pay bands except Pay Band V of the S&E Professional Career Track may be approved by the pay pool manager.

b. Advancements in Pay Band Which Must be Approved by the Executive Director.

Advancement to (1) pay bands outside target pay bands or established position management criteria; (2) Pay Band IV and V of the S&E Professional Career Track; and (3) Pay Bands IV and V of the Administrative Specialist and Professional Career Track require approval by the Executive Director or his or her designee. Details regarding the process for nomination and consideration, format, selection criteria, and other aspects of this process will be addressed in the standard operating procedures.

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

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

d. Regression to Lower Pay Band. (*See* Figure 8, "Employee A").

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

9. CCS Grievance Procedures

An employee may grieve the appraisal received under CCS using procedures specifically designed for CCS appraisals. Under these procedures, the employee's grievance will first be considered by the pay pool panel, which will recommend a decision to the pay pool manager. Any panel member's grievance will be considered by the pay pool manager, without reference to the panel. If the employee is not satisfied with the pay pool manager's decision, he/she may file a formal grievance under the provisions of the ONR's formal grievance procedures, unless the employee's pay pool manager is the CNR, in which case the first-step decision will be final. A CCS grievance from an ONR attorney will be handled in accordance with the Office of General Counsel's grievance procedures after ONR Counsel and the pay pool panel recommend a resolution.

The following are not grievable: Pay actions resulting from CCS (receipt, non-receipt or amount of general increase, merit increase, DCA, or contribution award); reductions in pay band without reduction in pay due to regression (*see* section IV.C.8.d); contents of CCS Plans, (element weights, descriptors/discriminators, performance standards and supplemental criteria); or any action for which another appeal or complaint process exists.

V. Separations

A. Performance-based Reduction-in-Pay or Removal Actions

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

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

Unacceptable performance determinations must be made by comparing the employee's performance to the acceptable performance standards established for elements. At any time during or at the end of the appraisal period that an employee's performance is determined to be unacceptable in one or more contribution elements, the employee will be provided assistance in improving his or her performance. This will normally include clarifying (or further clarifying) the meaning of terms used in the acceptable performance standards (*e.g.,* "timely" "thorough research," and "overall high quality") as they relate to the employee's specific responsibilities and assignments. An employee whose performance is unacceptable after he or she has been

given a reasonable opportunity to improve may be removed or reduced in grade or pay band, in accordance with the provisions of 5 U.S.C. 4303 and related OPM regulations. Employees may also be removed or reduced in grade or pay band based on unacceptable performance under the provisions of 5 U.S.C. 7512. All procedural and appeal rights set forth in the applicable statute and related OPM regulations will be afforded to demonstration project employees removed or reduced in grade or pay band for unacceptable performance.

B. Reduction-in-Force (RIF) Procedures

1. RIF Authority

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

2. RIF Definitions

a. Competition in RIF.

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

b. Competitive Area.

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

c. Competitive Level.

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

d. Service Computation Date (SCD).

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

(1). Federal SCD.

An employee's basic Federal SCD may be credited with up to 20 years credit based on the results of the CCS process. The CCS RIF Assessment Category would be used to determine the number of RIF years credited. The CCS RIF Assessment Category is the combination of the employee's standing under the CCS relative to the NPR and any merit increase, DCA, contribution award or promotion. Figure 10 shows the RIF years available for each CCS RIF Assessment Category [proposed revisions to the RIF Assessment Category are depicted].

Figure 10. CCS RIF Assessment Categories

Assessment Category	Rif Years Available
0= Employees within the overcompensated range without any portion of a general increase.	0
1= Employees receiving maintained pay or any portion of a general increase but no merit increase or contribution (cash/time off).	12
2= Employees (without a capped salary** or career promotion) receiving a total compensation increase* of 6% or less or with a capped salary receiving a total compensation increase of 3% or less.	16
3= Employees receiving (1) a total compensation increase* greater than 6% (2) a career promotion or (3) with a capped salary** receiving a total compensation increase greater than 3%.	20
Final RIF Credit: Average of the three most recent CCS Process Results received during the 4-year period prior to the cutoff date.	

*Total compensation includes merit increase, contribution award (cash/time off), and distinguished contributions allowance

** Capped means the employee has the maximum salary for the assigned pay band

(2). CCS Process Results.

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

(3). Credit from Other Rating Systems.

Employees who have been rated under different patterns of summary rating levels will receive RIF appraisal credit as follows:

—If there are any ratings to be credited for the RIF given under a rating system which includes one or more levels above fully successful (Level 3), employees will receive credit as follows: 12 years for Level 3, 16 years for Level 4, or 20 years for Level 5; or

—If an employee comes from a system with no levels above Fully Successful (Level 3), they will receive credit based on the demonstration project's modal CCS RIF assessment category.

(4). RIF Cutoff Date.

To provide adequate time to properly determine employee retention standing, the cutoff date for use of new CCS

process results is set at 30 days prior to the date of issuance of RIF notices.

3. Displacement Rights

a. Displacement Process.

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

b. Retention Standing.

Retention is based on tenure, veteran preference, length of service, and CCS process results. Competing employees are listed on a retention register in the following order: Tenure I (career employees), Tenure II (career-conditional employees), and Tenure III (contingent employees). Each tenure group has three subgroups (30% or higher compensable veterans, other veterans, and non-veterans) and employees appear on the retention register in that order. Within each subgroup, employees are in order of years of service adjusted to include CCS process results.

c. Vacant Positions.

Assignment may be made to any available vacant position including those with promotion potential in the competitive area.

d. Ineligible for Displacement Rights.

Employees who have been notified in writing that their performance is considered to be unacceptable are ineligible for displacement rights.

e. Change to Lower Pay Band due to an Adverse or Performance-based Action.

An employee who has received a written decision to change him or her to a lower pay band level due to an adverse or performance-based action will compete from the position to which he or she will be or has been demoted.

4. Notice Period

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

5. RIF Appeals

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

6. Separation Incentives

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

7. Severance Pay

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

8. Outplacement Assistance

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

VI. Demonstration Project Transition

A. Initial Conversion or Movement to the Demonstration Project

1. Placement Into Career Tracks and Pay Bands

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

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

2. Conversion of Retained Grade and Pay Employees

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

3. WGI Buy-In

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

time of conversion into the demonstration project.

4. Career Promotion Eligibility

ONR proposes to adopt MRMC's provisions for compensating employees who would have become eligible for career promotions during the first 12 months of the demonstration project but for conversion to the demonstration project pay bands. Employees who qualify under this provision will receive pay increases for noncompetitive promotion equivalents when the grade level of the promotion is encompassed within the same pay band or another, the employee's performance warrants the promotion, and the promotion would have otherwise occurred during that period. Employees who receive an in-level promotion at the time of conversion will not receive a WGI Buy-In equivalent as defined above. For example if a GS–11 employee converts in to the demonstration project at a Pay Band III within the Administrative Specialists and Professional Career Track and would have become eligible for promotion to GS–12 within the next 12 months, that employee will receive a pay increase equivalent to the GS–12 but still remain in Pay Band III.

During the first 12 months of the demonstration project an exception will also be made for employees whose target career promotion would place them in a different pay band from their initial pay band level at conversion. If the employee's performance warrants it and the promotion would have occurred otherwise except for the demonstration project, the non-competitive target career promotion can happen outside the CCS process. For example if an employee's career ladder position has a full performance level of GS–13 and the employee is a GS–12 at conversion, the employee would initially convert in to the demonstration project at a Pay Band III but may be eligible for a non-competitive promotion into Pay Band IV within the first 12 months of the demonstration project if all requirements are met and the promotion is recommended by their supervisor.

5. Conversion of Special Salary Rate Employees

Employees who are in positions covered by a special salary rate prior to entering the demonstration project will no longer be considered special salary rate employees under the demonstration project. These employees will, therefore, be eligible for full locality pay. The adjusted salaries of these employees will not change. Rather, the employees will receive a new basic rate of pay computed by dividing their basic adjusted pay (higher of special salary rate or locality rate) by the locality pay factor for their area. A full locality adjustment will then be added to the new basic pay rate. Adverse action will not apply to the conversion process as there will be no change in total salary. However, if an employee's new basic pay rate after conversion to the demonstration project pay schedule exceeds the maximum basic pay authorized for the pay band, the employee will be granted maintained pay under paragraph III.G.2 until the employee's salary is within the range of the pay band. For example, an Electronics Engineer, GS–855–9, step 5, is paid $59,568 per annum in accordance with special GS salary rates as of January 2010 per Table Number: 0422. The employee is located in the locality area of Washington-Baltimore, DC-MD-VA-WV. Under the demonstration project, the computation of the engineer's new basic rate of pay with a full locality adjustment and WGI buy-in is computed as follows:

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

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

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

6. Conversion of Employees on Temporary Promotions

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

7. Non-Competitive Movement Into the Demonstration Project

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

B. CCS Start-Up

ONR expects to place employees on CCS elements, descriptors, discriminators, and standards around October 2010 with conversion to demonstration project pay plans before the end of April 2011. The CCS process will be used to appraise ONR employees at the end of the 2010–2011 cycle which would occur on September 30, 2011. ONR expects the first CCS payout to occur at the beginning of the first full pay period in January 2012.

C. Training

An extensive training program is planned for everyone in the demonstration project including the supervisors, managers, and administrative staff. Training will be tailored, as discussed below, to fit the requirements of every employee included in the demonstration project and will address employee concerns and as well as the benefits to employees. In addition, leadership training will be provided, as needed, to managers and supervisors as the new system places more responsibility and decision making authority on them. ONR training personnel will provide local coordination and facilities, supplemented by contractor support as needed. Training will be provided at the appropriate stage of the implementation process.

1. Types of Training

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

a. Employees.

ONR demonstration project employees will be provided an overview of the demonstration project and employee processes and responsibilities.

b. Supervisors and Managers.

Supervisors and managers under the demonstration project will be provided training in supervisory and managerial

processes and responsibilities under the demonstration project.

c. Support Personnel.

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

D. New Hires Into the Demonstration Project

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

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

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

3. Employees placed through the DOD Reemployment Priority List (RPL), or DOD Priority Placement Program (PPP), or the Interagency Career Transition Assistance Plan (ICTAP) who are eligible for maintained pay will receive one half of the across-the-board GS percentage increase in basic pay and the full locality pay increase until the employee's basic pay is within the basic pay range of the career track and pay band to which assigned. Federal employees on retained pay and Federal employees on special salary rates hired into the Demonstration Project by promotion or reassignment are eligible for maintained pay and will receive one half of the across-the-board GS percentage increase in basic pay and the full locality pay increase until the employee's basic pay is within the basic pay range of the career track and pay band to which assigned. Employees are eligible for maintained pay as long as there is no break in service and if the employee's rate of pay exceeds the maximum rate of his or her pay band.

4. New employees will be provided training and an overview of the demonstration project outlining the CCS process and their responsibilities. If the employee is a manager, training will also include supervisory and managerial responsibilities under the demonstration project.

E. Conversion or Movement From Demonstration Project

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

1. Grade Determination

Employees will be converted to a GS grade based on a comparison of the employee's current adjusted rate of basic pay to the highest GS applicable rate range considering only those grade levels that are included in the employee's current pay band. The highest GS applicable rate range includes GS basic rates, locality rates, and special salary rates. An employee in a pay band corresponding to a single GS grade is converted to that grade. An employee in a pay band corresponding to two or more grades is converted to one of those grades using the following procedures identified in a–f below:

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

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

c. If the employee's adjusted rate of basic pay is lower than the applicable step 4 of the highest grade and there are only two GS grades in the pay band, the employee is converted to the next lower grade. If there are more than two GS grades in the pay band, this process is used for each successively lower grade in the pay band until a grade is found in which the employee's adjusted rate of basic pay equals or exceeds the applicable step 4 of the grade. If the step 4 cannot be matched at any of the GS grades, the employee will be converted to the lowest GS grade in the pay band.

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

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

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

2. Pay Setting

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

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

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

c. Employees whose basic pay exceeds the maximum basic pay of the highest GS grade for their pay band will be converted to the highest grade and step in their pay band. Upon conversion, the maximum basic pay will be at the step 10 level with no provision for retained pay.

3. Employees in Positions Classified Above GS–15

Conversion and pay retention instructions for employees and positions in Pay Band V of the S&E Professional Career Track will be contingent on guidance provided by DoD.

4. Determining Date of Last Equivalent Increase

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

F. 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.

G. Automation

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

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

H. Experimentation and Revision

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

VII. Demonstration Project Duration

Section 342 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337) does not require a mandatory expiration date for this demonstration project. The project evaluation plan addresses how each intervention will be comprehensively evaluated. Major changes and modifications to the interventions may be made using the procedures in DoDI 1400.37, if formal evaluation data warrant a change. At the 5-year point, the entire demonstration will be examined for either: (a) Permanent implementation, (b) modification and another test period, or (c) termination of the project.

VIII. Demonstration Project Evaluation Plan

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

A. Overview

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

B. Evaluation Model

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

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

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

(2) Changes are implemented; and

(3) Changes conform to the HR interventions as planned.

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

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

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

(1) The expected effects of the intervention,

(2) The corresponding measures, and

(3) The data sources for obtaining the measures.

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

job market, legislation, and internal support systems) or support factors (*e.g.,* training and automation support systems).

C. Evaluation

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

D. Method of Data Collection

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

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

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

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

IX. Demonstration Project Costs

A. Cost Discipline

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

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

B. Implementation Costs

Current cost estimates associated with implementing the ONR demonstration project are shown in Figure 11. These include automation of systems such as the CCSDS, training, and project evaluation. The automation and training costs are startup costs. Transition costs are one-time costs. Costs for project evaluation will be ongoing for at least five years.

Figure 11. Projected Implementation Costs (Then Year Dollars)*

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

X. Automation Support

A. General

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

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

B. Defense Civilian Personnel Data System (DCPDS)

ONR will continue to use the Defense Civilian Personnel Data System (DCPDS) for the processing of personnel-related data. Efforts have been made to minimize changes to DCPDS; and, therefore, the resources required to make the necessary changes. The following is a compendium of the proposed DCPDS modifications. The detailed specifications for required changes to DCPDS will be provided in the System Change Request (SCR), Form 804.

C. Requirements Document Writer (RDWriter)

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

D. RIF Support System (RIFSS)

ONR expects to adopt an existing RIF support system or pursue automation of the RIF process, as appropriate. Under the demonstration project, RIF rules will be modified to increase the credit for contributions and limit the rounds of competition. The AutoRIF application, developed by DoD, could be used if it were modified to accommodate these process changes.

E. Contribution-based Compensation System Data System (CCSDC)

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

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Appendix A. Summary of Demonstration Project Features Adopted by ONR

ONR Demonstration Project Features (ONR FR Section)	Modification	Originating Lab Demo	Originating FR Notice Reference
Flexibilities			
Hiring Authority (Section III.A.-C.)	• No substantive changes made.	NRL	Pages 33981-33982 Section III.A-C.
Noncitizen Hiring (Section III.D.)	• No substantive changes made.	NRL	Page33982 Section III.D.
Expanded Detail Authority (Section III.E)	• No substantive changes made.	NRL	Page 33982 Section III.E.
Extended Probationary Period for New Employees (Section III.F)	• No substantive changes made.	NRL	Page 33982 Section III.F.
Definitions (Section III.G)	• No substantive changes made.	NRL	Page 33982 - 33983 Section III.G.
Pay Setting Determinations Outside CCS (Section III.H.)	• Added procedures for Restoration to Duty for deployed individuals.	NRL	Page 33983 - 33984 Section III.H.
Pay Setting Determinations Outside CCS – Supervisory Pay Adjustments and Differentials (Section III.H.2.l-m)	• Removed stipulation that differentials could only be given if supervisor was in the same pay band as subordinates.	CERDEC	Page 54885 - 54886 Section III.D.7-8.
Priority Placement Program (Section III.I)	• No substantive changes made.	NRL	Page 33984 Section III.I.
Expanded Temporary Promotion (Section III.J.)	• No substantive changes made.	NRL	Page 33984 Section III.J.

ONR Demonstration Project Features (ONR FR Section)	Modification	Originating Lab Demo	Originating FR Notice Reference
Voluntary Emeritus Program (Section III.K.)	• Expanded eligibility for the Voluntary Emeritus Program to all retired employees, not just engineers and scientists.	AMRDEC	Page 34889 Section III.D.2.
Position Classification (Section IV.A.)	• Adopting 3 of NRL's 4 career tracks/pay plans • ONR chooses not to adopt the Science & Engineering Technical career track because the types of positions that fall into this career track do not exist at ONR.	NRL	Pages 33984 – 33989 Section IV.A.
Integrated Pay Schedule (Section IV.B.)	• The ASARE designations will not be adopted but instead will be rolled into the new above GS-15 levels initiative to be established by DoD. • Position management methods established by the new DoD above GS-15 level initiative, rather than the DoD 40-position limit.	NRL	Pages 33989 – 33991 Section IV.B.
Contribution-based Compensation System (CCS) (Section IV.C.)	• Revised critical elements to ensure applicability to ONR personnel and also referred to as contribution elements by ONR. • Described a more general approach for in annual budgeting for merit increases, to provide greater flexibility in establishing and amending internal procedures. • Clarified the use of merit increase funds during each payout cycle; funds may not be carried over to the next payout cycle	NRL	Page 33991 - 34001 Section IV.C.
Performance-based Reduction-in-Pay or Removal Actions (Section V.A.)	• No substantive changes made.	NRL	Page 34001 Section V.A.

ONR Demonstration Project Features (ONR FR Section)	Modification	Originating Lab Demo	Originating FR Notice Reference
Reduction-in-Force (RIF) Procedures (Section V.B.)	• Amended the CCS RIF assessment categories • Added a definition for Competition in RIF so employees released from retention level will have the right to be assigned to another position within the same career track/level, or retreat to a previously held position.	NRL	Page 34001 Section.V.B.
Administrative Procedures			
Initial Conversion or Movement to the Demonstration Project (Section VI.A. – all sections with the exception of 4)	• Added procedures for converting employees who are on Temporary Promotions • Clarified procedures for non-competitive movement into the demonstration project (e.g., lateral transfer, reassignment, realignment).	NRL	Page 34003 Section VI.A.
Initial Conversion or Movement to the Demonstration Project – Career Promotion Eligibility (Section VI.A.4)	• Added provision for employees whose target career promotion would place them in a higher pay band and who are eligible for promotion within 12 months of conversion.	MRMC	Page 10454 Section V.d.
CCS Startup (Section VI.B.)	• No substantive changes made.	NRL	Page 34003 Section VI.B.
Training (Section VI.C.)	• No substantive changes made.	NRL	Page 34004 Section VI.C.
New Hires into the Demonstration Project (Section VI.D.)	• Added provision to provide personnel demonstration project training to new hires.	NRL	Page 34004 Section VI.D.
Conversion or Movement from the Demonstration Project (Section VII.E.)	• Clarified procedures for setting pay for employees whose basic pay exceeds the maximum basic pay of the highest GS grade for their pay band.	NRL	Page 34004-34005 Section VI.E.
Demonstration Project Duration (Section VII)	• No substantive changes made.	NRL	Page 34005 Section VII.

ONR Demonstration Project Features (ONR FR Section)	Modification	Originating Lab Demo	Originating FR Notice Reference
Demonstration Project Evaluation Plan (Section VIII.)	• Used standard STRL evaluation language provided by DoD; which is virtually identical to NRL's original section.	NRL	Page 34005-34007 Section VIII.
Cost Containment and Controls (Section IX.)	• Described a more general approach to cost discipline, to enable ONR to develop internal procedures and make modifications over time, as needed.	NRL	Page 34007-34008 Section IX.
Automation Support (Section X.)	• No substantive changes made.	NRL	Page 34008 Section X.

Appendix B: Required Waivers to Laws and Regulations

In adopting flexibilities without changes from other STRL Demonstration Projects, ONR also adopts the associated waivers as published in the **Federal Register** Notices of the applicable organizations. Additional waivers, specified below, are required to enact ONR's proposed modifications to adopted flexibilities.

Waivers of Law and Regulation

Title V, United States Code	Title 5, Code of Federal Regulations
Chapter 31, subchapter 1, section 3111-Acceptance of Volunteer Service. Waive to the extent that the acceptance of retired or separated engineers and scientists are included as volunteers under current statute.	Part 308, sections 308.101-308.103. – Volunteer Service. Waive to the extent that the acceptance of retired or separated engineers and scientists are included as volunteers under current statute.
	Part 300, Subpart F, sections 300.601 to 300.605 – Time-in-grade Restrictions. Waive in entirety. Part 315, subpart H, section 315.801(a) – Career and Career-conditional Employment, Probationary Period Information. Waive to allow for the first three years to be the probationary period. Part 315, subpart H, section 315.802 – Length of Probationary Period Waive to allow probationary period to be extended to three years.
	Part 316, subpart C, section 316.304(a) – Trial Period. Waive to the extent necessary to allow for up to a three-year trial period.
Chapter 33, subchapter 1, section 3318(a) – Competitive Service; Selection from Certificate. Waive.	Part 332, subpart D, section 332.404 – Order of Section of Certificates. Waive in entirety.
	Part 335, subpart A, section 335.103(c)(I), (ii) – Agency Promotion Program. Waive to allow temporary promotions and details to a higher level position without competition. Part 335, subpart A, section 335.104 – Eligibility for Career Ladder Promotion. Waive in entirety. Part 337, subpart A, section 337.101(a) – Rating Applicants. Waive when 15 or fewer qualified candidates.

Title V, United States Code	Title 5, Code of Federal Regulations
Chapter 33, subchapter III, section 3341(b) Details – Within Executive or Military Departments. Waive in entirety.	
	Part 351, subpart G, section 351.701 – Assignment Involving Displacement. (a) Waive to allow minimally successful or equivalent to be defined as an employee whose current CCS RIF Assessment Category score is 12 or better and does not have a current written notification of unacceptable performance. (b) and (c) Assignment rights (bump and retreat). Waive to the extent that the distinction between bump and retreat is eliminated and to allow displacement to be limited to the employee's current career track and pay band or, if there are no displacement rights in the employee's current pay band, to any position previously held in the next lower pay band regardless of career track. Preference eligibles may displace up to the equivalent of 3 grades or intervals below the highest equivalent grade of their current pay band in the same or different career track regardless of whether they previously held the position provided they are fully qualified or the position and the position is occupied by an employee with a lower retention standing. Preference eligibles with a compensable service connected disability of 30 percent or more may displace an additional 2 GS grades or intervals (total of 5 grades) below the highest equivalent grade of their current pay band provided they previously held the position and the position is occupied by an employee in the same subgroup with a later RIF service computation date. (d) Limitation. Waive. (e)(I) Waive

Title V, United States Code	Title 5, Code of Federal Regulations
	Part 430, subpart B, section 430.207(b) – Waive to the extent this section requires one or more progress reviews during each appraisal period. Part 430, subpart B, section 430.210 – OPM Responsibilities. Waive in entirety.
	Part 430, subpart B, sections 430.208(a) (1) and (2) – Rating Performance. Waive to allow employees who serve less than 90 days during an appraisal cycle to receive a presumptive performance rating of Acceptable.
Chapter 43, subchapter I, section 4303 – Actions Based on Unacceptable Performance. Waive to allow coverage of "reduction in pay level based on unacceptable performance." Waive to exclude from coverage (procedural and appeal rights) reductions in pay band with no reduction in pay, when such actions result from regression of pay into a lower pay band through reductions and denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference. Chapter 43, subpart I, section 4303(f)(3) – Waive to allow exclusion of employees in the excepted service who have not completed a trial period, except those with veterans' preference. Chapter 43, subchapter I, section 4304(b) (1) and (3) – Responsibilities of OPM. Waive in entirety.	Part 432, section 432.101 to 432.107 – Performance Reduction in Grade and Removal Actions. Waive to allow coverage of "reduction in pay level based on unacceptable performance." Waive to exclude from coverage (procedural and appeal rights) reduction in pay band with no reduction in pay, when such action results from regression of pay into a lower pay band through reductions and denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference.
Chapter 45, subchapter I, section 4502(a) and (b) – Waive to permit ONR to approve awards up to $25,000 for individual employees.	Part 451, subpart A, section 451.103(c)(2) – Waive with respect to contribution awards under the ONR CCS. Part 451, subpart A, sections 451.106(b) and 451.107(b) – Waive to permit ONR to approve awards up to $25,000 for individual employees.

Title V, United States Code	Title 5, Code of Federal Regulations
Chapter 51, sections 5101 to 5113 – Classification. Waive in entirety except section 5104 to the extent needed to permit classification of pay bands and CCS descriptors into logically defined level groupings.	Part 511 – Classification Under the GS. Waive in entirety with an exception for appeal rights and time constraints under subpart F, section 511.603, 604, and 605.
Chapter 52, subpart I, section 5301 – Pay Policy. Waive in entirety. Chapter 53, subchapter I, section 5302(8) and (9) – Pay Definition and section 5304 – Locality-Based Comparability Payments. Waive to the extent necessary to allow demonstration project employees to be treated as GS employees and basic rates of pay under the demonstration project to be treated as scheduled rates of basic pay. Employees in Pay Band V for the S&E Professional Track to be treated as ST employees for the purposes of these provisions. Chapter 53, subchapter I, section 5303 – Annual Adjustments to Pay Schedules. Waive in entirety. Chapter 53, subpart I, section 5303 – Special Pay Authority. Waive in entirety.	
Chapter 53, subchapter III, sections 5331 to 5336 – GS Pay Rates. Waive in entirety.	Part 520, subpart C – Specialty Salary Rate Schedules. Waive in entirety. Part 531, subpart B – Determining Rate of Basic Pay. Waive in entirety. Part 531, subpart D – Within Grade Increases. Waive in entirety. Part 531, subpart E – Quality Step Increases. Waive in entirety. Part 531, subpart F – Locality-Based

Title V, United States Code	Title 5, Code of Federal Regulations
	Comparability Payments. Waive to the extent necessary to allow the demonstration project employees to be treated as GS employees, employees in Pay Band V of the S&E Professional Career to be treated as ST employees, and basic rates of pay under the demonstration project to be treated as scheduled annual rates of pay.
Chapter 53, subchapter VI, sections 5361 to 5366 – Grade and Pay Retention. Waive to entirety.	Part 536 – Grade and Pay Retention. Waive in entirety.
Chapter 55, section 5455 (d) – Hazardous Duty Differential. Waive to the extent necessary to allow demonstration project employees to be treated as GS employees. This waiver does not apply to employees in Pay Band V of the S&E Professional Career Track.	Part 550, subpart G – Severance Pay. Waive to the extent necessary to allow ONR to define reasonable offer. Part 550, subpart I – Pay for Duty Involving Physical Hardship or Hazard. Waive to the extent necessary to allow demonstration project employees to be treated as GS employees. This waiver does not apply to employees in Pay Band V of the S&E Professional Career Track.
Chapter 57, subchapter IV, section 5753 to 5755 – Recruitment and Relocation Bonuses, Retention Allowances, and Supervisory Differential. Waive to the extent necessary to allow (1) employees and positions under the demonstration project to be treated as employees and positions under the GS and (2) employees in Level V of the S&E Professional career track to be treated as ST employees for these purposes.	Part 575, subparts A, B, C, and D – Recruitment and Relocation Bonuses, Retention Allowances, and Supervisory Differential, Waive to the extent necessary to allow (1) employees and positions under the demonstration project to be treated as employees and positions under the GS and (2) employees in Level V of the S&E Professional career track to be treated as ST employees for these purposes. Subpart D is waived in its entirety.
Chapter 59, subchapter III, section 5924 – Cost-of-living Allowances. Waive to the extent necessary to provide that COLA's paid to employees under the demonstration project are paid in accordance with regulations prescribed by the President (as delegated to OPM).	Part 591, subpart B – Cost-of-living Allowances and Post Differential – non-foreign areas. Waive to the extent necessary to allow demonstration project employees to be treated as GS employees and employees in Pay Band V of the S&E Professional Career Track to be treated as ST employees.
Chapter 75, subchapter II, section 7511	

Title V, United States Code	Title 5, Code of Federal Regulations
(a)(I)(A)(ii) – Removal Suspension for More Than 14 Days, Reduction in Grade or Pay, or Furlough. Waive except for employees with veterans' preferences to allow for a three-year probationary period. 7511(a)(I)(C)(ii) – Waive.	
Chapter 75, subchapter II, section 7512 – Adverse Actions. Waive to replace "grade" with "pay band", provide that adverse action provision do not apply to conversion from General Schedule special rates to demonstration project pay, as long as total pay is not reduced; and exclude from coverage (procedural and appeal rights) reductions in pay band with no reduction in pay, when such actions result from regression of pay into a lower pay band through reductions or denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference.	Part 572, subpart A – Adverse Actions, Waive to exclude from coverage (procedural and appeal rights) reductions in pay band with no reduction in pay, when such actions result from regression of pay into a lower pay band through reductions and denials of general increase ("slippage"). This exclusion will not apply to employees with veterans' preference. Part 572, section 752.401(a)(3) – Adverse Actions. Waive to replace "grade" with "pay band." Part 572, section 752.401(a)(4) – Adverse Actions. Waive to provide that adverse action provision do not apply to conversion from General Schedule special rates to demonstration project pay, as long as total pay is not reduced.
	Part 351, subpart B, section 351.403(a) Competitive Level. Waive to allow establishing competitive levels consisting of all positions in a competitive area, which are in the same pay band level and career track, and which are similar enough in duties, qualifications, and requirements, including any selective placement factors, pay schedules, and working conditions so that the incumbent of one position may be reassigned to any other position in the level without undue interruption. Part 351, subpart E, section 351.504 - Performance Credit for RIF. Waive in entirety.

Title V, United States Code	Title 5, Code of Federal Regulations
Chapter 75, section 7512(4): Adverse actions. Waived to the extent necessary to provide that adverse action provisions do not apply to: 1) reductions in pay due to the removal of a supervisory pay adjustment upon voluntary movement to a non-supervisory position; and 2) reduction in supervisory pay due to a performance review.	Part 752, section 752.401(a)(4): Coverage. Waived to the extent necessary to provide that adverse action provisions do not apply to: reductions in pay due to the removal of a supervisory pay adjustment upon voluntary movement to a non-supervisory position or decreases in the amount of a supervisory pay adjustment based on the annual review.

Appendix C: Definitions of Career Tracks and Pay Bands

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

Career Track: S&E Professional – Includes professional positions in S&E occupations such as physics, electronics engineering, chemistry, and student positions associated with these professions.	
Pay Band I	This includes student trainees. The education and employment must be part of a formal student employment program. Specific, clear, and detailed instructions and supervision are given to complement education. The level of education and experience completed is a major consideration in establishing the level of on-the-job training and work assignments.
Pay Band II	This is the entry or developmental stage, preparing S&E's for the full and independent performance of their work. S&E's at this level perform supporting work in science or engineering requiring professional training but little experience, and conduct activities with objectives and priorities identified by supervisor or team leader. Assistance is given on new or unusual projects; completed work is reviewed for technical soundness.
Pay Band III	This is the advanced developmental pay band of this career track. S&Es at this level conceive and define solutions to technical problems of moderate complexity; plan, analyze, interpret, and report findings of projects; and guide technical and programmatic work of a program's research efforts. Completed work and reports are reviewed to evaluate overall results.
Pay Band IV	S&E's at this level are authorities within their professional areas or key program administrators. They direct technical activities or assist higher levels on challenging and innovative projects or technical program development with only general guidance on policy, resources and planning; develop solutions to complex problems requiring various disciplines; responsible for fulfilling program objectives.
Pay Band V	S&Es at this level are renowned experts in their fields. They independently define and lead most challenging technical programs consistent with general guidance and/or independently direct overall R&D program managerial and/or supervisory aspects; conceive and develop elegant solutions to very difficult problems requiring highly specialized areas of technical expertise; are recognized within DoD and other agencies for broad technical area expertise and have established professional reputation in technical community nationally and internationally. The primary requirement for Level V positions is the knowledge of and expertise in specific scientific and technology areas related to the mission of their organization. However, the ability to manage and/or supervise R&D operations or programs is also considered a necessity. They may direct the work of an organizational unit; may be held accountable for the success of one or more specific programs or projects; monitor progress toward organizational goals and periodically evaluate and make appropriate adjustments to such goals; supervise the work of employees; or otherwise exercise important policy-making, policy-determining, or other managerial functions.

Career Track: Administrative Specialist and Professional – Professional and specialist positions in areas such as the following: safety and health, personnel, finance, budget, procurement, librarianship, legal, business, facilities management and student positions associated with these professions.	
Pay Band I	Includes student trainees. The education and employment must be part of a formal student employment program. Specific, clear, and detailed instructions and supervision are given to complement education. The level of education and experience completed is a major consideration in establishing the level of on-the-job training and work assignments.
Pay Band II	This is the developmental stage preparing Administrative Specialists and Professionals for the full and independent performance of their work. Specific, clear and detailed instruction and supervision are given upon entry; recurring assignments are carried out independently. Situations not covered by instructions are referred to supervisor. Finished work is reviewed to ensure accuracy.
Pay Band III	This is the advanced developmental pay band of this career track. Employees at this level plan and carry out assignments independently, resolve conflicts that arise, coordinate work with others and interpret policy on own initiative. Completed work is reviewed for feasibility, compatibility with other work or effectiveness in meeting requirements or expected results.
Pay Band IV	At this level, Administrative Specialists and Professionals are authorities within their professional areas or key program administrators or supervisors. They conduct or direct activities in an administrative and professional area with only general guidance on policy, resources and planning; develop solutions to complex problems requiring various disciplines; and are responsible for fulfilling program objectives.
Pay Band V	Administrative Specialists and Professionals at this level are experts within their broad administrative area or professional field who serve as leaders, heads of branches or divisions, or key program administrators. They receive general guidance on policy, resources and planning that have an effect on public policies or programs; and are responsible for fulfilling program objectives. Results are authoritative and affect administrative programs or the well-being of substantial numbers of people.

Career Track: Administrative Support – Includes clerical, secretarial and assistant work in nonscientific and engineering occupations.	
Pay Band I	This includes student trainees as well as advanced entry level which requires a fundamental knowledge of a clerical or administrative field. Developmental assignments may be given which lead to duties at a higher group level. Performs repetitive tasks, specific, clear and detailed instruction and supervision; with more experience utilizes knowledge of standardized procedures and operations, assistance is given on new or unusual projects. Completed work is reviewed for technical soundness.
Pay Band II	This level requires knowledge of standardized rules, procedures or operations requiring considerable training. General guidance is received on overall objectives and resources. Completed assignments may be reviewed for overall soundness or meeting expected results.
Pay Band III	This is the senior level which requires expert knowledge of procedures and operations, which is gained through extensive training. Employees at this level receive general guidance on overall resources and objectives, and are skilled in applying knowledge of basic principles, concepts, and methodology of profession or administrative occupation and technical methods. Results are accepted as authoritative and are normally accepted without significant change.

Appendix D: Table of Occupational Series Within Career Tracks

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

S&E Professional Career Track: Includes professional positions in S&E occupations such as physics, electronics, engineering, chemistry, and student positions associated with these professions.	
0180 – Psychology Series	0855 – Electronics Engineering Series
0190 – General Anthropology Series	0861 – Aerospace Engineering Series
0401 – Gen natural Resources Management and Biological Sciences Series	0871 – Naval Architecture Series
0403 – Microbiology Series	0854 – Computer Engineering Series
0405 – Pharmacology Series	0893 – Chemical Engineering Series
0413 – Physiology Series	0896 – Industrial Engineering Series
0440 – Genetics Series	1301 – General Physical Sciences Series
0601 – General Health Science Series	1310 – Physics Series
0602 – Medical Officer Series	1313 – Geophysics Series
0801 – General Engineering Series	1320 – Chemistry Series
0806 – Materials Engineering Series	1321 – Metallurgy Series
0810 – Civil Engineering Series	1340 – Meteorology Series
0830 – Mechanical Engineering Series	1360 – Oceanography Series
0840 – Nuclear Engineering Series	1515 – Operations Research Series
0850 – Electrical Engineering Series	1520 – Mathematics Series
	1530 – Statistics Series
	1550 – Computer Science Series

Administrative Specialist and Professional Career Track: Professional and specialist positions in areas such as the following: safety and health, finance, budget, procurement, librarianship, legal, business, facilities management, and student positions associated with these professions.	
0080 – Security Administration Series	0802 – Engineering Technical Series
0110 – Economist Series	0905 – General Attorney Series
0201 – Human Resource Management Series	0950 – Paralegal Specialist Series
0260 – Equal Employment Opportunity Series	1035 – Public Affairs Series
0301 – Miscellaneous Administration and Program Series	1084 – Visual Information Series
0340 – Program Management Series	1101 – General Business and Industry Series
0341 – Administrative Officer Series	1102 – Contracting Series
0343 – Management and Program Analysis Series	1150 – Industrial Specialist Series
0391 – Telecommunications Series	1222 – Patent Attorney Series
0501 – Financial Administration and Program Series	1412 – Technical Information Services Series
0505 – Financial Management Series	1720 – Education Specialist Series
0510 – Accounting Series	1801 – General Inspection, Investigation, and Compliance Series
0560 – Budget Analysis Series	2210 – Information Technology Management

Administrative Support – Includes clerical, secretarial, and assistant work in nonscientific and engineering occupations.	
0086 – Security Clerical and Assistance Series	0335 – Computer Clerk and Assistant Series
0203 – Human Resource Assistance Series	0503 – Financial Clerical and Assistance Series
0303 – Miscellaneous Clerk and Assistant Series	0525 – Accounting Technician Series
0305 – Mail and File Series	0561 – Budget Clerical and Assistance Series
0318 – Secretary Series	0986 – Legal Assistance Series
0326 – Office Automation and Clerical Assistance Series	

Appendix E: Classification and CCS Elements

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

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

OFFICE OF NAVAL RESEARCH
CONTRIBUTION-BASED COMPENSATION SYSTEM (CCS) SUMMARY
Science & Engineering Professional

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

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

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

*If zero, then element not applicable.

Basic Pay Increase %:
Click here to enter text.

Summary Rating A (Acceptable) or U (Unacceptable)
Must be U if any contribution element is rated U
Click here to enter text.

Contribution Award $:
Click here to enter text.

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

Hours Click here to enter text.

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

REMARKS:

Signatures and Date	**CCS Plan**	**Interim Review**	**Appraisal**
Employee			
Supervisor			

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

Science & Engineering Professional

ELEMENT 1. SCIENTIFIC AND TECHNICAL LEADERSHIP

		DISCRIMINATORS				
Pay Band	**Point Range**	**Planning & Scope of Impact**	**Complexity and Creativity**	**Communications and Reporting**	**Technical Credibility and Recognition**	
I	0 - 21	Performs tasks specifically assigned by researcher under close supervision.	Performs tasks which are non-complex or include detailed instructions, requiring limited knowledge of subject matter.	Writes in-house documents to convey information about his/her tasks or for similar purposes as assigned.	Recognized by personnel in own unit for providing high quality support and increasing subject matter knowledge.	DESCRIPTORS
II	18 - 47	Conducts in-house technical activities and/or may provide contract technical direction with guidance from supervisor or higher-level scientist or engineer.	Works closely with peers in collectively solving problems of moderate complexity, involving limited variables, precedents established in related projects, and minor adaptations to well-established methods and techniques.	Provides data & written analysis for input to scientific papers, journal articles & reports and/or assists in preparing contractual documents or reviews technical reports. Presents technical results of own work orally or in writing, within own organization or to limited external contacts. Work acknowledged in team publications.	Recognized within own organization for technical ability in assigned areas.	
III	44 - 66	Defines, leads and molds highly challenging and innovative programs consistent with general guidance. Program delivers understanding, applications or other outcomes that significantly expand the future capabilities of the Navy and Marine Corps. Individual's contributions are evident across ONR and DON, and usually outside DOD. Requires some direction and oversight.	Formulates and guides programs to address difficult problems in advancing technology and research. Efforts deliver significant new scientific and/or technical results. Works with international research community, initiating new sub-disciplines, and/or draws on multidisciplinary expertise to address critical technical challenges. Formulates strategic research objectives based on naval strategic guidance.	Effectively prepares and delivers communications at appropriate level for multiple/ various audiences. Ensures overall quality of reporting of all technical products. With minimal supervision prepares and delivers invited or contributes presentations and papers at national and international conferences on technical area.	Leads a program this is recognized nationally for its quality in an area of major importance to ONR's corporate agenda.	
IV	66 - 80	Defines, leads, and molds highly challenging and innovative programs consistent with general guidance. Program delivers understanding, applications or other outcomes that significantly expand the future capabilities of the Navy and Marine Corps. Individual's contributions are evident across ONR and DON, and usually outside DOD. Requires minimal direction and oversight.	Addresses difficult problems in advancing technology and research. Efforts deliver significant new scientific and/or technical results. Leads international research community, initiating new sub-disciplines, and/or draws on multidisciplinary expertise to address critical technical challenges. Recognizes scientific opportunities and external trends and drivers to formulate strategic research objectives.	Effectively prepares and delivers communications at appropriate level for multiple/ various audiences. Ensures overall quality of reporting of all technical products. Prepares and delivers invited or contributes presentations and papers at national and international conferences on technical area; or gives policy-level briefings.	Leads a program this is recognized nationally/ internationally for its quality in an area of major importance to ONR's corporate agenda.	
V	81 - 89	Leads a community of experts in the conceptualization and definition of major program areas that integrate a broad range of technical disciplines and specialties together with a range of anticipated Naval needs. Programs deliver understanding, applications or other outcomes that significantly expand the future capabilities of the Navy and Marine Corps. Results may drive technological trends and applications beyond DON and DOD.	Formulates and guides integrated programs that are so complex they must be subdivided into areas at least some of which have a major impact on advancing the field or are accepted as definitive of important areas of the field. Leads international research community, initiating new sub-disciplines, and/or draws on multidisciplinary expertise to address critical technical challenges that may require novel programmatic and organizational concepts. Recognizes scientific opportunities, external trends and drivers to formulate strategic research objectives.	Uses diplomacy when appropriate and effectively prepares and delivers communications, including those that may be sensitive, at appropriate level for multiple/ various audiences such that senior decision makers in DON and DOD (and beyond) are influenced to accept and endorse ONR research and technology programs. Ensures overall quality of reporting of all technical products. Prepares and delivers invited or contributes presentations and papers at national and international conferences on technical area; or gives policy-level briefings.	Leads a collection of multidisciplinary programs recognized nationally/ internationally for its quality in an area of major importance to ONR's corporate agenda and the DON. Knows the breadth of international S&T to allow command priorities to be set. Exhibits depth of S&T expertise to set standards for risk and promise.	

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

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

Science & Engineering Professional

ELEMENT 2. PROGRAM EXECUTION AND LIASION

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

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

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

Science & Engineering Professional

ELEMENT 3. COOPERATION AND SUPERVISION

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

ACCEPTABLE PERFORMANCE STANDARDS: With minor exceptions, makes and/or meets time and budget estimates on assigned projects or takes appropriate corrective action; communications are logical, clear, complete and appropriately influence the decision process; decisions and strategies contribute to the appropriate outcome of business dealings; and work products demonstrate thorough research, completion of established objectives, adherence to instructions and guidance of supervisor and team leader, and overall high quality as deemed by supervisor or appropriate peer group. SPECIFIC OBJECTIVES, TASKINGS, STANDARDS, AND/OR EXAMPLES MAY BE COMMUNICATED TO EMPLOYEES USING THE CCS SUMMARY OR OTHER APPROPRIATE MEANS

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

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

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

Contribution Elements	***Weight**	**Score**	**Net Score**	**Rating of Record Acceptable or Unacceptable**
1. Problem Solving and Leadership	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
2. Cooperation and Customer Relations	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
3. Supervision and Resources Management	Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

*If zero, then element not applicable.

Basic Pay Increase %:
Click here to enter text.

Summary Rating A (Acceptable) or U (Unacceptable)
Must be U if any contribution element is rated U
Click here to enter text.

Contribution Award $:
Click here to enter text.

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

Hours Click here to enter text.

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

REMARKS:

Signatures and Date	**CCS Plan**	**Interim Review**	**Appraisal**
Employee			
Supervisor			

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

Administrative Specialist and Professional

ELEMENT 1: PROBLEM SOLVING AND LEADERSHIP

		DISCRIMINATORS			
Pay Band	**Point Range**	**Complexity/Scope**	**Applicability of Guidelines**	**Level of Oversight**	
I (Student)	0	Applies standardized rules, procedures, and operations; and assists supervisor or other personnel in the resolution of standard or recurring problems.	Locates and selects the most appropriate guidelines and procedures from established sources.	Independently carries out assigned work following supervisor's direction.	**DESCRIPTORS**
II	18-47	Applies knowledge to analyze and resolve problems which are difficult but for which there are established patterns and methods for solution.	Uses judgment in selecting, interpreting, and adapting guidelines which are available but not completely applicable, or which have gaps in specificity.	Consults with supervisor to develop deadlines, priorities and overall objectives. Completed work is evaluated for technical soundness, appropriateness, and conformity to policy and requirements.	
III	44-59	Applies expertise to analyze and resolve challenging and complex issues and/or problems. Participates as an effective team member and provides competent technical or subject matter expertise. Includes refinement of methods or development of new ones.	Uses initiative and resourcefulness in interpreting and applying policies, precedents, and guidelines which are applicable but are scarce, conflicting, of limited use, or slated only in general terms.	Independently plans and carries out work, based on guidelines and precedents and supervisor's definition of objectives, priorities, and deadlines. Completed work is evaluated for technical soundness, appropriateness, and conformity to policy and requirements.	
IV	59-66	Identifies and resolves challenging and complex problems involving multiple disciplines or subject matter areas within a business management functional area. Participates as an active and integral part of a team, serving as technical/subject matter expert. Results impact work products, schedules, and tasks of the Division/Department and its customers.	Uses initiative and resourcefulness in interpreting guidelines, in deviating from traditional methods or researching trends and patterns to develop new methods, criteria, or propose new policies. Uses considerable judgment and originality in developing innovative approaches to define and resolve complex situations.	Supervisor outlines overall objectives. Employee then independently plans and carries out the work. Complex issues are resolved without reference to supervisor except for matters of a policy nature. Results of work are considered technically authoritative and are normally accepted without significant changes.	
V	66-80	Initiates or leads ONR-wide activities to address ONR/Navy business management requirements or issues; results have far reaching and direct impact on the mission and programs of ONR and/or Navy/DoD and government.	Guidelines are broadly stated and non-specific. Applies considerable judgment and ingenuity in interpreting guidelines that do exist. Develops and applies effective business management concepts, approaches, techniques, or hypotheses to resolve highly complex business management issues.	Independently plans, designs, and carries out functional area requirements such that overall objectives are met. Supervisor provides only broadly defined missions and functions. Results of work are considered technically authoritative and are normally accepted without changes.	

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

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

Administrative Specialist and Professional

ELEMENT 2: COOPERATION AND CUSTOMER RELATIONS

		DISCRIMINATORS			
Pay Band	**Point Range**	**Cooperation**	**Level and Purpose of Customer Interactions**	**Effectiveness in Developing and Executing Customer-Oriented Support Services**	
I (Student)	0	Develops and maintains successful working relationships with colleagues and customers to effectively carry out assigned work.	Interacts with customers to carry out requests within area of responsibility; refers deviations or non-recurring problems to appropriate personnel.	Carries out services in a manner which fosters customer satisfaction and confidence in employee's organization.	DESCRIPTORS
II	18-47	Seeks, builds, and nurtures collaborative relationships with customers and colleagues to improve customer service.	Interacts with customers to understand customer needs, communicate information and coordinate actions; independently carries out actions or refers to appropriate personnel.	Contributes ideas for improvement of established services based on knowledge and an understanding of customer needs.	
III	44-59	Seeks, builds, and nurtures collaborative relationships with customers and colleagues in other business management functional areas to improve customer service.	Works jointly with customers to define and understand customer needs or requirements and solve difficult customer problems. Develops and carries out strategies, techniques, or process for solving customer problems and meeting needs.	Generates ideas and/or strategies for the development and implementation of new and improved programs or services applicable to a specific administrative or technical functional area serving customers, or to a range of programs serving customers at division-wide level. OR effectively carries out and maintains such programs and services at high level of customer awareness and satisfaction.	
IV	59-66	Leads and facilitates the development and maintenance of collaborative relationships with customer organizations across ONR functional and organizational areas to improve customer service.	Works jointly with customers to define complex or controversial problems or program needs; develops and carries out unique strategies, techniques, or criteria for resolving problems and meeting needs.	Generates key ideas and/or strategies for development and implementation of complex new and improved programs or services which affect a broad administrative or functional area serving ONR's customers; AND effectively carries out and maintains such programs and services at a high level of customer awareness and satisfaction.	
V	66-80	Fosters successful working relationships with high-level officials both inside and outside ONR, thereby enhancing ONR's ability to meet organizational goals. Seeks and builds coalitions with other support organizations to establish integrated approaches to meeting ONR's needs. Sets and maintains, through-out own organization, a tone of cooperation, cohesion, and teamwork.	Works at senior executive level to understand political, fiscal, and other factors affecting customer and program needs; to develop and establish concepts, theories, or programs to meet service needs or resolve unyielding problems. Negotiates and resolves conflicts among senior managers regarding activity-wide policy decisions.	Generates strategic objectives and plans for development and implementation of broadly-based programs and services to meet ONR's needs. Ensures overall effectiveness and customer-oriented focus of programs and services.	

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

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

Administrative Specialist and Professional

ELEMENT 3: SUPERVISION AND RESOURCES MANAGEMENT

		DISCRIMINATORS		
Pay Band	**Point Range**	**Resources Management: Size and Complexity of Area of Responsibility; Level of Efficiency, Creativity, and Initiative**	**Supervision and Subordinate Development (consider only if employee is a supervisor)**	**DESCRIPTORS**
I (Student)	0	Uses personal and assigned resources efficiently under guidance of supervisor. Contributes ideas for streamlining procedures or for more efficiently using resources.	Not applicable.	
II	18-47	Generates ideas for effectively streamlining handling of projects or programs which are difficult but for which there are established guidelines, patterns, or methods for solution. This streamlining results in savings of time, money, and administrative burden for organization or customer; AND/OR maintains an organization/program already so streamlined.	Not applicable.	
III	44-59	Generates ideas for effectively streamlining handling of moderately complex projects or programs involving analysis and resolution of issues or problems which result in savings of time, money, and administrative burden for organization or customer; AND/OR maintains an organization/program already so streamlined.	Not applicable.	
IV	59-66	Generates and implements ideas for effectively streamlining handling of complex or controversial projects or programs involving analysis and resolution of issues or problems which result in savings of time, money, and administrative burden for organization or customer; AND maintains an organization/program already so streamlined.	Carries out full range of supervisory duties with respect to lower level staff including one or more subordinate professionals. Identifies and resolves developmental needs and problems, completes appropriate administrative actions, complies with Safety and other regulations and policies. Nurtures and maintains an organization and working environment that is effective in accomplishing its assigned goals and function. Adheres to EEO regulations and demonstrates a commitment to ONR's EEO objectives and goals, ensuring the workplace is free of discrimination	
V	66-80	Defines near-term through to long-range asset requirements (e.g., people, funding, equipment) needed to meet ONR business management objectives and devises innovative, effective strategies for acquiring long-term assets for dramatically improving asset utilization in a way that meets strategic goals. Defines and monitors broad (corporate) metrics for measuring business management success in meeting ONR goals and DON needs; integrates new information technologies or business practices to achieve major enhancements in efficiency and effectiveness of business management performance, assessment, and documentation.	Establishes the overall infrastructure necessary for achieving mission goals. Successfully mentors the career growth, assignment, and full utilization of top business management leaders and professionals, whose continuing achievements sustain or advance Navy and government business management policies and practices. Carries out full range of supervisory duties with respect to subordinates. Identifies and resolves developmental needs and problems, completes appropriate administrative actions, complies with Safety and other regulations and policies. Adheres to EEO regulations and demonstrates a commitment to ONR's EEO objectives and goals, ensuring the workplace is free of discrimination. Provides leadership in developing, implementing, evaluating and improving processes for enhancing performance of subordinates.	

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

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

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

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

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

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

*If zero, then element not applicable.

Basic Pay Increase %:
Click here to enter text.

Summary Rating A (Acceptable) or U (Unacceptable)
Must be U if any contribution element is rated U
Click here to enter text.

Contribution Award $:
Click here to enter text.

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

Hours Click here to enter text.

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

REMARKS:

Signatures and Date	**CCS Plan**	**Interim Review**	**Appraisal**
Employee			
Supervisor			

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

Administrative Support

ELEMENT 1: PROBLEM SOLVING

		DISCRIMINATORS		
Pay Band	**Point Range**	**Complexity**	**Level of Oversight/Applicability of Guidelines**	**DESCRIPTORS**
I	0 - 21	Performs clerical or technical work involving application of a body of standardized rules, procedures or operations to resolve a full range of standard or recurring clerical/technical problems in a professional and cooperative manner.	Independently carries out recurring and non-complex work, following supervisor's direction regarding work to be done, priorities, and specific procedures/guidelines to be followed. Locates/selects the most appropriate guidelines and procedures from established sources; makes minor deviations applicable to specific cases.	
II	18 - 35	Performs clerical or technical work involving application of an extensive body of rules, procedures or operations to resolve a wide-variety of interrelated or nonstandard problems in a professional and cooperative manner.	Independently plans and carries out steps required to complete assignments; handles problems/deviations. Supervisor defines objectives, overall priorities and deadlines. Selects, interprets & applies guidelines which are available but not completely applicable or have gaps in specificity.	
III	31 - 47	Performs clerical or technical work involving: - application of principles, concepts and methodologies of a professional/administrative occupation to accomplishment of particularly challenging assignments, operations or procedures; or application of a wide range of highly technical principles, processes and methods, including refinement of methods or development of difficult but well precedence projects. All work is performed in a in a professional and cooperative manner.	Independently determines the approach and methodology used to accomplish work, plans and carries out work and resolves related conflicts. Supervisor sets overall objectives, broad priorities and resources available. Applies considerable judgment and analysis in selecting, interpreting and applying guidelines which are available but not completely applicable or have gaps in specificity.	

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

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

Administrative Support

ELEMENT 2: COOPERATION/CUSTOMER RELATIONS/SUPERVISION

DISCRIMINATORS					
Pay Band	**Point Range**	**Supervision and Subordinate Development (consider only if employee is a supervisor)**	**Cooperation**	**Customer Relations**	**DESCRIPTORS**
I	0 - 21	Not applicable	Interacts under established circumstances to obtain or give factual information within the immediate organization, office, project, or in related support units.	Independently carries out customer requests within area of responsibility or refers to other appropriate personnel.	
II	18 - 35	Not applicable	Initiates/engages in/facilitates cooperative interactions with others inside and outside to: coordinate joint actions, work out problems between own group and others, or gain understanding of other functions sufficient to recommend options to customers.	Interacts with customers to understand customer needs; determines appropriate services to meet needs; and independently carries out such actions or delegates/refers to appropriate personnel. Actively promotes rapport with customers.	
III	31 - 47	Carries out full range of supervisory duties with respect to lower level staff including one or more who is a senior Pay Band II. Identifies and resolves developmental needs and problems, completes necessary administrative actions, complies with Safety and other regulations/policies. Adheres to EEO regulations and demonstrates a commitment to ONR's EEO objectives and goals, ensuring the workplace is free of discrimination. Develops/maintains resources and processes which enhance ability of subordinates to effectively carry out their duties.	Meets descriptor for Pay Band II. In addition, is relied upon & consulted by team leader/members as a critical contributor to meeting overall goals. Serves as an example of high level administrative/ technical knowledge, and ability to gain cooperation /compliance by persuasion or negotiation.	Works jointly with customers to define organizational needs and problems; establishes customer alliances and translates customer needs to programs/services **OR** applies knowledge of protocol to assisting particularly high-level customers of his/her organization.	

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

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

Appendix F: Computation of the IPS and the NPR

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

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

For each possible contribution score available to employees, the NPR spans a basic pay range of 12 percent. The lower boundary (or "rail") is established by fixing the basic pay equivalent to GS–1, step 1, with a CCS score of zero. The upper boundary is fixed at the basic pay equivalent to GS–15, step 10, with a CCS score of 80. The distance between these upper and lower rails for a given overall contribution score is then computed to ensure the range of 12 percent of basic pay is maintained for each available CCS score. The middle rail of the NPR is computed as 6 percent above the lower rail. This point is used in connection with certain limits established for pay increases (see section IV.C.7).

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

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

Other variables are as follows:

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

From these variables, the following formula definitions were developed:

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

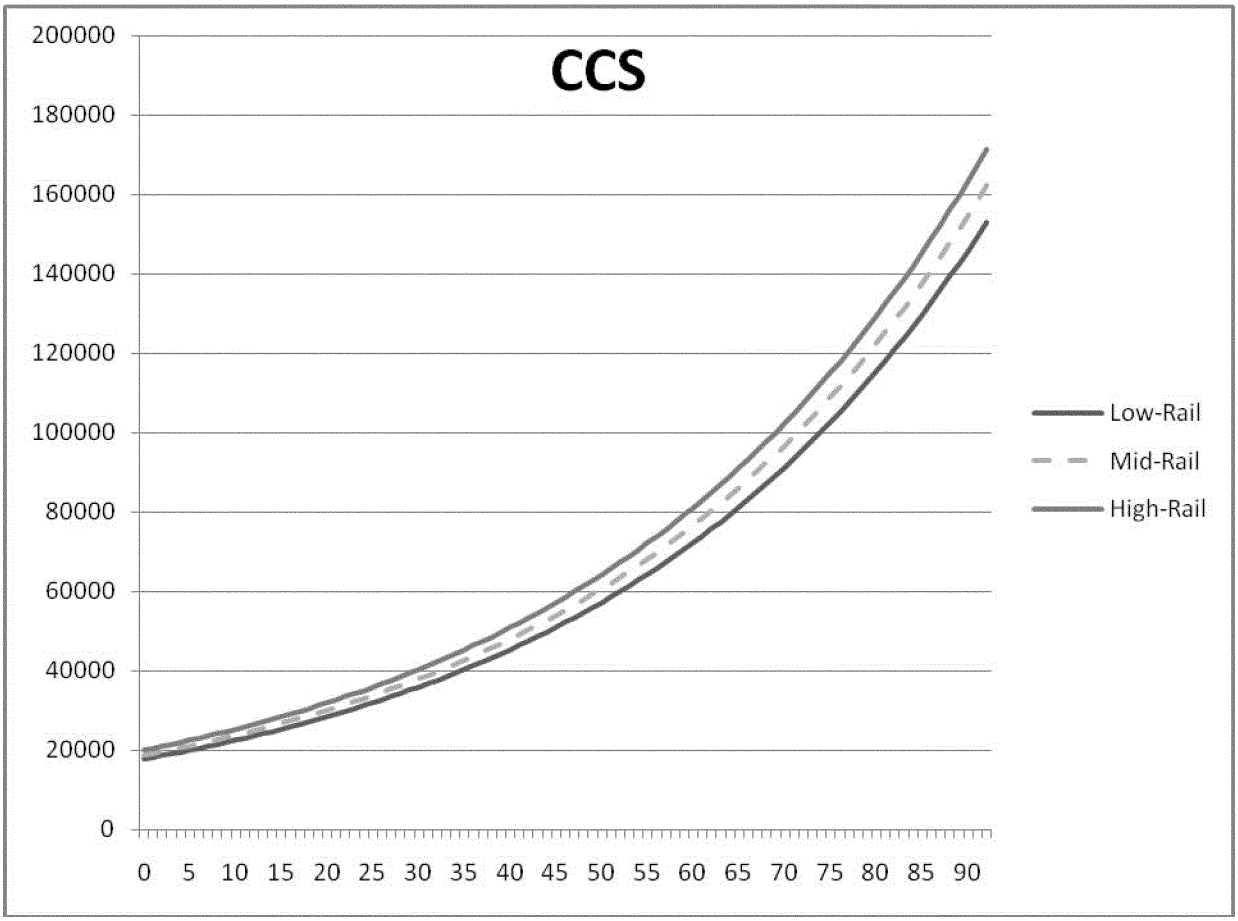
As an example, a result of the above computation, using the 2010 GS Salary Table, P (step increase) equals 1.023664623. Attachment (1) is a complete list of CCS pay band scores and basic pay ranges. Attachment (2) contains graphic representations of these tables for each career track. Once the C-values (0–80) are determined, the CCS pay bands and scores are extended at the same percentage increments as were computed for the step increase above. These C-values are extended to encompass the equivalent of ES–4 effective January 2010. In the example, SES Level ES–4 is equal to basic pay of $155,500 and is encompassed by the C-value 89 ($142,734 to $159,862).

Salary Ranges Associated with Each C-Value Using 2010 Inputs

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

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

Normal Pay Range (using 2010 Salaries)



ONR Integrated Pay Schedules for Each Career Track and Pay Band

ONR Integrated Pay					
S&E Professional					
Pay Band	I	II	III	IV	V
GS Equivalent	1-4	5-10	11-13	14-15	SSTM
Score Range	0-21	18-47	44-66	66-80	81-92
Salary Range	$17,803 – $31,871	$27,431 – $59,505	$50,287 – $93,175	$84,697 – $129,517	$119,554 – $155,500*

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

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

ONR Integrated Pay					
Administrative Specialists and Professional					
Pay Band	I	II	III	IV[a]	V[a]
GS Equivalent	1-4	5-10	11-12	13	14-15
Score Range	0 – 21	18 - 47	44 - 59	59 - 66	66 -80
Salary Range	$17,803 – $31,871	$27,431 – $59,505	$50,287 – $78,355	$71,674 – $93,175	$84,697 – $129,517

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

ONR Integrated Pay			
Administrative Support			
Pay Band	I	II	III
GS Equivalent	1-4	5-7	8-10
Score Range	0 – 21	18 – 35	31 - 47
Salary Range	$17,803– $31,871	$27,431– $44,176	$37,631– $59,505

ONR Integrated Pay Schedule in Relation to Administrative Support Career Track

Appendix G: Intervention Model

Intervention	Expected Effects	Measures	Data Sources
1. COMPENSATION			
a. Pay banding	Increased organizational flexibility	Perceived flexibility	Attitude survey
	Reduced administrative workload, paper work reduction	Actual/perceived time savings	Personnel office data, PME results, attitude survey
	Advanced in-hire rates	Starting salaries of banded v. non-banded employees	Workforce data
	Slower pay progression at entry levels	Progression of new hires over time by band, career path	Workforce data
	Increased pay potential	Mean salaries by band, group, demographics 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			
a. Cash awards/ bonuses	Reward/motivate performance	Perceived motivational power	Attitude survey

Intervention	Expected Effects	Measures	Data Sources
	To support fair and appropriate distribution of awards	Amount and number of awards by group, demographics Perceived fairness of awards Satisfaction with monetary awards	Workforce data Attitude survey Attitude survey
b. Performance based pay progression	Increased pay-performance link	Perceived pay-performance link Perceived fairness of ratings	Attitude survey Attitude survey
	Improved performance feedback	Satisfaction with ratings Employee trust in supervisors Adequacy of performance feedback	Attitude survey Attitude survey 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 perceptions of revised procedures	Attitude survey
	Improved communication	Perceived fairness of process	Focus groups

Intervention	Expected Effects	Measures	Data Sources
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 ladder	Increased flexibility to assign employees	Assignment flexibility	Focus groups, surveys
	Improved internal mobility	Perceived internal mobility	Attitude survey
	Increased pay equity	Perceived pay equity	Attitude survey
	Flatter organization	Supervisory/non-supervisory ratios	Workforce data Attitude survey

Intervention	Expected Effects	Measures	Data Sources
	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 Cost comparison of traditional vs. Modified RIF Time to conduct RIF - personnel office data Number of Appeals/reinstatements	Attitude survey/focus group Personnel office/budget Data Personnel office data 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 Percent declinations Timeliness of job offers GPAs of new hires, educational levels	Personnel office data Personnel office data Personnel office data Personnel office data
	Reduced administrative workload/paperwork reduction	Actual/perceived skills	Attitude survey
b. Term Appointment Authority	Increased capability to expand and contract workforce	Number/percentage of conversions from modified term to permanent appointments	Workforce data Personnel office data

Intervention	Expected Effects	Measures	Data Sources
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
b. Critical Skills Training	Improved organizational effectiveness	Number and type of trainingPlacement of employees, skills imbalances correctedEmployee and supervisor perceptionsApplication of knowledge gained from training	Personnel office dataPersonnel office dataAttitude surveyAttitude 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 Perceived effectiveness of planning procedures	Strategic planning documents Attitude survey
	Improved cross functional coordination	Actual/perceived coordination	Organizational charts

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

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