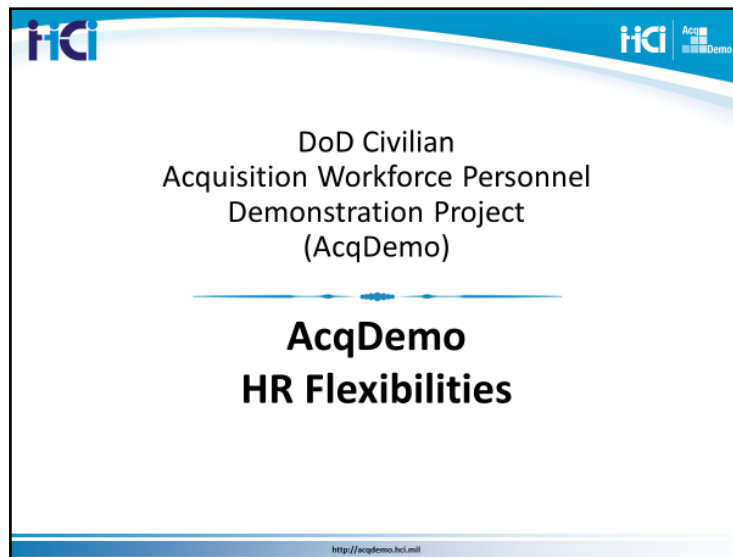


1.0 COURSE INTRODUCTION

1.1 Slide 2, Course Welcome



Welcome to ***AcqDemo Human Resources Flexibilities***. This course is designed to familiarize you with the recruiting, staffing and pay flexibilities available to you in the Department of Defense Civilian Acquisition Workforce Personnel Demonstration Project, or AcqDemo for short. For more general information on AcqDemo, please review ***AcqDemo 101***. Other eLearning courses addressing the Contribution-based Compensation and Appraisal System (CCAS), contribution planning, assessment writing, giving and receiving feedback, and the pay pool process are also available on the AcqDemo website (acqdemo.hci.mil).

1.2 Slide 3, Course Objectives



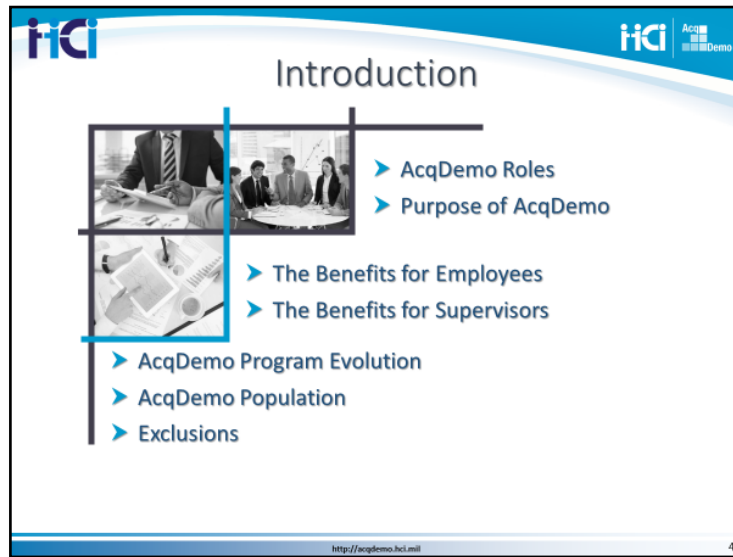
Course Objectives

- To identify the requirements and responsibilities for HR Professionals in AcqDemo
- To present HR management flexibilities unique to AcqDemo
- To identify requirements and resources for moving forward

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As you work through this course, you will gain insight into your role as a human resource professional supporting managers and employees in AcqDemo and become aware of the unique personnel management flexibilities available. You will become a valuable partner to the population you service by understanding these flexibilities and how best to use them in your recruiting, staffing and pay setting activities.

1.3 Slide 4, Introductory Section Topics



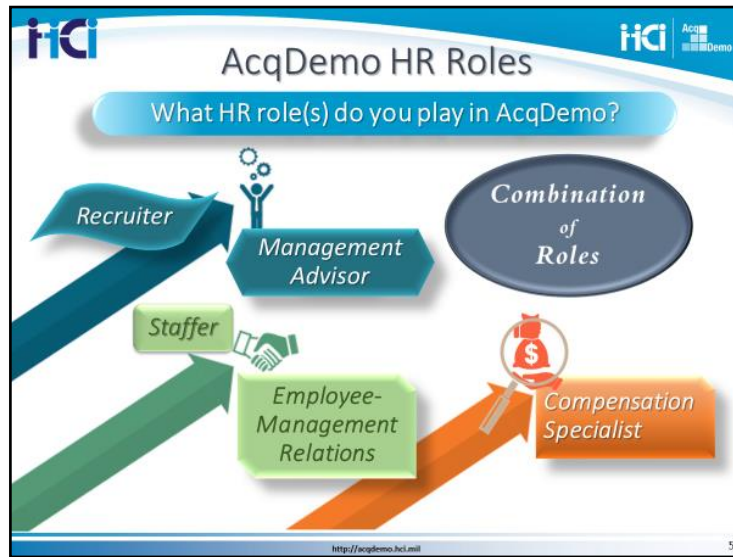
The slide is titled "Introduction" and features the HGI logo in the top left and top right corners. The top right corner also includes the text "AcqDemo". The slide content is organized into two columns. The left column contains two images: the top one shows a group of business professionals in a meeting, and the bottom one shows a close-up of a computer keyboard and mouse. The right column contains a bulleted list of topics. At the bottom of the slide, there is a URL and a small number "4".

- AcqDemo Roles
- Purpose of AcqDemo
- The Benefits for Employees
- The Benefits for Supervisors
- AcqDemo Program Evolution
- AcqDemo Population
- Exclusions

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In this introductory section, we will take a moment to assess your human resources (HR) role, or roles, under AcqDemo; review the reason for AcqDemo's existence; and address some of the benefits of the system to employees and supervisors. We'll also take a quick look at the program's beginnings and subsequent development, the demographics of the current population, and what populations cannot participate in AcqDemo for one reason or another.

1.4 Slide 5, AcqDemo HR Roles




What is (or are) your role (or roles) as an HR professional in AcqDemo? Do you specialize in recruiting and staffing? Classification and compensation? Labor and employee-management relations? Some combination of these specializations? Do you have the opportunity to advise managers, supervisors or employees about the options available to them under AcqDemo? Do you primarily complete personnel transactions associated with placement or pay setting? Regardless of your unique role, it is important to understand what this personnel system was designed to accomplish and develop a working knowledge of the hiring and pay setting options created to support that original design.

1.5 Slide 6, Purpose of AcqDemo

hci **hci** AcqDemo

Purpose of AcqDemo



To enhance the quality, professionalism, and management of the DoD acquisition workforce through improvements in the efficiency and effectiveness of the human resources management system.

It strives to support DoD's efforts to create a professional, agile, and motivated workforce that consistently makes smart business decisions, acts in an ethical manner, and delivers timely and affordable capabilities to the warfighter.

Section 1.A. of the Federal Register dated November 9, 2017

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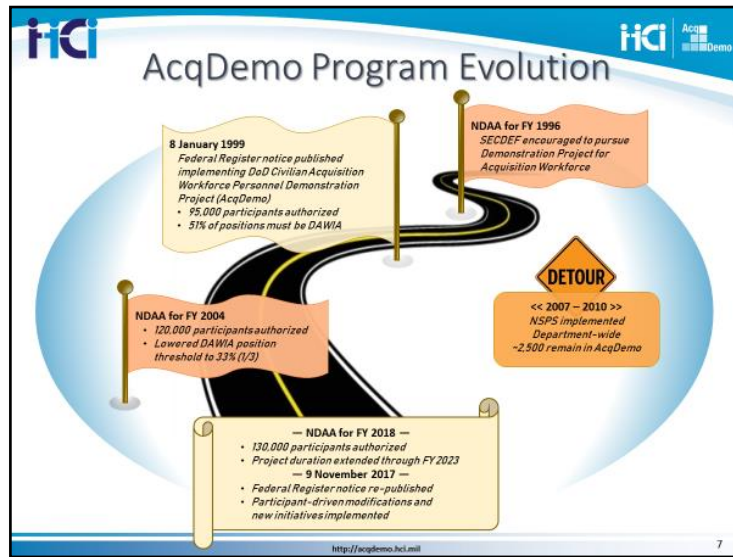
AcqDemo was created to provide a flexible and responsive personnel system for DoD's Acquisition community—one that will continue to enhance the Department's ability to attract, retain, and motivate a high-quality acquisition workforce.

Federal employees who are familiar with the General Schedule, Title 5 and the Merit System Principles established in the Civil Service Reform Act of 1978, will find that many of the fundamental benefits of DoD employment remain unchanged. Among those things NOT affected by AcqDemo are benefits, leave, merit system principles, allowances and travel/subsistence expenses, and anti-discrimination laws.

Among the major goals of AcqDemo is to provide a system that retains, recognizes and rewards employees for their contribution, and also supports their personal and professional growth.

The phrase “rewards employees for their contribution” is really the key element that separates AcqDemo from other systems. AcqDemo focuses on the impact of contributions an employee makes to the mission of an organization. We discuss this unique concept further in other eLearning courses available on the AcqDemo website.

1.6 Slide 7, Program Evolution



Let's quickly run through an AcqDemo Overview starting with how we got here.

AcqDemo is not new. It began with encouragement and authorization for the SECDEF to conduct a personnel demonstration project for the civilian acquisition workforce. Since its inception a number of amendments were published revising the program to either comply with regulatory changes or make modifications based on program execution. Currently, AcqDemo is authorized until FY 2023 with a ceiling of 130K. Current participating organizations bring the total to approximately 38,000.

As we are all aware, NSPS was implemented as the Department of Defense personnel system in FY06/07. And, as of FY10, with the repeal of NSPS, organizations participating in AcqDemo prior to NSPS were required by law to return to AcqDemo.

After the successful transition of AcqDemo personnel from NSPS to AcqDemo in 2011, the AcqDemo Program Office authorized new organizations that meet the AcqDemo criteria to enter the demonstration project.

Most recently, the greatest changes to AcqDemo since its implementation was made official with the formal publication of a completely re-written Federal Register Notice on November 9, 2017.

1.7 Slide 8, Employee Benefits

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The Benefits for Employees

- Tools to better understand contribution expectations
- Flexibility of movement within broadband
- Expanded temporary promotion and detail opportunities
- Expanded career development opportunities
- Contributions exceeding expectations rewarded with greater compensation and/or awards

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Let's review a few of the benefits for AcqDemo employees:

- It provides employees with tools to better understand contribution and performance expectations. These include the three required planning and feedback sessions with the supervisor, written contribution plans, expected contribution criteria, and the factor descriptors and discriminators.
- It allows for flexibility of movement within broadbands. Duties may change within a position or within-band reassignments can be accomplished non-competitively by giving employees the opportunity to expand their work experience.
- It provides a simplified process for temporary assignments and details without the need for official personnel actions. Non-competitive temporary promotions and details to higher broadband levels are also less complicated.
- It allows for expanded career development opportunities. In AcqDemo, employees have the ability to take on increased responsibility within a particular broadbanded position. Employees also experience the chance to take advantage of various training opportunities once limited to acquisition designated employees.
- And it has an appraisal system that rewards higher-than-expected contributions with greater compensation and/or monetary awards through the CCAS process.

1.8 Slide 9, Supervisor Benefits

The Benefits for Supervisors

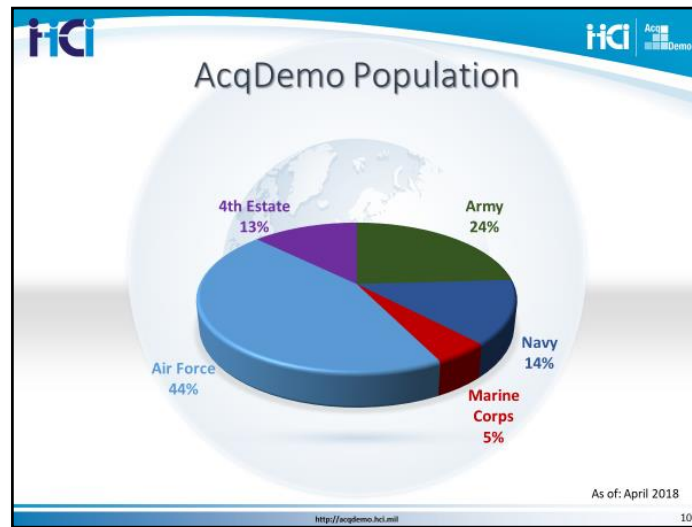
- Local manager authorities to *manage* their acquisition workforce
- Tools for attracting and hiring a quality workforce
- Flexibilities in assignment of duties to meet mission challenges
- Opportunities for meaningful communication with employees
- Tools for linking employee contributions to pay
- Tools for addressing marginal or inadequate contributions and unacceptable quality of performance

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In addition to the benefits for employees, Supervisors also realize some benefits under AcqDemo.

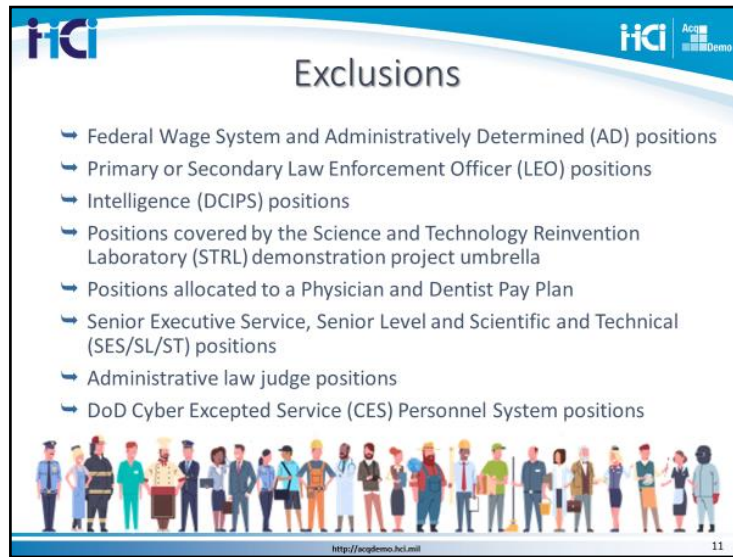
- It provides local managers authority to actually *manage* their own acquisition workforce. For example, classification authority resides at the lowest practical level – in most cases this means the second-level supervisor.
- It provides the tools to attract and hire a quality workforce with flexible pay setting for external hires and a number of other direct hire authorities.
- It provides for flexibility in assignment of duties to meet mission challenges with the ability to create positions written at any level within a broadband.
- It provides opportunities for meaningful communication with employees through various feedback sessions under CCAS.
- It provides the tools to reward contributions at or above the expected level by linking compensation to contribution.
- And, it provides tools for addressing marginal or inadequate levels of contribution and/or unacceptable quality of performance.

1.9 Slide 10, Demographics



As of April 2018, this is how the participants in AcqDemo were distributed among the DoD Components.

1.10 Slide 11, Populations Excluded from Participation



The Federal Register identifies positions that are included and excluded from participating in AcqDemo. In addition, there have been some positions within the Department of Defense that have been identified by OSD memo as being excluded or exempt from participating due to other pending actions (for example, establishment of a separate personnel system).

Law Enforcement Officers (LEOs), due to their unique compensation, are excluded and continue to remain in their current pay system.

Defense Civilian Intelligence Personnel System, or DCIPS, employees and employees covered by the Physician and Dentist Pay Plan are excluded from participating in AcqDemo since they are managed within their own specialized personnel and pay systems.

Senior Executive Service, Senior Level and Senior Technical positions, because they have their own personnel and performance system, are also excluded from AcqDemo.

Finally, excluded are those positions in designated cyber organizations or commands participating in the DoD Cyber Excepted Service (CES) Personnel System. This is a system recently established to manage the unique demands of the cyber workforce.

2.0 RECRUITMENT AND STAFFING

2.1 Slide 12, Recruitment and Staffing Introduction



AcqDemo Recruitment and Staffing flexibilities adhere to the general principles of fairness and equity and abide by Merit System Principles and Prohibited Personnel Practices. Selection processes for acquisition positions are aligned with the mission and goals of the organization and focus on attracting and successfully hiring the best qualified applicants. Recruitment efforts reflect the need to expand diversity and inclusion in organizations that best represent stakeholder populations. Veterans' Preference is considered a positive factor in the selection of the best qualified candidates.

To support and enhance AcqDemo recruitment and staffing efforts, flexibilities have been developed for both internal and external staffing and placement endeavors. Let's take a look...

2.2 Slide 13, Appointments and Periods of Employment

Types of Appointments

Permanent appointments

- ↳ Career
- ↳ Career-conditional

Temporary appointments

- ↳ Temporary Limited – NTE 1 year, two 1-year extensions
- ↳ Modified Term – NTE 5 years, +1 year extension

Excepted Service – e.g. Pathways Programs

- ↳ Target Career Level Positions
- ↳ Eligibility determined by organization or component
- ↳ Recent graduates (within 2 years of completing academic course requirements, or up to 6 years if due to military service obligations)

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Under its Appointment Authority, AcqDemo provides three methods for expanding and contracting the workforce as needed. They are:

Permanent Appointments

Employees who are serving on permanent appointments (this matches the existing Career or Career-Conditional options under GS).

Temporary Appointments

AcqDemo temporary appointments match the existing GS authority for temporary appointments which is "not-to-exceed-one-year". Temporary appointments are for 1 year only, with an option for two 1-year extensions for a maximum total of 3 years of service. Employees who convert to AcqDemo during a temporary appointment will maintain their original "not-to-exceed date." Extensions of the temporary appointment after conversion not-to-exceed a total of 3 years may be granted.

Modified Term

The modified term is an appointment authority that is based on the existing term appointment but may extend up to five years with a one-year locally approved extension (maximum six years). The one-year extension must be approved by the commander or his designated representative. Reasons for making a modified term appointment include, but are not limited to, carrying out specific projects, staffing new or existing programs of limited duration, filling a position in activities undergoing review for reduction or closure, and replacing permanent employees who have been temporarily assigned to another position, are on extended leave, have entered military service, or hiring college students for the Acquisition Student Intern Program.

2.3 Slide 14, Direct Hire Appointment (DHA) Authorities



Direct Hire Appointment (DHA) Authorities

- Reduce hiring timelines
- Simplify the process
- Title 5, U. S. C. authorities also available
 - ↳ Veterans' Recruitment Authorities
 - ↳ Individuals with Disabilities
 - ↳ Consultant and Expert
 - ↳ Intergovernmental Personnel Act appointments

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AcqDemo's hiring authorities were developed to reduce hiring timelines and simplify hiring processes with greater flexibilities. Participating organizations will determine the appropriate use of these authorities relating to their recruitment needs, specific occupational series and broadband levels linked to the mission of the organization. Organizations may use these authorities where there is a shortage of candidates and a critical hiring need.

In addition to AcqDemo hiring authorities, Participating Organizations may still use existing Title 5 authorities. Examples are the veterans' recruitment authorities, Individuals with Disabilities, Consultant and Expert, and Intergovernmental Personnel Act appointments.

2.4 Slide 15, DHA Authority for the NH Career Path

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DHA Authority for the NH Career Path

Qualified candidates may be directly hired into positions classified in the NH career path

Applies to...

- DAWIA-covered positions and/or
- Other NH positions supporting DAWIA-covered positions 51% or more of the time

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Under AcqDemo, the Head of a Participating Organization has the authority to appoint qualified candidates directly into positions classified in the NH, Business Management and Technical Management Career Path. Candidates must have at least a baccalaureate degree as required by the Office of Personnel Management (OPM) or DoD qualification standards for acquisition positions. Administrative Professional positions directly supporting Acquisition positions at least 51% of the time must also meet OPM and DoD qualification standards to be eligible for appointment.

This expedites the hiring process because organizations no longer have to apply to OPM for approval to use these Direct Hire Authorities.

2.5 Slide 16, Direct Hire Authority: Veterans

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DHA Authority for Veterans

Qualified *veteran* candidates may be directly hired into positions classified to *either the NH or NJ* career path


Applies to...

- DAWIA-covered positions and/or
- Other *NH or NJ* positions supporting DAWIA-covered positions 51% or more of the time

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The Head of a Participating Organization may also use direct hire authority to appoint qualified veterans directly into acquisition positions AND to positions supporting Acquisition positions at least 51% of the time. An added feature to this AcqDemo direct hire authority is the option to appoint veterans to positions in the Technical Management Support, NJ, career path and well as to the Business Management and Technical Management, NH, career path.

2.6 Slide 17, Direct Hire Authority: Acquisition Student Interns



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DHA Authority for Student Interns

- ▶ Students enrolled in a recognized baccalaureate degree program required to qualify for a DAWIA-covered position
- ▶ Students enrolled in a recognized degree program providing the competencies, knowledge, skills, etc., required to qualify for a DAWIA-covered position
- ▶ Additional essential credit hours or related experience in an acquisition-related field as defined by DoD internal issuances also considered qualifying

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Under the Acquisition Student Intern Appointment Authority, the Head of a Participating Organization may directly appoint candidates enrolled in a program of undergraduate or graduate instruction at an institution of higher education leading to either:

- A baccalaureate degree, a BS or BA, in a course of study as required by OPM qualification standards for an acquisition position in an acquisition career field, or
- A degree, the completion of which provides the competencies, knowledge, and skills required by an acquisition position. This may also include any additional essential credit hours or related experience in an acquisition-related course or position as defined by DoD internal issuances.

2.7 Slide 18, External Hiring Authorities: Scholastic Achievement

For qualified candidate appointments to DAWIA-covered positions with positive education requirements.

Career Path and Broadband	Requirements		
	Degree	GPA (4.0 Scale)	Level of Experience
NH-II	Baccalaureate	3.25+ in occupation-specific courses ~ 3.0+ overall ~	None
	Master's or PhD	3.5 for graduate courses in occupation-required field of study	None
NH-III	Master's or PhD	3.5 for graduate courses in occupation-required field of study	May be considered in combination with education

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As a way to attract candidates to the acquisition workforce, AcqDemo Participating Organizations may use the Scholastic Achievement Appointment Authority. They may directly appoint candidates with degrees to acquisition positions with positive education requirements in the NH-II or NH-III broadband levels of the Business Management and Technical Management Professional, NH, career path.

Note the Grade Point Average (GPA) criteria required to qualify under this authority. Relevant work experience may also be considered in combination with scholastic achievement.

Appointments may be made to permanent or term positions.

2.8 Slide 19, External Hiring Authorities: Targeted Recruitment and Outreach

Targeted Recruitment and Outreach

- ▶ Hiring managers may make on-the-spot tentative job offers at job fairs and other recruiting events and websites
 - ↳ Must use AcqDemo noncompetitive or direct hiring authority
 - ↳ Managers make offers in consultation with their Human Resources Offices
- ▶ Offers are contingent upon meeting appropriate requirements
 - ↳ Examples include clearing local priorities, security clearances, and/or certifications

~ Additional Component / Agency policy may apply ~

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Hiring managers and HR Specialists should partner to identify the best sources for their targeted recruitment and outreach strategies to fill permanent and limited term competitive and excepted service positions with highly qualified candidates. Organizations should constantly target and reach out to specific groups of talented individuals who meet acquisition position requirements. They should also push for diversity and inclusion to ensure the workforce represents all segments of society.

Managers and HR Specialists should use a variety of sources, such as university and college placement offices, in-person and virtual job fairs, professional associations, alumni associations, employee referrals, USAJOBS and non-federal employment websites, contractors, and retiring or separated military members. Organizations are not limited to these examples in their search for candidates and are encouraged to experiment with different and unique methods remembering to adhere to Merit System Principles.

In consultation with HR offices, managers can make on-the-spot tentative job offers at job fairs and other recruiting events when using a noncompetitive and direct hire authority. The offer is contingent upon clearing local priorities, including the priority placement program, reemployment priority list, and interagency career transition assistance plan. Requirements for security clearances and certification must also be met.

Your organization may develop local policies for its targeted recruitment and outreach program. Check to see what and how your organization has chosen to utilize this recruitment strategy.

You can download a 2-page summary reference for all these direct hire authorities from the AcqDemo website (acqdemo.hci.mil). Go to “Tools” then “Job Aids” and click on “Direct Hire Authorities.”

2.9 Slide 20, The Rule of Many



Rule of Many

Applicant Quality Groups—
Minimally qualified candidates are further reviewed for their competencies, knowledge, skills and abilities directly linked to the job to be filled and placed into one of three referral groups

Basically Qualified
No “Rule of Three”
Selecting officials receive a reasonable number of candidates

Highly Qualified

Superior
Veterans’ preference candidates considered for appointment if determined to best meet mission requirements

~ Additional Component / Agency policy may apply ~

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The AcqDemo Federal Register provides for a Simplified Hiring Process. This process is what we refer to as Categorical Ranking – something unique to the AcqDemo community when it first started back in the year 2000 but was later adopted as a best practice. This method is now used under Title 5 in the General Schedule.

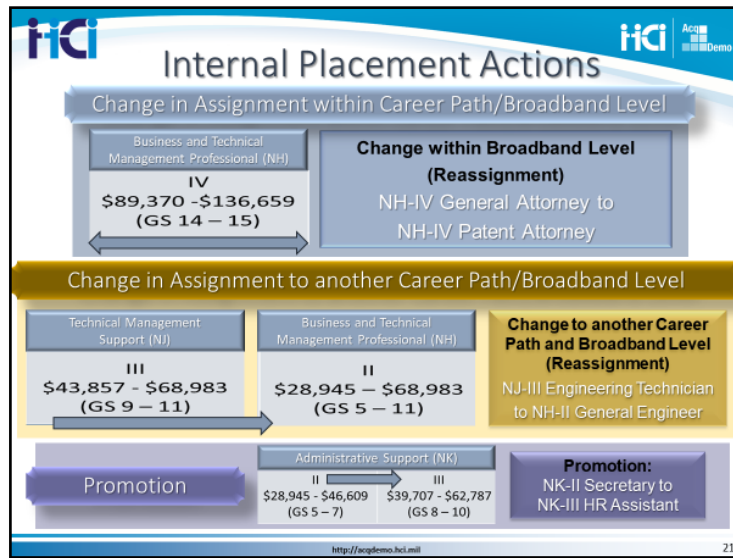
Basically, Categorical Ranking is a process by which candidates are assigned to one of three quality groups—basically qualified, highly qualified, or superior. Placement into a quality group may be based on an examination of individual qualifications and work experience, if any.

Because the Rule of Three is not applicable under this hiring process, management is not limited to a specified number of candidates to make their selection.

Veteran’s Preference applies during the selection process. A Veteran should be selected if they are found to best meet mission requirements. “To best meet mission requirements” means the applicant has the knowledge, skills, abilities, and/or competencies to substantially exceed the minimum qualification requirements for the position.

AcqDemo provides for this method of Delegated Examining at the local level. Consult with your Component Representative for more specifics on how to administer AcqDemo’s Rule of Many.

2.10 Slide 21, Internal Staffing Methods



Change in Assignment

Today's working environment mandates organizations have maximum flexibility to assign individuals to the highest priority work. Broadbanding enables the organization to assign an employee work within broad descriptions, consistent with the needs of the organization and the individual's qualifications. Work assignments may be accomplished verbally if covered by the PRD or via pen-and-ink revisions if the new assignment does not constitute a classification change or a change to the rate of basic pay.

For instance, a technical expert can be assigned to any project, task, or function requiring similar technical expertise. Likewise, a manager could be assigned to manage any similar function or organization consistent with that individual's qualifications. This flexibility allows broader latitude in assignments and further streamlines the administrative process and system.

Promotion

A promotion within AcqDemo is considered to be to either a higher broadband level within the existing career path or to a different career path with a higher maximum basic pay potential.

An increase in basic pay, resulting from a promotion, will not exceed more than 20% of the employee's existing basic pay, unless 20% would not place the employee at the minimum basic pay of the higher broadband level to which he or she is being promoted. In this case a higher percentage may be applied so that the employee's basic pay is at least at the minimum basic pay of the higher broadband level.

2.11 Slide 22, Probationary Periods

Probationary Periods

Two-year initial probationary period mandatory for all newly appointed employees to competitive service permanent positions

Expanded supervisory and/or managerial probationary periods

New supervisors not having previously completed a supervisory probationary period will be required to complete a 1-year probationary period

Additional supervisory probationary period of 1 year may be required when officially assigned to a different supervisory position constituting a major change in supervisory responsibilities

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All newly appointed employees in the competitive service with DoD serve a two-year, initial probationary period. The traditional probationary period is extended by one year for all DoD appointees and its purpose remains the same—to evaluate an employee’s suitability at DoD. A probationary employee’s appointment may be terminated at any time within this two-year period.

The requirement for a one-year initial probationary period for all new supervisors has not changed. However, under AcqDemo, a supervisor may be required to serve an additional year of probation when officially reassigned to a supervisory position with a major change in supervisory responsibilities. An example of an extended probationary period requirement would be moving from a journey-level supervisory position to an Acquisition Workforce Position or moving from an Acquisition Workforce Position to a Key Leadership Position.

Participating Organizations establish official policy if they choose to apply this additional probationary period and identify specific positions associated with the requirement. If a supervisor is returned to a non-supervisory position because of conduct, contribution and/or performance, the employee will receive basic pay no lower than the position from which he or she was reassigned or promoted.

2.12 Slide 23, Voluntary Emeritus Program

Voluntary Emeritus Program

Voluntary assignments and gratuitous services may be accepted from—

AcqDemo retired or separated civilian employees who served in either DAWIA-covered positions or positions in direct support of DAWIA-covered positions

Non-AcqDemo DoD retired or separated civilian employees and former military members who worked in DAWIA-covered positions

- ▶ Geared towards the NH career path
- ▶ Maintains ties with the acquisition community
- ▶ Permits higher level professionals to share knowledge via mentoring and training
- ▶ Does not affect retirement pay or buyout
- ▶ Allows for compensation of travel expenses and allowances

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Participating Organizations may accept voluntary assignments and gratuitous services from AcqDemo retired or separated civilian employees who served in acquisition positions or positions in direct support of acquisition positions. This opportunity is further extended to non-AcqDemo or separated civilian employees and military members who have served in acquisition positions.

The program allows higher level professionals to maintain ties to the acquisition community, to share corporate knowledge, and to provide mentoring and training to less experienced staff. The Voluntary Emeritus Program gives AcqDemo managers the opportunity to initiate a viable knowledge transfer mechanism for their organizations.

A written agreement is required to clearly state the service provided to the Acquisition community is gratuitous. To encourage the use of these assignments, the program does not affect the volunteer's retirement pay, or buyout if applicable, and allows for payment of travel expenses and allowances. The Head of the Participating Organization approves participation in the program after being routed through the senior acquisition manager with recommendations from one or more acquisition managers familiar with the skills, knowledge and experience of the volunteer.

2.13 Slide 24, Sabbaticals

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Sabbaticals

- ▶ Unique employee development opportunity
 - ↳ Must have 7 or more years of Federal service
- ▶ Benefits both employee and organization
- ▶ Employees selected to participate...
 - ↳ Receive full salary, service credit and benefits
 - ↳ Requires a service obligation agreement for three times the length of the sabbatical
- ▶ 3 to 12 months in duration
 - ↳ Provide a product, service, report, or study benefitting the organization and acquisition community as a whole
 - ↳ Demonstrate enhanced individual acquisition effectiveness

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Employees with seven or more years of Federal service may be eligible for a sabbatical—an opportunity to engage in a work or study experience that will contribute to their professional development. This program can be used for training with business, manufacturing, or on-the-job work experience with public, private, or non-profit organizations. Regardless of the setting, the activity must contribute to both an employee’s development and the organization’s mission.

If selected, employees will be paid their full salary and allowances and accrue federal service credit while on the sabbatical. Employees approved for a paid sabbatical must sign a service obligation agreement and commit to staying with the sponsoring organization for a period equal to three times the length of the sabbatical. The service obligation begins when the sabbatical concludes.

Sabbaticals last from three to twelve months, and must result in a product, service, report, or study that will benefit the acquisition community and increase the employee’s own effectiveness as a member of that community. If the participating organization chooses to offer this development opportunity, interested employees should apply through their chain of command.

3.0 PAY ADMINISTRATION

3.1 Slide 25, Pay Administration Section Overview

Pay Administration

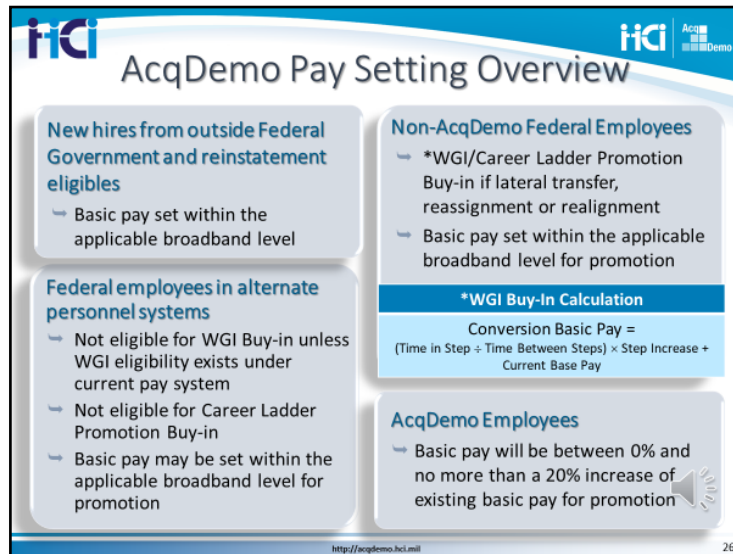
- AcqDemo Pay Setting Overview
- Compensation Strategy
- AcqDemo Highest Previous Rate
- Pay Retention
- Accelerated Compensation for Developmental Positions (ACDP)
- Supervisory and Team Leader Cash Differentials
- Recruitment, Relocation and Retention Incentives
- Non-CCAS Awards

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AcqDemo pay administration opens the door to being competitive in the labor market while keeping the cost to the organization within established budgetary limits. This section reviews general pay setting rules for new and existing employees, describes the concept of a compensation strategy, and discusses several compensation management choices a Participating Organization may decide to use.

In AcqDemo, the term “Basic Pay” equates to Title 5’s “Base Pay” in that AcqDemo’s “Basic Pay” does NOT include locality or any other form of adjusted base pay. Because it is a contribution-based pay system, AcqDemo does not have to use special pay tables to be competitive. Its “Basic Pay” essentially encompasses all forms of Title 5 adjusted pay except for locality and, therefore, carries the same weight as Title 5 “Base Pay.”

3.2 Slide 26, AcqDemo Pay Setting Overview



The slide, titled "AcqDemo Pay Setting Overview", is divided into four main sections. The top left section, "New hires from outside Federal Government and reinstatement eligibles", states that basic pay is set within the applicable broadband level. The top right section, "Non-AcqDemo Federal Employees", notes that WGI/Career Ladder Promotion Buy-in is required for lateral transfers, reassignments, or realignments, and that basic pay is set within the applicable broadband level for promotion. The bottom left section, "Federal employees in alternate personnel systems", lists that such employees are not eligible for WGI Buy-in unless they have WGI eligibility in their current system, are not eligible for Career Ladder Promotion Buy-in, and their basic pay may be set within the applicable broadband level for promotion. The bottom right section, "AcqDemo Employees", states that basic pay for promotions will be between 0% and no more than a 20% increase of existing basic pay. A central box provides the "WGI Buy-In Calculation" formula: Conversion Basic Pay = (Time in Step ÷ Time Between Steps) × Step Increase + Current Base Pay. The slide includes the HGI logo and the URL <http://acqdemo.hci.mil> at the bottom.

Pay Setting under AcqDemo is fairly simple.

If an individual is hired from outside the Federal Government (contractor or military, for example), that individual's basic pay may be set by management anywhere within the applicable broadband level range – taking into account current basic pay, market conditions, qualifications, education, and expected contribution level.

If an individual is hired into AcqDemo from within the Federal Government (via lateral transfer or reassignment), the individual's current non-AcqDemo base pay is matched unless the addition of a Within-Grade Increase, or WGI, is applicable. Because most of the Department and Federal Government is under the General Schedule, hiring employees from GS positions is the norm. The AcqDemo guidance provides for a WGI buy-in for employees newly entering the Demo. This adjustment provides these employees with a prorated portion of the WGI amount they have earned to date in their General Schedule position.

For those employees being hired into AcqDemo via promotion action, their basic pay may be set between a 0 - 20% increase.

All basic pay must be set at least at the minimum of the broadband level. This means when required to meet the broadband minimum, basic pay for promotions may exceed the 20% maximum. When Federal employees are hired with a basic pay above the AcqDemo broadband level, pay retention may apply.

3.3 Slide 27, Compensation Strategy



Compensation Strategy

- ▶ What is a Compensation Strategy?
- ▶ Compensation Policy
- ▶ Your Role in Supporting a Compensation Strategy

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To be competitive in the labor market and maintain pay equity across the organization, the development and consistent execution of a compensation strategy is essential. But what, exactly, is a compensation strategy and how can HR contribute to its success?

Your senior level managers will have examined the pay flexibilities AcqDemo has to offer and identified those best suited for the organization and the success of its mission. A major goal of the establishment of an organization's compensation strategy is consistent execution of the policies. And consistency contributes to internal pay equity – a key component of successful position management.

This organization-wide attention to managing compensation in a way that drives mission goals and objectives AND aligns with the organization's position management structure promotes fairness in compensation decisions. AcqDemo's pay flexibility, matching contribution to compensation, is a dramatic departure from the rigidity of the General Schedule – a longevity-based pay system.

3.4a Slide 28, Compensation Strategy Defined



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What is a Compensation Strategy?

One of three parts to a compensation management program

- ↳ Compensation philosophy
- ↳ **Compensation strategy**
- ↳ Compensation policy

Aligns with compensation philosophy and your organization's strategic objectives

- ↳ Maintains mission excellence
- ↳ Attracts new talent
- ↳ Retains and motivates existing employees

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A compensation management program is comprised of three parts: a compensation philosophy, a compensation strategy and a compensation policy.

The philosophy is the overarching goal of the compensation management program. AcqDemo has defined its compensation philosophy to encompass three overarching goals: ensure equitable pay for the duties of the position, recognize individual competency achievements, and reward contribution to mission.

The compensation strategy aligns with the AcqDemo compensation philosophy AND supports organizational strategic goals and objectives. As a personnel management system, AcqDemo drives mission excellence by attracting new talent and retaining valuable talent within the organization. AcqDemo's pay flexibilities were designed to give organizations the right tools to achieve effective human resource management.

3.4b Slide 29, Compensation Strategy Defined (cont.)



What is a Compensation Strategy?

Seeks to provide the right rewards appropriate for employee levels of contribution

- Internal pay equity for like positions and contributions
- Links rewards to mission impact

Sets the general policies and procedures for compensation within an organization

- Consistent with pay budgets
- Used to derive rules for rewarding contributions

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An organization's compensation strategy will seek to link recognition and rewards to the impact an employee's contribution has had on the mission of the organization. At the same time, policies supporting the compensation strategy will ensure pay equity for like positions, promote pay management within budgetary constraints, and reward contributions fairly.

3.5 Slide 30, Compensation Policy

Compensation Policy

Understand your organization's policies for...

- ↳ Hiring strategies
- ↳ Pay setting and progression strategies
 - Maximum pay for positions
 - Starting salaries
 - Progression through a broadband
 - When to make pay-related position changes

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The organization's compensation policy will be based on a strategy that answers questions like...

- How competitive do you need to be in the local private sector labor market?
- What is more important – internal pay equity or market competitiveness?
- What is important to an employee? This is rarely restricted to compensation. Benefits, work-life programs and the mission itself can be motivating to an employee.
- How can you compete if your salary rates are lower? What else can you offer?
- Do you have control points (maximum salaries) for positions? If so, what are the rules associated with them and do you understand their impacts?
- What is more valuable – more staff with lower skill levels (and, therefore, lower pay) or fewer, well-paid and highly motivated staff?
- Are you making decisions based on the position or the person?

To provide accurate and valuable advice about pay management in AcqDemo, you, as an HR professional, need to be well versed in the organization's pay setting and progression strategies and the policies supporting them such as: maximum pay for positions, starting salaries, progression through a broadband, and when to make pay-related position changes. You will be supporting both the organization's compensation strategy and helping your managers make the right decisions.

3.6 Slide 31, HR's Compensation Strategy Role



HR's Compensation Strategy Role

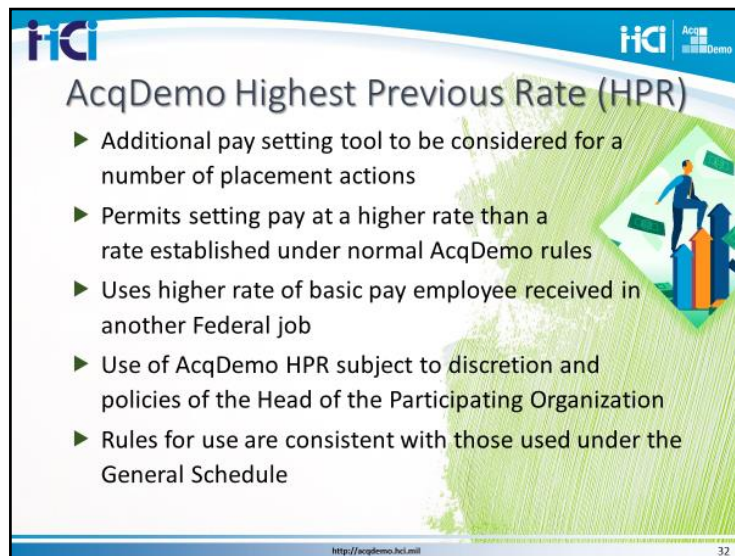
- ▶ Understand your organization's compensation strategy and policies
- ▶ Relay the compensation strategy and policy to your hiring officials
- ▶ Share concerns with higher level management for review with Personnel Policy Board
- ▶ Apply organization policy in recruiting and providing pay setting advice

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Here is a summary of an HR professional's compensation strategy role. Your advice and guidance to hiring officials and managers contribute to the successful execution of the organization's compensation strategy. More importantly, because you are in a unique position to know both the employee and management perspectives, the results the strategy achieves – good or bad – should be shared with higher level management. Without this information, it is difficult, if not impossible, to make needed changes to the strategy to ensure the right talent is recruited and retained.

Now, let's look at some of the pay flexibilities your organization's compensation strategy may include.

3.7 Slide 32, AcqDemo HPR

The slide features a blue header with the 'hci' logo on the left and 'AcqDemo' on the right. The main title is 'AcqDemo Highest Previous Rate (HPR)'. Below the title is a bulleted list of six points. To the right of the text is a graphic of a person climbing a bar chart. The background is a light green with a subtle pattern. At the bottom, there is a URL and the number '32'.

AcqDemo Highest Previous Rate (HPR)

- ▶ Additional pay setting tool to be considered for a number of placement actions
- ▶ Permits setting pay at a higher rate than a rate established under normal AcqDemo rules
- ▶ Uses higher rate of basic pay employee received in another Federal job
- ▶ Use of AcqDemo HPR subject to discretion and policies of the Head of the Participating Organization
- ▶ Rules for use are consistent with those used under the General Schedule

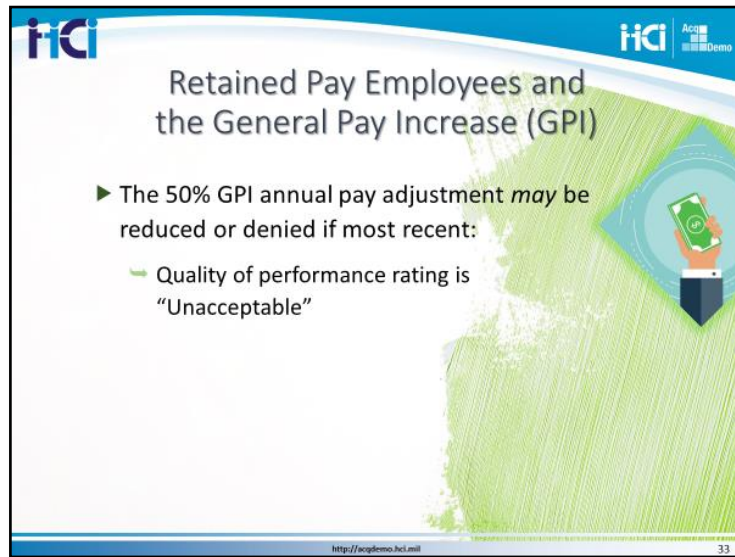
<http://acqdemo.hci.mil> 32

This feature is similar to the Title 5 HPR you may be accustomed to using. If an employee has received a higher basic pay in another Federal job than one established using normal AcqDemo pay setting rules, the organization may set pay at that higher rate. This is the AcqDemo Highest Previous Rate, or HPR, rule. It mirrors the HPR used in Title 5 and may be used for reemployment, transfer, reassignment, promotion, demotion, change in type of appointment, termination of a critical position pay authority, movement from a non-GS pay system, or termination of grade or pay retention.

Use of AcqDemo HPR is at the discretion of the Head of the Participating Organization and is subject to policies established by the organization's senior leaders or Personnel Policy Board.

Check for your organization's policy on this pay setting option.

3.8 Slide 33, Employees on Retained Pay and the GPI



Employees on retained pay in AcqDemo are treated the same as GS employees when it comes to applying the annual General Pay Increase, or GPI—the maximum they may receive is 50% of the GPI. AcqDemo gives the option to Participating Organizations to withhold all or part of the 50% GPI allotment if a retained pay employee’s contribution is considered “Unacceptable.” The Unacceptable rating may have been determined by an annual or interim contribution assessment. This will be documented in the Participating Organizations published AcqDemo Business Rules which are provided to the employees.

Retained pay employees may not receive a basic pay increase, a Contribution Rating Increase (CRI), as part of the CCAS process but may be eligible for a Contribution Award (CA) if their contribution assessment supports it.

If your organization has decided to use this flexibility, a policy will exist. Be sure to review the policy regarding the GPI allowance to retained pay employees with an Unacceptable rating.

3.9 Slide 34, Retained Pay Employees and Adverse Actions

Retained Pay Employees and Adverse or Contribution-Based Actions

Ineligible for retained pay if placed into lower broadband as a result of adverse or contribution-based action

- ▶ Pay **will** be reduced for involuntary change to lower broadband level
 - ↳ Percentage determined by Participating Organization
 - ↳ Pay set no lower than assigned broadband basic pay minimum

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Other circumstances can cause a change in retained pay status. Retained pay will be terminated and basic pay reduced if an employee is placed in a lower broadband as a result of an adverse or contribution-based action. The Participating Organization determines the percentage the pay is to be reduced under these circumstances but may not set pay any lower than the minimum pay of the broadband to which the employee has been reassigned.

If, however, an employee is placed in a lower broadband due to circumstances outside the employee's control, such as a position reclassification or reduction in force, the employee is eligible for pay retention.

3.10a Slide 35, Accelerated Compensation for Developmental Positions (ACDP)

hgi Accelerated Compensation for Developmental Positions (ACDP)

Eligible employees...

- ... Are in acquisition positions OR non-acquisition positions supporting DAWIA-covered positions at least 51% of the time
(Classified to NH I, II, and III broadband levels)
- ... Participate in formal training programs, internships, or other developmental capacities
- ... Demonstrate successful or better growth and development in job-related competencies
- ... Exceed contribution expectations associated with their Expected Overall Contribution Score (EOCS)

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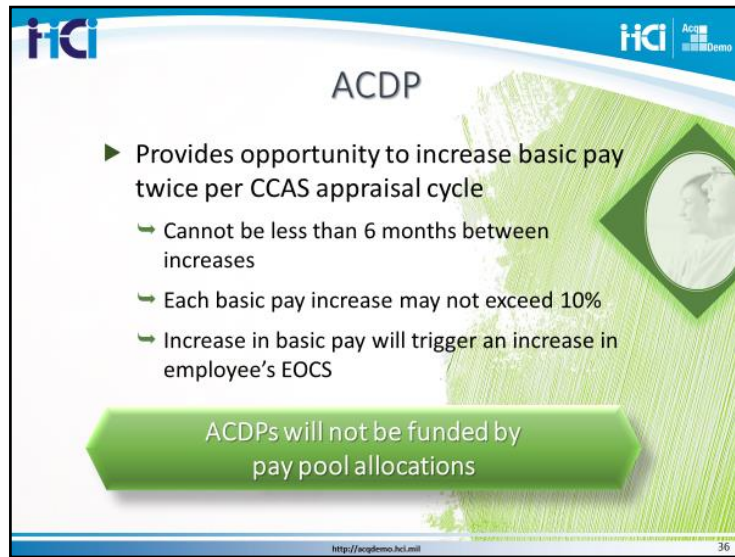
Accelerated Compensation for Developmental Positions, or ACDP for short, allows for more frequent basic pay increases for developmental positions than would normally occur with just the annual CCAS pay pool payout.

It recognizes employees in DAWIA-covered positions, and those in non-acquisition workforce positions requiring 51% or more time in direct support of acquisition positions, in an acquisition career field classified to Broadband Levels I, II, and III of the Business Management and Technical Management Professional (NH) Career Path who:

- Are participating in formal training programs, internships, or other developmental capacities;
- Have demonstrated successful or better growth and development in the attainment of job related competencies;
- Have demonstrated effective accomplishment of a level of work higher than that represented by an ACDP employee's current rate of basic pay.

The term "Career Ladder Position" is typically used for these types of appointments.

3.10b Slide 36, ACDP

The slide features a blue header with the 'hcl' logo on the left and 'hcl Acq DEMO' on the right. The title 'ACDP' is centered at the top. A list of four bullet points is presented on the left side. A large green arrow points to the right, containing the text 'ACDPs will not be funded by pay pool allocations'. The background is a light green grid with a circular inset image of a person's profile. At the bottom, there is a URL 'http://acqdemo.hcl.mil' and the number '36'.

ACDP

- ▶ Provides opportunity to increase basic pay twice per CCAS appraisal cycle
 - ↳ Cannot be less than 6 months between increases
 - ↳ Each basic pay increase may not exceed 10%
 - ↳ Increase in basic pay will trigger an increase in employee's EOCS

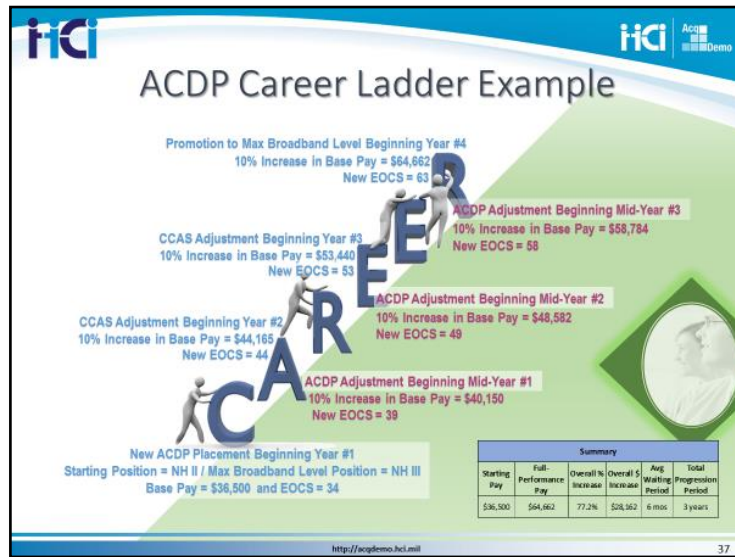
ACDPs will not be funded by pay pool allocations

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Standards by which ACDP increases will be provided and development criteria by which additional basic pay increases may be given will be established in combination with CCAS and documented in internal business rules, policies, and procedures of each Participating Organization. Check your local policy for additional information.

The amount of the ACDP increase may not cause the employee's basic pay to exceed the top of the employee's broadband level, the target pay for the employee's maximum broadband level, or compensation strategy set by internal business rules, policies, or procedures for both the position's value and employee's contributions.

3.10c Slide 37, ACDP – Progression Example



Here is an example of how an employee in an ACDP position may progress from an ACDP NH-II position “targeted” to an NH-III Maximum Broadband Level over a three-year timeframe with maximum 10% interim ACDP salary increases. Please note these calculations do not include the annual General Pay Increase and are provided for example only. Actual amounts will vary depending on the current salary structure and local policies.

3.11a Slide 38, Supervisory and Team Leader Cash Differentials

Supervisory and Team Leader Cash Differentials

Intended to incentivize and compensate supervisors and team leaders

Can be effectively applied when...

- ... Inequities exist between supervisory and non-supervisory subordinate pay
- ... Positions are extremely difficult to fill
- ... Organizational level and scope, difficulty, and value of position warrants additional compensation

A cash differential is NOT included as part of basic pay

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In the GS system, going from a non-supervisory role to a supervisory role typically involves a promotion from a GS-12 to a GS-13 position. As both of those positions in AcqDemo are NH-III positions, there is normally no opportunity to offer an employee a basic pay increase at the time of the position change. Instead, a pay increase may occur as a result of the CCAS process with a payout in January. The Supervisory and Team Leader Cash Differential was created to provide an additional incentive for difficult to fill or particularly challenging positions and allows for an increase in pay at the time of the position change.

A cash differential is not paid from pay pool funds and is NOT included as part of basic pay for entitlement calculations such as retirement or Thrift Savings Plans. It is, however, subject to the total aggregate limitation on pay. Because it is not part of basic pay, supervisors or team leaders who are at the maximum basic pay for their respective broadband level may still receive a cash differential.

Differentials are paid on a pay-period basis with a not-to-exceed limitation of one year or less and are reviewed each year at the same time as the CCAS annual assessment. Because of the annual review, cash differentials may be terminated or reduced as assessed against budgetary constraints, changes in assignment or scope of work, or an employee's removal from the supervisory or team leader position regardless of cause. Termination or reduction of a cash differential is not an adverse action and is not subject to appeal or grievance.

3.11b Slide 39, Supervisory and Team Leader Cash Differentials (Cont.)

Supervisory and Team Leader Cash Differentials (Continued)

Some caveats...

- ▶ Supervisory differential may not exceed 10% of basic pay
- ▶ Team leader differential may not exceed 5% of basic pay
- ▶ Reviewed annually with CCAS Assessment to validate continuing need
 - May be terminated or reduced

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Supervisory employees on retained pay are eligible to receive a supervisory cash differential not to exceed 10% of the maximum basic pay for the broadband level of their position. Team leader employees on retained pay are eligible to receive a team leader cash differential not to exceed 5% of the maximum basic pay for the broadband level of their position.

Cash differentials are not automatic simply because an employee is placed in a supervisory or team leader position. They are to be used selectively—not routinely—to compensate only those supervisors or team leaders who fully meet criteria established by AcqDemo rules and organizational policy. The contribution of supervisors and team leaders to the mission of their organization will be assessed separately under CCAS and a signed statement by an employee receiving a cash differential acknowledges all the stipulations required. Check your local policy regarding the use and management of Supervisory and Team Leader Cash Differentials.

3.12 Slide 40, Recruitment and Retention Incentives

“The 3 Rs”

Recruitment, Relocation and Retention Incentives

- ▶ Title 5 authorities available to AcqDemo participants
- ▶ Can be a percentage of pay or fixed dollar amount
- ▶ Gives organizations additional monetary incentive options in certain circumstances
- ▶ Governed by 5 CFR 575, parts A and C

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Because they are an essential weapon in an organization’s recruiting and retention arsenal, AcqDemo organizations may make full use of federal recruitment, relocation and retention incentives. A percentage of basic pay or fixed dollar amount, these incentives benefit the organization in the war for talent and may make the difference in a highly qualified candidate’s decision to accept or decline an offer of employment or elect to stay with an organization instead of going to another employer.

Recruitment incentives provide a critical edge in the organization’s ability to place a uniquely qualified candidate into a difficult, hard to fill position. A relocation incentive can help offset a candidate’s moving expenses when the organization is unable to pay permanent change of station costs. And retention incentives help to make the organization competitive when a highly qualified employee entertains an offer of employment elsewhere. It gives the organization a chance to retain valuable skills and knowledge that may otherwise just walk out the door.

Refer to the Code of Federal Regulations, specifically 5 CFR 575 parts A and C, and any local, policies regarding the 3 Rs for more detailed information on how to administer these incentives and the specific requirements associated with their strategic application.

3.13 Slide 41, Non-CCAS Cash Awards

Non-CCAS Awards

Title 5 U.S.C. non-rating based awards available to AcqDemo participating organizations

- ↳ Separate from CCAS contribution awards
- ↳ Not part of pay pool funding

Special Act awards of \$25,000 or less can be granted to covered employees

- ↳ Must comply with DoD, Component, or Agency criteria and instructions
- ↳ Subject to AcqDemo Service Acquisition Executive approval

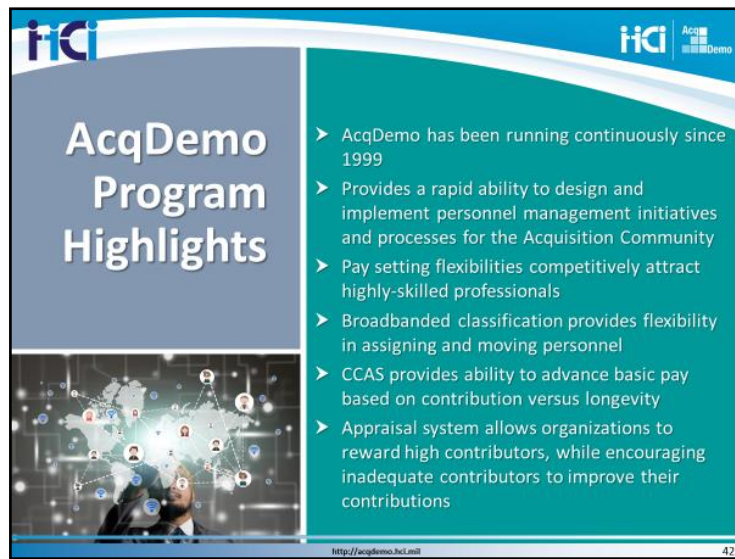
Subject to the aggregate limitation on pay

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To provide additional options to motivate and reward individuals and groups, some portion of the CCAS award budget is reserved for special acts and other types of awards as they occur. Awards may include, but are not limited to, special acts, patents, invention awards, suggestions, and on-the-spot. The funds for these traditional Title 5 awards are allocated separately within the constraints of the organization's budget in the CCAS funding pools. A minimum of 10% of the contribution award budget is automatically withheld and reserved for cash awards given throughout the CCAS appraisal year. Participating Organizations may elect to reserve more than the 10% minimum depending on their compensation strategy.

4.0 COURSE CLOSING

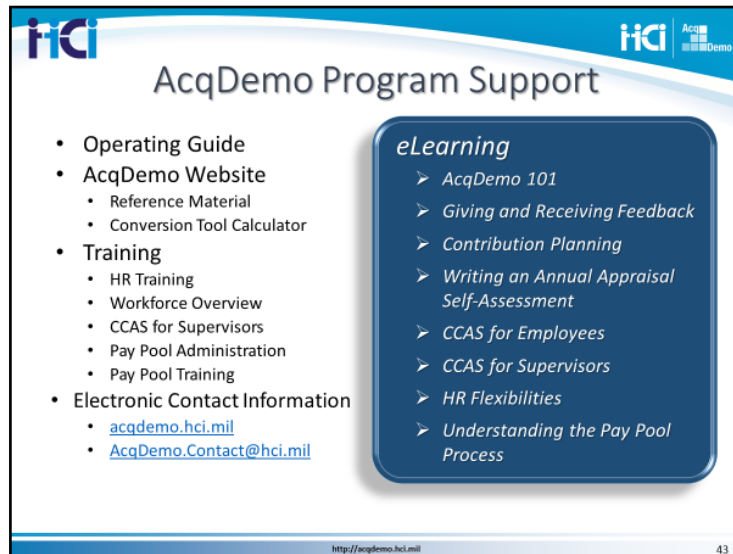
4.1 Slide 42, Program Highlights Review



This video has introduced many new concepts and processes associated with AcqDemo. To recap, here are some of the features and benefits of this personnel management system.

- AcqDemo has been running continuously since 1999.
- The system provides agility in the implementation and design of management initiatives and processes for the Acquisition Workforce.
- Pay setting flexibilities enhance the ability to attract highly skilled professionals and be competitive in the battle for talent.
- Pay banding increases talent management agility with flexible assignment and internal movement of personal.
- Replacing pay increases based on longevity with contribution-based pay
 - ... affords management with the ability to reward individual achievements and
 - ... encourages employees with inadequate contributions to improve.

4.2 Slide 43, Additional Support



The slide, titled "AcqDemo Program Support", features the HCI logo in the top left and right corners. The main content is organized into two columns. The left column lists support resources: Operating Guide; AcqDemo Website (with sub-points for Reference Material and Conversion Tool Calculator); Training (with sub-points for HR Training, Workforce Overview, CCAS for Supervisors, Pay Pool Administration, and Pay Pool Training); and Electronic Contact Information (with sub-points for acqdemo.hci.mil and AcqDemo.Contact@hci.mil). The right column, titled "eLearning", lists courses: AcqDemo 101, Giving and Receiving Feedback, Contribution Planning, Writing an Annual Appraisal Self-Assessment, CCAS for Employees, CCAS for Supervisors, HR Flexibilities, and Understanding the Pay Pool Process. A footer at the bottom left contains the URL <http://acqdemo.hci.mil> and the slide number 43 is in the bottom right.

The AcqDemo Program Office provides a variety of support. These include overall program operating procedures and a website that includes reference material, tutorials, and newsletters.

The AcqDemo website also provides training on subjects including HR training, Workforce Overview, CCAS for Supervisors, Pay Pool Administration, and Pay Pool Training.

For program details, visit the AcqDemo website: acqdemo.hci.mil. For questions, contact your local AcqDemo team or email the AcqDemo Program Office at: AcqDemo.Contact@hci.mil

The following e-Learning courses are available:

- AcqDemo 101,
- Giving and Receiving Feedback,
- Contribution Planning,
- Writing an Annual Appraisal Self-Assessment,
- CCAS for Employees,
- CCAS for Supervisors,
- AcqDemo HR Flexibilities, and
- Understanding the Pay Pool Process.

New courses will be developed, and existing courses updated as needed. Check the AcqDemo website for the latest training information.

4.3, Slide 44, Parting Thoughts



Thank you for watching and please let us know how we can best support your continued success in AcqDemo.