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[Notices]
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OFFICE OF PERSONNEL MANAGEMENT

Civilian Acquisition Workforce **Personnel** Demonstration Project;
Department **of** Defense (DoD)

AGENCY: **Office of Personnel Management** (OPM).

ACTION: Notice **of** amendment to this demonstration to make employees in the top broadband level **of** their career path eligible to receive a ``very high'' overall contribution score (OCS) and to reduce the minimum rating period under the Contribution-based Compensation and Appraisal System (CCAS) to 90 calendar days.

SUMMARY: The Department **of** Defense (DoD), with the approval **of** OPM, may conduct a **personnel** demonstration project within DoD's civilian acquisition workforce and among those supporting **personnel** assigned to work directly with it. (See Section 4308 **of** the National Defense Authorization Act for Fiscal Year 1996 (Pub. L. 104-106; 10 U.S.C.A. 1701 note), as amended by section 845 **of** the National Defense Authorization Act for Fiscal Year 1998 (Pub. L. 105-85)). This notice amends the project plan for this demonstration to (1) make employees in the top broadband level **of** their career path eligible to receive a ``very high'' overall contribution score (OCS) and (2) reduce the minimum rating period under the Contribution-based Compensation and Appraisal System (CCAS) to 90 consecutive calendar days.

DATES: This amendment is effective upon publication **of** this notice.

FOR FURTHER INFORMATION CONTACT: DoD: Anthony D. Echols, Civilian Acquisition Workforce **Personnel** Demonstration Project, 2001 North Beauregard Street, Suite 750, Alexandria, VA 22311, 703-681-3553. OPM: Mary Lamary, U.S. **Office of Personnel Management**, 1900 E Street NW., Room 7460, Washington, DC 20415, 202-606-2820.

SUPPLEMENTARY INFORMATION:

1. Background

OPM approved and published the project plan for the Civilian Acquisition Workforce **Personnel** Demonstration Project in the Federal Register on January 8, 1999 (Volume 64, Number 5, part VII). An amendment was published in the May 21, 2001, Federal Register, Volume 66, Number 98 to (1) correct discrepancies in the list **of** occupational series included in the project and (2) authorize managers to offer a buy-in to Federal employees entering the project after initial

implementation. This demonstration project involves hiring and appointment authorities, broadbanding, simplified classification, a contribution-based compensation and appraisal system, revised reduction-in-force procedures, academic degree and certificate training, and sabbaticals.

2. Overview

To recognize high contributors, the project plan incorporates ``very high'' scores for employees who are capped at the top **of** their broadband level. Each career path has a different ``very high'' score, as follows: 115 for Business **Management** and Technical **Management** Professional, 95 for Technical **Management** Support, and 70 for Administrative Support.

The project plan reserves ``very high'' scores for employees whose pay rate is at the maximum for their broadband level. Employees with lower pay rates are not eligible to receive the ``very high'' score that could place them in the

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inappropriately compensated region below the rails, compensation category B. This produces unintended results. Specifically, employees whose salaries happen to be at the top **of** their broadband are eligible to receive higher contribution rating increase percentages than other employees in the same broadband. They would receive any payout in the form **of** a bonus, because their salaries were already at the top **of** the broadband.

The following explains how this unintended outcome occurs. Figure 2 in the demonstration project plan, titled ``CCAS Compensation Categories,''' shows the rails for the normal pay range and the three resulting compensation categories: A, B, and C. The lower rail **of** the normal pay range intersects the vertical line representing a 100 score at a base salary equivalent to a GS-15, step 7.

Under the current project plan, employees with salaries equivalent to a GS-15, step 7 are not eligible to receive an overall contribution score (OCS) that would place them in the inappropriately compensated region below the rails, category B, because they are not eligible to receive the ``very high'' score **of** 115. Therefore, the highest contribution rating increase these employees can receive is 6 percent, the maximum percentage for the appropriately compensated region between the rails, category C. (See Table 6, Compensation Eligibility Chart, in the demonstration project plan which breaks out the contribution rating increase percentages by compensation category.)

Other employees with salaries at the GS-15, step 10 level (the top **of** broadband level IV **of** the Business **Management** and Technical **Management** Professional career path), however, are eligible to receive the ``very high'' OCS **of** 115. A 115 score would place them in the inappropriately compensated region below the rails, compensation category B. Therefore, these employees are eligible to receive a contribution rating increase up to 20 percent. In other words, this group **of** employees can receive a higher percentage increase than the first group, just because their salaries are at the maximum rate **of** the broadband.

This amendment eliminates the potential for such unintended outcomes by making all employees in the top broadband level **of** each career path eligible to receive ``very high'' scores and contribution

rating increases **of** up to 20 percent, as shown in Table 6.

According to the project plan, if an employee has served under CCAS for less than six months, the rating official must wait for the subsequent annual cycle to assess the employee. Experience gained during the project's operation reveals that a shorter minimum rating period would be beneficial. By instituting this change, more employees will receive ratings **of** record and be eligible for contribution rating increases and contribution awards. In addition, managers will not have to wait six months or longer to recognize employees' contributions. This notice changes the minimum rating period to 90 consecutive calendar days. It also requires that the first appraisal be rendered within 15 months **of** entering the demonstration project.

Office of Personnel Management.

Kay Coles James,
Director.

I. Executive Summary

The project was designed by a Process Action Team (PAT) under the authority **of** the Under Secretary **of** Defense for Acquisition and Technology, with the participation **of** and review by DoD and the **Office of Personnel Management** (OPM). The purpose **of** the project is to enhance the quality, professionalism, and **management of** the DoD acquisition workforce through improvements in the human resources **management** system.

II. Introduction

This demonstration project provides managers, at the lowest practical level, the authority, control, and flexibility they need to achieve quality acquisition processes and quality products. This project not only provides a system that retains, recognizes, and rewards employees for their contribution, but also supports their personal and professional growth.

A. Purpose

The purpose **of** this notice is to make all employees in the top broadband level **of** their career path eligible to receive a ``very high'' overall contribution score (OCS) and to reduce the minimum rating period under the Contribution-based Compensation and Appraisal System (CCAS) to 90 consecutive calendar days. Other provisions **of** the approved plan are unchanged. Pursuant to 5 CFR 470.315, changes are hereby made to the Federal Register, Civilian Acquisition Workforce **Personnel** Demonstration Project; Department **of** Defense; Notice, Friday, January 8, 1999, Volume 64, Number 5, Part VII, pages 1473, 1474, 1476, and 1490.

B. Employee Notification and Collective Bargaining Requirements

The demonstration project program **office** shall notify employees **of** this amendment by posting it on the demonstration project's web pages (http://frwebgate.access.gpo.gov/cgi-bin/leaving.cgi?from=leavingFR.html&log=linklog&to=http://www.acq.osd.mil/acq_demo/new_site). Participating organizations must fulfill any collective bargaining obligations to unions that

represent employees covered by the demonstration.

III. **Personnel** System Changes

A. Overall Contribution Score (OCS)

Change the third sentence **of** Section III. D. 2 to read:

The horizontal axis spans from 0 to the maximum contribution score **of** 100, with a notional ``very high'' score **of** 115 for those employees in the top broadband level **of** their career path.

Change last sentence **of** Section III. D. 2., subparagraph 2 to read:

The same is true for the other two career paths: Technical **Management** Support with a ``very high'' score **of** 95 for employees in broadband level IV, and Administrative Support with a ``very high'' score **of** 70 for employees in broadband level III.

Change Section III. D. 3., paragraph 6 to read:

If on October 1, the employee has served under CCAS for less than ninety (90) consecutive calendar days, the rating official shall wait for the subsequent annual cycle to assess the employee. The first CCAS appraisal must be rendered within 15 months after entering the demonstration project.

Insert a new paragraph 7 as follows:

Employees who have served under CCAS for less than 90 consecutive calendar days shall not receive contribution rating increases or contribution awards for that cycle. However, their salaries shall be increased by the amount and at the time **of** the next General Schedule pay increase under 5 U.S.C. 5303.

In Section VIII A, delete paragraph 3, which contains an obsolete reference to the January 1999 General Schedule pay increase.