

ORDER

DOE O 331.1C

Approved: 10-15-2010

EMPLOYEE PERFORMANCE MANAGEMENT AND RECOGNITION PROGRAM



U.S. DEPARTMENT OF ENERGY
Office of Human Capital Management

EMPLOYEE PERFORMANCE MANAGEMENT AND RECOGNITION PROGRAM

1. PURPOSE. To establish requirements and responsibilities for the performance management program for all supervisory and non-supervisory employees at grades GS-15 and below or equivalent, employees in EJ and EK pay bands IV and V in the Excepted Service, and all wage grade employees.
2. CANCELLATION. DOE O 331.1B, *Employee Performance Management System*, dated 3-14-01. (Note: DOE O 331.1B will remain in effect until this Order is implemented October 1, 2010, and subsequent performance awards will be paid based on its requirements.)

3. APPLICABILITY.

- a. Departmental Applicability. Except for the exemptions in paragraph 3.c., this directive applies to all Departmental elements.

The Administrator of National Nuclear Security Administration (NNSA) must assure that NNSA employees comply with their respective responsibilities under this directive. Nothing in this Order will be construed to interfere with the NNSA Administrator's authority under section 3212(d) of Public Law (P.L.) 106-65 to establish Administration-specific policies, unless disapproved by the Secretary.

In accordance with the responsibilities and authorities assigned by Executive Order 12344, codified at 50 USC sections 2406 and 2511 and to ensure consistency through the joint Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this directive for activities under the Director's cognizance, as deemed appropriate.

- b. DOE Contractors. This directive does not apply to DOE contractors.
 - c. Equivalencies and Exemptions to DOE O 331.1C. Requests for exemption to this Order must be submitted in memorandum form to the Director, Office of Human Capital Management, Office of the Chief Human Capital Officer. The memorandum must include the basis for the exemption, identify the requirement for which the exemption is sought, and request a timeframe, as applicable.

Exemption. This directive does not apply to:

- (1) employees in Senior Executive Service (SES) and Senior Professional or Technical (SL/ST) positions.
 - (2) the Bonneville Power Administration.

4. REQUIREMENTS.a. General.

- (1) The normal annual appraisal period is the fiscal year: October 1 through September 30 of the subsequent calendar year [for exceptions, see paragraphs 4.c.(7)-(11)].
- (2) The minimum appraisal period is 90 days from the effective date that the employee is assigned, detailed, or temporarily promoted to a position. The appraisal period for employees who are assigned to a position on or after July 4 of each year will be included in the following appraisal period. Employees who have been covered by a performance plan for at least 90 days and are detailed or temporarily promoted on or after July 4 will receive their rating of record based on their permanent position, while their detail or temporary promotion assignment will be included in the following appraisal period.
- (3) At least one progress review must be completed during the appraisal period.
- (4) Departmental elements must provide an atmosphere in which open and frank two-way communications can be achieved between employees and their supervisors regarding all aspects of this program.
- (5) Information and training on the requirements and administration of the program will be made available to all covered employees by the Office of the Chief Human Capital Officer at (<http://humancapital.doe.gov>).
- (6) Training is required for all covered employees and their supervisors at least every 2 years; new employees are required to complete training within the first 30 days of the effective date of their assignment.
- (7) An employee must contact his/her servicing Human Resources Office for procedures to request reconsideration of his/her rating of record.

b. Performance Plans.

- (1) Each covered employee must have a performance plan established. Performance plans must be completed and signed by the employee and the Rating and Reviewing Officials at the beginning of the appraisal period, normally within 30 calendar days, but no later than 45 calendar days from the effective date of an assignment, detail, or temporary promotion. For assignments that begin on or after June 3, plans must be completed within 30 calendar days.

- (2) A performance plan is to be developed jointly by the Rating Official and employee or group of similarly situated employees, but the Rating Official, in conjunction with the Reviewing Official, determines the content if there is any disagreement with the employee.
- (3) A plan must only contain critical elements that are specific, measurable, achievable, relevant to the work performed, linked to organizational mission and goals, and time-bound; contributing factors; and may include dates, or milestones for specific deliverables or projects.
- (4) Each critical element will include at least one contributing factor (see Appendix A) that is important to successfully meeting performance expectations.
- (5) The number of critical elements must be at least 3, but no more than 6, in which a critical element can be double- or triple-weighted for a maximum of 6 weighted elements.
- (6) Each critical element must be written only at the Meets Expectation (ME) level, which is also referred to as the Fully Successful level.
- (7) Specific occupational and safety standards which must be included in critical elements will only be in performance plans that require the performance of occupational and safety as intrinsic to the duties of the position.
- (8) Only positions officially classified as supervisor (coded 2 or 4) must have a critical element for supervision which will be at least double-weighted. The supervisory critical element at Appendix B must be used as the supervisory element for all supervisors.

c. Appraisal (Rating) Process.

- (1) Each critical element must be rated at one of the following levels (see the Definitions section for the description of each level):
 - (a) Exceeds Expectations (EE),
 - (b) Meets Expectations (ME),
 - (c) Needs Improvement (NI), or
 - (d) Fails to Meet Expectations (FME).
- (2) A summary rating will be determined based on the chart at Appendix C. The chart includes a fifth level, Significantly Exceeds Expectations (SE), which is used when all critical elements are rated at EE. The chart

corresponds to pattern H in Title 5, Code of Federal Regulations (CFR) section 430.208(d).

- (3) The completed and signed appraisal form, which constitutes the rating of record once signed by at least the Rating and Reviewing Officials, must be submitted to the servicing human resources staff within 45 calendar days from the end of the appraisal period.
- (4) When an employee is detailed or temporarily promoted for 90 days or more, the temporary supervisor must complete an advisory rating and forward it to the supervisor of record for consideration in the rating of record for the appraisal period.
- (5) When the effective date for a reassignment or promotion within DOE is on or before July 3, the losing organization is not required to complete an advisory rating for the gaining organization to consider in determining the rating of record for the appraisal period.
- (6) When the effective date for a reassignment or promotion within DOE is July 4 or later, the losing organization must complete a performance rating that will serve as the rating of record for the appraisal period if the employee was covered by a performance plan for at least 90 days in the losing organization.
- (7) When the effective date for a transfer into DOE is July 4 or later, the rating of record for the appraisal period will be the losing agency's final rating for the employee if that agency provides one; otherwise, the employee will not have a rating of record for that appraisal period.
- (8) When the effective date for a transfer out of DOE is July 4 or later, the losing organization must complete a performance rating that will serve as the rating of record for the employee for the appraisal period if the employee was covered by a performance plan for at least 90 days in the losing organization.
- (9) When an employee separates other than for a transfer before the end of an appraisal period after being covered for at least 90 days, a performance rating is not required to be completed.
- (10) When a Rating Official changes on or after July 4, the departing Rating Official must complete performance ratings that will serve as the ratings of record for the appraisal period for all subordinates who have been covered by performance plans for at least 90 days.
- (11) A new rating of record must be prepared for the following situations:

- (a) when an employee's summary rating has changed from ME or above to below ME or the reverse to document a decision to deny or approve a within-grade increase;
- (b) when an employee's summary rating has changed from ME or above to below ME or the reverse when administering a reduction in force;
- (c) when an intern covered by the Federal Career Intern Program or a Presidential Management Fellow's summary rating has changed from ME or above to below ME or the reverse and is ready to be converted to a permanent appointment;
- (d) when an employee's summary rating has improved above or declined below their current summary rating of NI at the completion of a Performance Assistance Plan (PAP); or
- (e) when an employee's summary rating has improved above their current summary rating of FME at the completion of a Performance Improvement Plan (PIP).

d. Performance Awards.

(1) General.

- (a) Management determines what type of award(s) will be offered each employee based on eligibility, will take into consideration the employee's preference, and determines the award that will be approved.
- (b) An employee will only receive one type of award for a ME or higher rating of record.
- (c) When the effective date for a reassignment or promotion within DOE is July 4 or later, the losing organization will determine the appropriate award. If the award will be a cash award, then the losing organization must provide the award amount based on the employee's salary at the time of the action and provide the funding citation to the gaining organization to process the award.
- (d) When an employee transfers into DOE on or after July 4, the gaining organization will provide a pro-rated performance award based on the losing agency's rating of record if available for the period of time in DOE as an incentive to transfer. This information is to be included in the employee's offer letter along with a statement that, if the losing agency's rating of record is not made available or current since October 1 of the prior year, the employee

is not eligible for a performance award until the end of the following appraisal period.

(2) Eligibility.

- (a) A covered employee who is employed by the Department on September 30 must have a summary rating of ME or above for the current appraisal period.
- (b) New hires, including transferees, and part-time employees who have been covered by a performance plan for at least 90 days are eligible for a pro-rated performance award from the date of appointment to September 30.

(3) Pay Pools.

- (a) Departmental elements will provide 3 to 4 percent of their covered employees' total salaries as of the last day of the annual appraisal period (September 30). However, in the event that fiscal year funding is not sufficient as a result of budget reductions, changes in allocations or similar unanticipated circumstances, affected heads of DOE elements may request an exception from the DOE Chief Human Capital Officer. This exception would be limited to the performance award requirements of this policy, especially if granting performance awards would necessitate the need for a reduction in force, furlough or other similar cost-cutting remedy.
- (b) Separate pools will be established for supervisors and non-supervisors based on the total salaries for each pool. The percentage that is used for each pool will be the same.

(4) Cash Awards.

- (a) Awards will be determined based on the summary rating and shares multiplied by the applicable share value of the applicable pool as follows:
 - 1 SE – 5 shares,
 - 2 EE – 4 shares,
 - 3 ME –
 - a 3 shares when the majority of weighted elements are rated at ME and at least 1 at EE or the elements are equally divided between EE and ME;

- b 2 shares when all or a majority of weighted elements are rated at ME; or
- c 1 share when the majority of weighted elements are rated at ME or higher and less than 50% at NI, and management elects to offer this award.

No shares will be awarded for a summary rating of NI or FME.

- (b) Pro-ration is determined by dividing the total hours in a pay status, except for employees on military duty and those receiving workers' compensation who are to be treated as if they are in a pay status for those periods, by 2080 hours and multiplying the result times the pro-rated share value.

(5) Other Performance Awards.

- (a) Quality Increase (QI). An employee with a summary rating of SE is eligible for a quality step increase or equivalent pay adjustment, which are both referred to as a quality increase in lieu of a cash or time-off award, if the following criteria are met:
 - 1 the employee has not received a QI or within-grade increase (WGI) or equivalent pay adjustment for the entire annual appraisal period;
 - 2 the employee is at the full performance level of a career ladder;
 - 3 the employee has not been promoted within the past year, including a transfer that results in a promotion; and
 - 4 the employee has been in the same grade or pay band level for the entire annual appraisal period.
- (b) Time-Off Award. An employee may be given a time-off award in lieu of a QI or cash award based on the summary rating as follows:
 - 1 SE – 50 hours;
 - 2 EE – 40 hours;
 - 3 ME –
 - a 30 hours when the majority of weighted elements are rated at ME and at least 1 at EE or the elements are equally divided between EE and ME;

- b 20 hours when all or a majority of weighted elements are rated at ME; and
- c 10 hours when the majority of weighted elements are rated at ME or higher; and less than 50% at NI, and management elects to offer this award.

No time off will be awarded for a summary rating of NI or FME.

- (c) Pro-rata is determined by dividing the total hours in a pay status, except for employees on military duty and those receiving workers' compensation who are to be treated as if they are in a pay status for those periods, by 2080 hours and multiplying the result times the applicable hours for the rating and rounding to the nearest whole hour.

e. Poor or Unacceptable Performance.

- (1) If at any time during the appraisal period, an employee demonstrates that he or she is performing at least one critical element at the NI level, then the supervisor must inform the employee and provide assistance to attain an acceptable level of performance by developing an informal Performance Assistance Plan (PAP).
- (2) When an employee demonstrates that he or she is performing at least one critical element at the FME (unacceptable) level, then the supervisor must inform the employee and provide assistance to attain an acceptable level of performance by developing a formal Performance Improvement Plan (PIP). At the conclusion of the period in which the employee is subject to the PIP, management must take appropriate action based on the results of that assistance. If the employee's performance lapses back to the FME level on the same critical element(s) within 1 year from the start of the PIP, the rating official may propose a performance based action without a PIP.

f. Reductions in Force. When preparing for reduction in force, credit will be provided for additional years of service in accordance with 5 CFR 351.504 for performance as follows:

- (1) 20 years for SE,
- (2) 16 years for EE, and
- (3) 12 years for ME.

When multiple summary rating patterns are involved in a competitive area, a separate determination will be made at that time which will provide the most equitable treatment for affected employees.

g. Other Awards and Forms of Recognition.

- (1) If a Departmental element wants to establish a local awards program, the program must:
 - (a) recognize and reward individuals and/or teams, including those who support a Departmental element but are not in that element, based on
 - 1 suggestions and inventions;
 - 2 training, education, and development; and
 - 3 other noteworthy achievements or contributions;
 - (b) recognize achievements or contributions of employees who are on detail, on an Intergovernmental Personnel Act (IPA) assignment, or have transferred to an international organization;
 - (c) establish criteria for determining the value of an achievement, contribution, or suggestion;
 - (d) publicize the criteria for awards periodically;
 - (e) relate award choice and size to the magnitude of the achievement, contribution, or suggestion; and
 - (f) ensure that special awards that are based on an employee's position clearly exceed the recognition afforded as a performance award.
- (2) All awards that affect more than one Departmental element must be coordinated with the Office of the Chief Human Capital Officer. That office will maintain a list of Secretarial and Departmental awards and post them on its web site (<http://humancapital.doe.gov>).
- (3) Documentation must include a description and value of the achievement or contribution, how the criteria have been met, and the approving official's signature and date.
- (4) Time-off awards, including those for performance, are limited to 80 hours over a 12-month period. Awarding managers and award recipients must arrange to have the time off taken within 1 year of when granted or the award will be forfeited. Heads of Departmental elements may approve extensions of up to 90 days on a case-by-case basis for unavoidable reasons that have prevented or will prevent using the time.
- (5) Limit the value of nonmonetary items conferred in connection with informal recognition awards to a "nominal value" of \$50 or less.

h. Implementation. This directive must be implemented October 1, 2010.

5. RESPONSIBILITIES.

a. Secretary.

- (1) Approves Secretarial Awards.
- (2) Recommends to the Office of Personnel Management an award for an employee in excess of \$10,000.

b. Administrator, NNSA.

- (1) Coordinates the NNSA performance program with the Office of the Chief Human Capital Officer.
- (2) Establishes an NNSA awards program.
- (3) Approves performance awards up to \$10,000.
- (4) Approves Special Act or Service awards up to \$10,000.
- (5) Approves on-the-spot awards up to \$500.
- (6) Recommends an award in excess of \$10,000 to the Secretary.

c. Heads of Departmental Elements Other than NNSA.

- (1) Establish local and, with the concurrence of the Office of the Chief Human Capital Officer, Departmental awards programs.
- (2) Approve performance awards up to \$10,000.
- (3) Approve Special Act or Service awards up to \$7,500.
- (4) Recommend awards in excess of \$7,500 to the Office of the Chief Human Capital Officer.
- (5) Approve on-the-spot awards up to \$500.
- (6) Approve extensions of up to 90 days to the time limit for using time-off awards [see paragraph 4g(4)].
- (7) Ensure that adequate funds are available for payment of monetary awards.
- (8) Publicize and coordinate Departmental awards and ceremonies, and approve travel expenses for guests.
- (9) Request exceptions to program requirements.

d. Office of the Chief Human Capital Officer.

- (1) Develops the Departmental Employee Performance Management System and obtains OPM approval of the system; develops the performance and recognition program for covered employees; and ensures appropriate information and training on the requirements and administration of the program is available to covered employees.
- (2) Approves exemptions to program requirements; coordinates on the NNSA performance management program.
- (3) Approves Special Act or Service awards for Departmental elements except the NNSA up to \$10,000.
- (4) Coordinates all Secretarial awards and concurs on all Departmental awards prior to implementation.
- (5) Maintains a list of Secretarial and Departmental awards and posts them on its web site.
- (6) Publicizes and coordinates Secretarial awards ceremonies and approves travel expenses for guests.
- (7) Reviews Departmental element awards programs for compliance and accountability purposes.
- (8) Coordinates beneficial suggestions that apply to more than one Departmental element or that affect another agency.
- (9) Coordinates and provides applicable reports to OPM.

e. Supervisors.

- (1) Develop performance plans jointly with employees.
- (2) Conduct and document progress reviews.
- (3) Prepare appraisals as Rating and Reviewing Officials.
- (4) Provide assistance to employees to improve performance to an acceptable level.
- (5) Develop informal Performance Assistance Plans (PAPs) when an employee's performance level drops to the NI level on at least one critical element.
- (6) Develop formal Performance Improvement Plans (PIPs) when an employee's performance level drops to the FME level on at least one

critical element, and take appropriate action based on the results of the assistance.

6. DEFINITIONS.

- a. Days. This means calendar days.
- b. Exceeds Expectations (EE). Performance at this level is dramatically higher than that described at the ME level in terms of work products and/or results achieved, high cost-savings or cost avoidances, and/or extremely high levels of efficiency, effectiveness, and timeliness.
- c. Fails to Meet Expectations (FME). This is the lowest level at which a critical element can be evaluated. It indicates that the employee's performance is "Unacceptable". When one critical element is rated FME, the overall summary level rating is FME.
- d. Meets Expectations (ME). This is the "Fully Successful" level that is described for each critical element and is intended to describe the level that is reasonably expected to be achieved in terms of quality, quantity, effectiveness, and timeliness.
- e. Needs Improvement (NI). A critical element rated at this level indicates that an employee has not met the expectations for that critical element and that performance at this level is clearly lower than what was reasonably expected at ME, but is not considered unacceptable. Supervisory intervention and assistance, counseling, formal training, and/or developmental assignments are needed to improve performance to raise it to the ME level.
- f. Share. The portion of a pay pool used to determine an employee's cash award. The value is 1-5. The value is based on how the summary rating is determined.
- g. Significantly Exceeds Expectations (SE). The highest level attainable as a summary rating level and is regarded as the "Outstanding" level. To attain this level, all critical elements must be rated at the EE level.

7. REFERENCES.

- a. 5 U.S.C., Chapters 43 (Performance Appraisal) and 45 (Incentive Awards).
- b. 5 CFR, Parts 293 (Personnel Records, Subpart D, Employee Performance File System Records); 430 (Performance Management); and 451 (Awards).
- c. Department of Energy Performance Management System approved by OPM April 5, 1999.

8. CONTACT. Questions concerning this directive should be addressed to the Office of Strategic Planning & Policy at (202) 586-8451.

BY ORDER OF THE SECRETARY OF ENERGY:



DANIEL B. PONEMAN
Deputy Secretary

APPENDIX A CONTRIBUTING FACTORS

NOTE: Supervisors are not limited to the following examples for each factor, nor is an employee required to do everything described for a factor. Specific Departmental element requirements or clarifications may be added.

Customer Service:

Responds to customer communications in a timely manner

- Identifies customers' needs and concerns
- Designs or adapts products and services to meet customer needs
- Works cooperatively with customers and colleagues to resolve disagreements in expectations and deliverables
- Keeps customers informed on progress of deliverables
- Meets agreed upon schedules and commitments or provides reason(s) for not doing so
- Adjusts to changing needs and is flexible to customers' requirements, providing that there are no limitations beyond the employee's control and customers' requests are not unreasonable
- Customer surveys and/or feedback reflect that the employee responds appropriately and in a timely manner so that customers are at least reasonably satisfied

NOTE: Inherent in this factor is effective communications and resourcefulness with customers

Communication:

- Keeps supervisors and colleagues informed of issues, problems, and work status in a timely manner
- Responds to noncustomer communications in a timely manner
- Describes issues in a clear, concise, and/or convincing manner, both verbally and in writing
- Communicates in a technically accurate and supported manner
- Exercises judgment in sharing information
- Coordinates communications that affect other offices with those offices

- Develops organized, persuasive presentations
- Listens to others' ideas and viewpoints and seeks to clarify for understanding
- Displays a positive attitude that fosters non-confrontational communications
- Uses communication tools and resources, e.g., email, voicemail, power point, graphics, etc., effectively

NOTE: Inherent in this factor is the need to be resourceful in using communication tools and resources

Teamwork:

- Actively contributes to the accomplishment of organizational goals
- Builds collegial, effective relationships that facilitate achieving desired goals
- Supports others in the accomplishment of their assignments
- Shares knowledge, expertise, information, and/or credit with co-workers
- Contributes in staff/team meetings as appropriate
- Supports organizational decisions once they are made
- Treats colleagues with courtesy, respect, and fairness
- Uses collaborative decision-making techniques to facilitate teamwork

NOTE: Inherent in this factor is the employee's responsibility to work cooperatively with others

Responsibility/Accountability:

- Accepts responsibility for completing work assignments, work performed, and any problem(s) associated with it within the employee's control
- Completes developmental and training requirements in a timely manner
- Meets milestones and due dates for assignments
- Actively participates in the development of his/her assignments, performance and development plans, and career goals
- Keeps supervisors, colleagues, and customers informed of availability

- Maintains current awareness and adheres to relevant government and organization regulations, policies, and procedures
- Practices safe work habits and takes action to resolve unsafe conditions

Resourcefulness/Innovation:

- Initiates and/or supports quality improvements in systems, programs, products, services, and/or work processes
- Recommends alternatives to established thinking, policies, practices, methods, and approaches designed to achieve organizational efficiency, cost savings/avoidance, etc.
- Readily adapts or develops regulations, policies, and procedures to new situations
- Utilizes contacts to network and identify solutions to issues

Safety:

- Complies with corrective actions identified to resolve unsafe conditions in an individual's work area
- Complies with the DOE Federal Employee Occupational Safety and Health (FEOSH) Program, safety and health requirements, and the local occupant emergency plan
- Adheres to established emergency response procedures during exercises, drills, and emergency conditions
- Takes required training and developmental opportunities to assure that the employee is knowledgeable of their safety responsibilities, workplace hazards and controls, emergency response procedures, and the DOE FEOSH Program.

APPENDIX B
SUPERVISORY CRITICAL ELEMENT

Carries out supervisory/managerial duties in accordance with Federal regulations and DOE directives, within established deadlines, to provide subordinates with leadership and direction in order to support (insert organization) and DOE in meeting its mission, goals and objectives. Seeks out feedback from others; considers employee and customer feedback to develop and implement initiatives to improve program/project performance, promotes diversity and cooperation among peers and subordinates, while guiding, motivating and stimulating positive responses. Manages the performance appraisal program for his/her subordinates through meeting deadlines, aligning subordinate performance plans to DOE goals, providing meaningful and timely feedback, making distinctions in ratings and awards, and addressing poor performance and other employee relations issues.

(Identify any organizational milestone, deliverables, or deadlines)

APPENDIX C
SUMMARY RATING DETERMINATION CHART

Total Weighted Critical Elements	And	Summary Rating
All at EE		SE
Majority at EE	No element at NI	EE
Equally divided between EE and ME	No element at NI	ME
All or a majority at ME	No element at NI	ME
Majority at EE or ME	Less than 50% at NI	ME
At least 50% at NI	No element at FME	NI
At least one at FME		FME