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CNICINST 12430.1

N1

SEP 7 2011

CNIC INSTRUCTION 12430.1

From: Commander, Navy Installations Command

Subj: INTERIM PERFORMANCE MANAGEMENT SYSTEM POLICY

Ref: (a) DON Interim Performance Management System Covering Positions Transitioning to the General Schedule from the National Security Personnel System, September 2010
(b) Code of Federal Regulations Title 5, Part 293
(c) DON Civilian Human Resources Manual, Subchapter 430.1
(d) Code of Federal Regulations Title 5, Part 531
(e) Code of Federal Regulations Title 5, Part 2635
(f) SECNAVINST 12771.2

Encl: (1) Supervisory Critical Element
(2) Performance Management Award Board Procedures

1. Purpose. To establish Commander, Navy Installation Command (CNIC) policy under the Department of Navy (DON) Interim Performance Management System (IPMS) in accordance with reference (a). This instruction is applicable to all CNIC activities that have employees covered under IPMS. CNIC Regions may supplement this instruction consistent with Department of Defense (DoD) and DON policy, this instruction, and CNIC Deputy Commander guidance.

2. Background. The IPMS is designed to serve as the Navy's performance management system during the interim period between transition of employees from the National Security Personnel System (NSPS) to a new DoD wide system that is currently in development.

3. Policy. This instruction only applies to employees covered under IPMS; employees still covered by NSPS or other legacy systems will continue to operate under existing policies and procedures.

4. Responsibilities

a. CNIC Deputy Commander is responsible for:

(1) Serving as the Performance Review Executive for all CNIC Employees.

(2) Chairing the CNIC Compensation Review Board (CRB).

(3) Ensuring consistent performance award policies across CNIC and holding final approval authority for all IPMS policy in CNIC.

(4) Coordinating with the Comptroller to ensure sufficient funding is available to meet the requirements as stated in reference (a).

(5) Issuing annual notices to inform employees of Performance Award Review Board (PARB) membership and general performance management policies. These notices should be issued no later than 90 days before the end of the performance cycle, or within 15 days of the issuance of this instruction, whichever is later. Updates to membership or DoD/DON policy changes may be distributed at any time in the cycle.

(6) Delegating duties to Region Executive Directors (EDs) as needed. For the purposes of CNIC Headquarters, the Deputy Commander may delegate Region ED duties as outlined in this instruction to the Chief of Staff or the Director, Plans and Programs. The Deputy Commander may also delegate authorities as outlined in this instruction to additional or alternate persons as deemed appropriate. Any such delegation shall be in writing.

(7) Establishing one or more PARBs in each region.

(8) Identifying and/or appointing PARB chairs.

b. CNIC HQ Comptroller (N8) is responsible for:

(1) Ensuring there is sufficient funding for any performance based payouts.

(2) Reporting to the Deputy Commander funding status to meet the requirements as stated in reference (a).

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c. Region EDs are responsible for:

(1) Implementing the tenets of this instruction in their local areas of responsibility and developing local policy as delegated by CNIC Deputy Commander.

(2) Serving as members of the CRB.

(3) Implementing the tenets of this instruction and guidance from the CRB to ensure consistency, fairness, and equity in the PARBs under their purview.

(4) Fulfilling duties as outlined in sections 4a(3) through 4a(5) of this instruction for employees under their purview unless otherwise noted in the delegation letter. Region EDs may not delegate these responsibilities. In the event a Region ED is unable to perform these duties, the CNIC Deputy Commander will appoint an alternate delegate for that region.

(5) Determining, in consultation with the HR Business Operations & Assessment Branch (N135), if an extension of rating period as stated in reference (a) would cause interference with the ability to manage the rating and rewarding process.

(6) Ensuring Employee Performance Files (EPFs) are retained for each employee. These files may be kept in a central location or at the activity and may be in paper or electronic form. EPFs must be reviewable by the Human Resources Office and other appropriate authorities upon request.

(7) Transferring EPFs to the Human Resources Servicing Center (HRSC) for inclusion in the Official Personnel File when the employee departs the activity in accordance with local HRSC procedures.

(8) Designating a Region Program Manager (PM) to coordinate with the CNIC N135 if necessary. Designations should be reported via e-mail to the CNIC N135 at the time of appointment.

c. CRB is responsible for:

(1) Reviewing, when requested by N135, all performance management instructions, notices, and business rules for PARBs established throughout CNIC.

(2) Ensuring policies and rules meet regulatory requirements and are fair, equitable, and consistent across

CNIC. The CRB may recommend or direct changes to any policy subject to CNIC Deputy Commander approval.

(3) Approving the final recommendations for annual performance payouts after reviewing for compliance with all policies, enterprise-wide consistency, and fairness.

d. N135 is responsible for:

(1) Serving as the primary Point of Contact (POC) between CNIC and the Office of Civilian Human Resources on performance management issues. The N135 provides advice, guidance, and assistance to the CNIC Deputy Commander, Region EDs, and their staffs.

(2) Coordinating with Region PMS as designated by Region EDs to answer questions and provide advice on all aspects of performance management.

(3) Providing training materials and conducting training as needed for regional POCs.

(4) Approving all regional instructions and notices or referring them to the CRB and/or Deputy Commander for approval as needed.

e. PARB Chair or designee is responsible for retaining files of all pertinent documentation, including changes to award recommendations with justifications, for four years after the award date.

f. PARBs are responsible for:

(1) Reviewing award recommendations for employees under IPMS assigned to their PARB. Review is only required at the PARB level, but regions may allow "Sub-PARB" reviews if the number of employees or desired structure requires a preliminary level of review.

(2) Reaching a consensus and shared understanding of each award tier, and ensuring award decisions are consistent and equitable across the PARB.

(3) Noting summary of modifications in the appropriately marked spaces on the DON Recognition and Rewards Notification Form and placing documentation in the employee's performance folder in accordance with references (b) and (c).

(4) Issuing notices to their employees no later than 90 days before the end of the performance cycle or within 15 days of the issuance of this instructions (whichever is later), stating what PARB the employee is assigned to, the membership of the board, and any applicable business rules. Changes in PARB membership or DoD/DON policy changes may be distributed at anytime in the cycle.

(5) Appointing, if so desired, an administrator to assist with collecting rating information and other logistical or administrative matters.

g. Senior Rating Officials (SROs) are responsible for:

(1) Reviewing the IPMS appraisals, ratings, and reward recommendations made by the Rating Official (RO) for consistency.

(2) Approving final rating of record.

(2) Forwarding appraisal forms to the PARB for their review of the reward recommendation scores.

(3) Ensuring all ROs in their chain of command have created performance plans for their employees and are complying with their performance management responsibilities as outlined in this directive.

(4) Fulfilling RO duties in extenuating circumstances when an RO is not available, with the approval of the region ED. Any such action must be noted on the performance appraisal form.

h. ROs are responsible for:

(1) Knowing, understanding, and complying with this instruction. RO responsibilities are detailed in reference (c), paragraph 4.i.

(2) Ensuring employees subject to Additional Performance Evaluation Requirements, as outlined in Appendix E of reference (a), have critical elements addressing the additional requirements. Requirements for establishing performance plans and critical elements are detailed in reference (a), section 6.

(3) Retaining signed copies of plans throughout the performance cycle either in electronic or paper form and/or stored in automated systems developed by CNIC.

(4) Documenting all performance conversations during the cycle on the DON Performance Appraisal Form. To the extent practicable, performance conversations should be face-to-face.

(5) Ensuring all ROs who are IPMS employees have the required supervisory critical element. This critical element should include at least the text found in enclosure (1).

(6) Writing a narrative assessment and assigning IPMS ratings and reward recommendation scores (when applicable) to all qualified employees in accordance with the recommended framework for awards found in appendix F of reference (a). ROs cannot delegate the responsibility to write an assessment or conduct performance conversations with their employees. In extenuating circumstances where a RO is not available, the SRO will fulfill these functions. Any such action must be approved by the regional ED and noted on the performance appraisal form.

(7) Communicating approved ratings of record and performance awards to employees within the timelines detailed in paragraph 6 of reference (a) after PARB reviews are complete. ROs will not disclose their award recommendations prior to PARB review.

(8) Conducting close-out reviews and assigning ratings in accordance with paragraph 6c(3) of reference (a).

(9) Responding to PARB questions as needed. If RO is away from the office, contact information must be provided to PARB Chairman. In extenuating circumstances where a RO is not available, the SRO will fulfill these functions. Any such action must be approved by the region ED and noted on the performance appraisal form.

i. Employees are responsible for:

(1) Knowing, understanding, and complying with the responsibilities detailed in reference (c), paragraph 4j.

(2) Submitting a self-assessment for progress, a closeout or an annual assessment within the timeframes detailed in paragraph 6c of reference (a).

(3) Completing required training within the timelines described in enclosure (2).

5. Action

a. The CRB will review and modify, as needed, this instruction and any additional related policies developed at the beginning of each annual performance cycle period.

b. The CNIC N135 will:

(1) Publish the schedule for reporting, notification, and payout dates for the IPMS cycle annually no later than 15 May. Updates arising from DoD/DON policy changes may be distributed after this deadline.

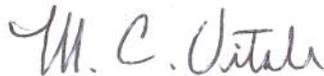
(2) Review and approve all regional performance instructions or notices prior to implementation. Instructions or notices may be referred to the CRB and/or Deputy Commander for review.

(3) Confirm completion of PARB chair training.

(4) Report completion of PARB chair training to Deputy Commander.

c. PARBs will follow the procedures outlined in enclosure (2).

6. Forms and Reports. Employee appraisals are officially maintained and updated on the DON IPMS Performance Appraisal Form and Recognition and Rewards Notification Form. These forms are currently available only as .pdf files on G2 at https://g2.cnic.navy.mil/files/app?lang=en_US#/collection/aa7f607f-8b13-4cbl-ae51-bc48c7309a49, the latest signed versions of which shall be the official version.



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Distribution:

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Supervisory Critical Element

1. General. All Rating Officials (ROs) who are Interim Performance Management System (IPMS) employees must have the required supervisory critical element in their performance appraisal. This critical element should include at least the text stated as follows:

"Manages an aligned, engaged, and high-performing team through leading by example and developing and executing a mission-aligned vision for the organization. Creates a positive, safe work environment that allows employees to excel. Upholds high standards of integrity and ethical behavior. Performs all supervisory duties including:

- Ensuring compliance with applicable laws, regulations, and policies including Merit System Principles and Prohibited Personnel Practices;
- Effectively attracting and retaining a high-caliber workforce and acting in a responsible and timely manner on all steps in the recruitment and hiring process;
- Providing opportunities for orientation and tools for enabling employees to successfully perform during the probationary period and beyond;
- Ensuring that an Individual Developmental Plan (IDP) is drafted and in place for all employees annually;
- Identifying current and future position requirements to ensure that recruitment is appropriately focused and timely;
- Completing all performance management tasks in a timely manner including clearly communicating performance expectations throughout the appraisal period, holding employees accountable, making meaningful distinctions in performance and rewarding excellent performance, actively promoting employee development and training, and promptly addressing performance and conduct issues ;
- Acting as a good steward of public funds;
- Maintaining a safe work environment and promptly addressing allegations of noncompliance;
- Ensuring that Equal Employment Opportunity (EEO) principles are adhered to throughout the organization and promptly addressing allegation of discrimination, harassment and retaliation."

2. Responsibilities. ROs are responsible for ensuring that all ROs who are IPMS employees have the required supervisory critical element.

Performance Award Review Board Procedures

1. Performance Award Review Board (PARB) Establishment.

a. Region EDs will establish one or more PARBs for their region. PARB composition and coverage used in regions is at the discretion of the Region ED.

b. Regional EDs will designate a chair to be responsible for the overall operation of the board and to ensure all CNIC and regional rules and procedures are applied consistently and equitably in the respective PARB.

c. PARBs will have at least two additional members. PARB Members must be selected from senior rating officials and managers. PARB members may be either full-time civil service employees or military members. All PARB members, except when recused from their own review in accordance with paragraph 3e(9), must be present to conduct business. PARB members may meet remotely using audio or video teleconference if desired. PARB members are expected to allocate sufficient time from their schedule to perform the assigned duties and to ensure deadlines are met within the Interim Performance Management System (IPMS) cycle.

2. PARB Procedures.

a. CNIC will use the recommended framework for recognition and awards as detailed in Appendix F of reference (a), except where otherwise noted in this instruction.

b. PARBs will review all IPMS award recommendations and their associated assessments for consistency and good business decisions in accordance with the guidelines set out in paragraph 12 of reference (a).

c. PARBs will have the ability to change award recommendations after consultation with Rating Officials (ROs). PARBs must keep documentation of all changes to recommendations with appropriate justifications as described in paragraph 3e(6) of this instruction. In no case may a PARB recommend changes to the final rating of record.

d. PARBs must evaluate and approve all recommended Quality Step Increases (QSIs) proposed by ROs. IPMS employees receiving QSIs must have an average award recommendation of over 2.5. Employees receiving QSIs should meet the qualifications noted in references (a) and (d). Employees who receive QSIs may not

receive any additional performance bonus awards under this instruction.

e. PARB Members will not be present for nor participate in any deliberations on their own award recommendations or any deliberations in which they may have a conflict of interest as described in reference (e). All PARB members will sign a non-disclosure agreement.

3. Funding and Award Amounts.

a. Monies each fiscal year will be set aside or performance based bonus payouts in accordance with the amounts detailed in reference (a).

b. Performance based awards are neither mandatory nor guaranteed regardless of rating or award recommendation score. PARBs must publish rules beyond those contained in this instruction regarding eligibility for awards no later than 90 days before the end of the rating cycle. These rules must be approved by the CNIC N135, CNIC Deputy Commander, or Compensation Review Board (CRB).

c. Payouts will be computed as a percentage of the employee's adjusted salary as of the last day of the performance cycle (30 September). Computed amounts will be paid as dollars on the payout date. For employees who completed their performance cycle under retained pay, awards will be calculated based on the highest rate of the applicable pay table.

d. Once the PARB has determined the average award recommendation for IPMS employees, performance-based awards should be granted according to the chart below. The exact percentages and ranges may be adjusted to meet the required funding amount, but all eligible employees within a tier must receive the same percentage payout. Employees should receive, alongside their individual award notification, a breakdown of the awards structure for their PARB describing what percentage was paid at each level.

Average of Critical Element Scores	Award Structure
1.0 - 1.49	No award - 1.0%
1.50 - 2.00	1.0 - 1.5%
2.01 - 2.49	1.5 - 2.0%
2.50 - 3.00	2.0 - 4.0%, OR QSI

e. Amounts for QSIs will not be included in the funding for performance awards. There is no minimum or maximum amount that

must be spent on QSIs. But PARBs must approve all QSIs, and employees receiving QSIs must meet all QSI eligibility criteria as outlined in this directive and in references (a) and (d).

f. Payouts will not be pro-rated.

g. Performance-based awards will not be paid to any employee who departs CNIC before the payout effective date. Management officials may choose to use other award funds (i.e., special act) for awards for departing employees.

h. Performance-based awards will not be paid to any employee who was not rated at a CNIC activity.

i. Rated employees who change positions within or across CNIC regions are eligible for performance awards. Gaining PARBs will evaluate the award recommendations of these employees using their business rules and award percentages. Only employees who have not received an increase in base pay as a result of their change in position may receive QSIs.

4. Timelines and Reporting.

a. All PARBs will submit their results to the CRB, via the CNIC N135, for review. The CRB will conduct a review of all regional awards for enterprise-wide consistency and fairness.

b. Each year, CNIC will publish, no later than 15 May, a schedule for reporting, notification, and payout dates for the upcoming IPMS cycle. Updates arising from Department of Defense/Department of Navy policy changes may be distributed after this deadline.

c. Regions will use their servicing Human Resources Service Center (HRSC) process for submitting ratings and awards for processing in the Defense Civilian Personnel Data System.

5. Grievances.

a. All grievances of performance ratings will be adjudicated through the administrative grievance procedure as outlined in reference (f). Where possible, use of Alternative Dispute Resolution is recommended.

b. Employees may only grieve the rating for an individual critical element or the overall rating of record. Award amounts and the substance of performance elements, standards, or job

objectives are not grievable in accordance with references (a) and (f).

c. Deciding officials will return written decisions to employees grieving ratings within the timelines outlined in reference (f).

d. If the final decision is to change the rating of record or critical element rating, the revised rating will take the place of the original one and a revised performance appraisal will be prepared and entered into the appropriate records. A copy of the revised ratings will be provided to the employee, the servicing Human Resources Office, and the RO by the deciding official. Any payouts resulting from the previous record will be canceled and replaced with new actions. The revised rating of record is retroactive to the effective date of the original rating of record. When a grievance results in an employee moving from 'unacceptable' to 'acceptable' and the employee would otherwise have been eligible for an award, the deciding official will provide reward recommendation scores and assign a payout based on the applicable PARB awards chart. Changes made to ratings or payouts as a result of grievances will not result in changes to payouts for other employees.

6. Training.

a. All employees and ROs will complete the IPMS online training course through the Total Workforce Management System (TWMS) within 90 days of training being made available or within 90 days of their on-board date, whichever is later. Training will be tracked through TWMS. Reports will be sent from the CNIC N135 office to assist regions in enforcing this requirement. Employees without access to TWMS for online training may have training through alternate means.

b. All PARB members must complete online training through TWMS before serving on a PARB.

c. Additional training offered is optional unless otherwise noted by regional or PARB rules.