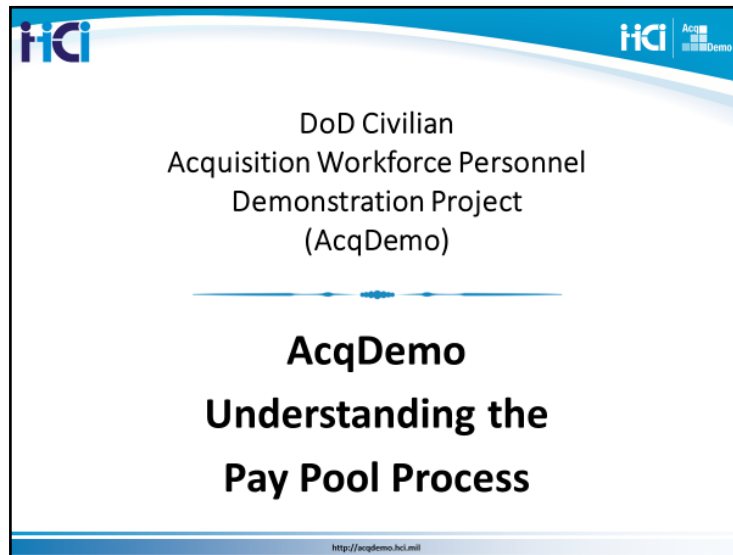


1.0 INTRODUCTION AND OVERVIEW

1.1 Slide 2, Course Opening



Welcome to *Understanding the Pay Pool Process*.

This course is a continuation of the AcqDemo eLearning series. You should complete **AcqDemo 101** prior to beginning this course as several related topics presented here were first explained in detail in **AcqDemo 101**. The goal of this course is to enhance your understanding of the Contribution-based Compensation and Appraisal System (CCAS) Pay Pool Process.

1.2 Slide 3, Course Objectives

Course Objectives

At the completion of this course, you will understand:

- The Purpose of AcqDemo
- Roles and responsibilities of everyone involved in the CCAS process
- CCAS process steps
- Importance of employee Self-Assessments
- Appraisal writing and scoring
- CCAS payout criteria
- How a Pay Pool Panel meeting is conducted
- AcqDemo Support and additional training opportunities

<http://acqdemo.hci.mil> 3

After completing the course, you will have a better understanding of:

- The Purpose of AcqDemo
- The roles and responsibilities of everyone involved in the CCAS process
- CCAS process steps
- Importance of Employee Self-Assessment
- Appraisal writing and scoring
- CCAS Award Payout Criteria
- How a Pay Pool Panel Meeting is Conducted
- AcqDemo Support and Additional Training Opportunities

1.3 Slide 4, Purpose of 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

<http://acqdemo.hci.mil>

4

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.

1.4 Slide 5, Design Overview

CCAS Design Purpose

- Another approach to performance management...
...with two key differences:

- 1. Designed to focus employees on creating impact**
 - Acquisition is a knowledge-based business—we depend on people to use their knowledge to advance mission performance
 - Discussing employee expectations will focus on contribution planning vs. performance objectives
 - Shapes professional acquisition workforce by using three standard factors to score employee contributions

<http://acqdemo.hci.mil> 5

CCAS is short for Contribution-based Compensation and Appraisal System. It is another approach to performance management with two key differences:

First, it is designed to focus employees on creating impact:

- Acquisition is a knowledge-based business—we depend on people to use their knowledge to advance mission performance;
- Discussing employee expectations will focus on contribution planning vs. performance objectives; and
- It shapes the professional acquisition workforce by using three standard factors to score employee contributions.

1.5 Slide 6, CCAS Design Purpose

CCAS Design Purpose
(Continued)

- Another approach to performance management
...two key differences:
 - 2. Designed to align compensation with level of contribution**
 - Basic pay level translates to expected contribution level
 - Assessed contribution level compared to the expected contribution level to determine compensation eligibility
 - AcqDemo software applications facilitate equitable distribution of pay pool funds

<http://acqdemo.hci.mil> 6

Second, it is designed to align compensation with individual levels of contribution

- Basic pay level translates to an expected contribution level;
- The assessed contribution level is compared to the expected contribution level to determine compensation eligibility; and
- AcqDemo software applications facilitate equitable distribution of pay pool funds.

2.0 PROGRAM GOVERNANCE

2.1 Slide 7, Personnel Policy Board

Personnel Policy Board

- Each Participating Organization will create a Personnel Policy Board, or modify the charter of an existing group, that will:
 - Oversee the civilian pay budget
 - Address issues associated with separate pay systems
 - Determine the composition of the pay pools
 - Review pay pool operations
 - Provide guidance to pay pool managers
 - Administer pay pool funding levels
 - Review new hire and promotion pay
 - Monitor award pool distributions
 - Assess the need to modify local demonstration project procedures and policies
 - Establish and monitor Quality of Performance process and results
 - Publish local business rules
 - Oversee the transition into AcqDemo

<http://acqdemo.hci.mil> 7

Each participating DoD activity is required to establish a **Personnel Policy Board (PPB)** for the demonstration project or modify the charter of an existing group. The Personnel Policy Board is the guiding oversight body for AcqDemo operations within an organization. The Board will consist of the senior civilian in each major office and directorate within the activity and be chaired by the Commander/Director.

The PPB's areas of responsibility include overseeing the civilian pay budget, establish and publish internal AcqDemo business rules, and establish and oversee all AcqDemo pay pools.

2.2 Slide 8, Pay Pool Panel Responsibilities

Responsibilities of the Pay Pool Panel

- Review preliminary ratings for consistency and equity
- Reconcile preliminary ratings that are poorly documented or otherwise outside business rules
- Approve ratings of record and payout results
- Adjudicate challenges to ratings of record

<http://acqdemo.hci.mil> 8

Under AcqDemo, you are a member of a pay pool. A pay pool is a group of employees who are evaluated together under AcqDemo's performance management system, the Contribution-Based Compensation and Appraisal System, or CCAS. Their purpose is to share a common view of the organization's mission, goals, and objectives in reviewing the contribution and performance of employees by subordinate supervisors, and bring a common perspective to how employees are evaluated, and therefore, compensated and appraised.

Pay pools are established within each participating organization to evaluate how the contributions of each individual employee in the pay pool have led to the accomplishment of the overall goals/objectives of the organization in support of its mission. Pay pools are typically based either on organizational structure (for example, all employees in a division or a directorate would be in the same pay pool), by functional area, or by geographic location. A pay pool should consist of between 35 and 300 employees. Pay pools may further be broken down to sub pay pools if desired by the Personnel Policy Board.

Each pay pool is led by a pay pool manager, a person within the pay pool who is responsible for managing the CCAS process within their authority. As such, the pay pool manager has annual pay adjustment authority though determinations made by the pay pool manager are subject to higher management review.

The pay pool panel is a group of people who normally report directly to the pay pool manager. Together, along with the pay pool manager, they determine employees' final Overall Contribution Scores, pay adjustments, and contribution awards.

The use of pay pool panels ensures that individual supervisor's preliminary scores are reviewed by their peers, again, typically other supervisors in the same pay pool.

A pay pool panel member shall not recommend or set his/her own rating or pay. The pay pool manager also shall not recommend or set his/her own rating or pay.

2.3 Slide 9, Supervisory Responsibilities



Responsibilities of Supervisors

- Review organizational goals and priorities at start of appraisal cycle
- Conduct annual contribution planning and explain Expected Contribution Range (ECR)
- Monitor and document employee progress and provide coaching/feedback throughout appraisal cycle
- Address contribution and/or performance issues immediately upon identification
- Provide mentoring for career development
- Conduct a formal Mid-Point Review
- Request Annual Appraisal Self-Assessment
- Complete an end-of-cycle Annual Appraisal
- Use factor descriptors to determine preliminary categorical scores and Performance Appraisal Quality Levels for pay pool
- Participate in pay pool process as required
- Conduct Annual Appraisal conversation

<http://ecqdemo.hci.mil>

At the beginning of the appraisal period, or shortly after a new employee or supervisor reports for duty, the supervisor discusses expected contributions with the employee for the appraisal period. This includes discussion of career path, broadband level, factors, and mission goals. The supervisor will review with each employee the Expected Contribution Range (ECR) corresponding to the employee's current basic pay.

During the appraisal cycle, informal and frequent communication between supervisor and employee is essential. This must include discussion of any inadequate contribution in one or more of the factors. Approximately midway through each appraisal cycle, the supervisor will meet with the employee to discuss progress under CCAS and make a notation of this in the Mid-Point Review discussion.

At the conclusion of the appraisal period, the supervisor requests that employees provide input describing their own contributions throughout the year for each factor. The supervisor considers inputs from the employee, if available, personal observations, and other sources as appropriate, to assess the level of the employee's contribution for each factor. The supervisor then determines the preliminary categorical score for each factor, along with the recommended Performance Appraisal Quality Level (PAQL) ratings and submits them to the pay pool for further deliberation.

After the pay pool manager has approved the results, the supervisor communicates the final Overall Contribution Score (OCS), factor scores and pay adjustments, if applicable, to each employee. Potential opportunities for increasing contribution for the upcoming appraisal period are also discussed. The supervisor and employee sign the original of the Part I CCAS Appraisal Form. The employee receives the original form, while a copy is kept by the supervisor.

2.4 Slide 10, Employee Responsibilities

Responsibilities of Employees

- Understand and meet the contribution expectations identified during Contribution Planning
- Seek feedback and guidance as needed throughout the appraisal cycle
- Prepare a Mid-Point Review and Annual Appraisal Self-Assessment in accordance with local policy

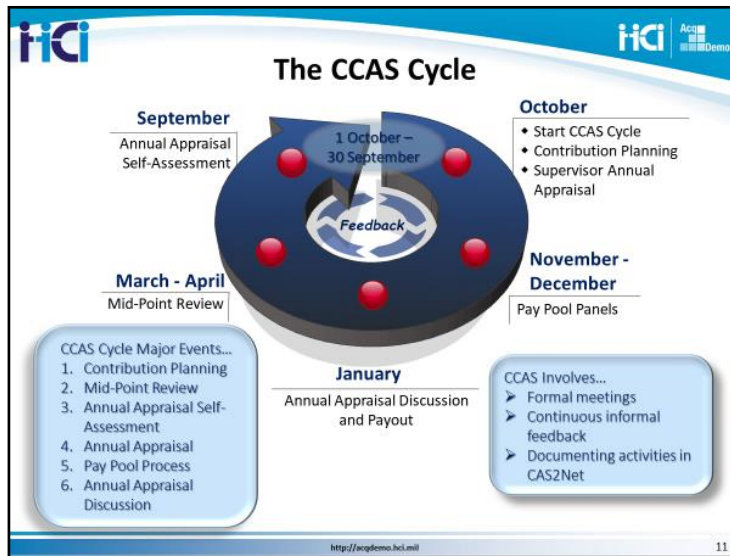
<http://acqdemo.hci.mil> 10

The employee is responsible for meeting all assignments identified during contribution planning with their supervisor. If an employee feels there are any roadblocks that could potentially impact their success, it is his or her responsibility to bring the issue(s) to the attention of the immediate supervisor.

An employee may complete a Mid-Point Review Self-Assessment and an Annual Appraisal Self-Assessment, in accordance with local policy. It is highly recommended employees do this so that they have their own voice heard directly to the pay pool.

3.0 ELEMENTS OF THE PAY POOL PROCESS

3.1 Slide 11, The CCAS Cycle



The CCAS appraisal cycle includes the 12-month fiscal year plus three months following the appraisal period for the pay pool panel process. The CCAS process includes 6 major events: (1) Contribution Planning; (2) Mid-point Review; (3) Annual Appraisal Self-Assessment; (4) Annual Appraisal; (5) Pay Pool Process; (6) Annual Appraisal Discussion.

The Contribution-based Compensation and Appraisal System (CCAS) process involves formal meetings and informal feedback throughout the cycle and uses contribution planning and assessment documents that are recorded in CAS2Net, the CCAS software tool, to determine appraisal results.

While the rating cycle begins 1 October, to be eligible for a CCAS rating, you must be under AcqDemo for at least 90 consecutive calendar days during the period beginning 1 July and ending 30 September.

Beginning of the Appraisal Period

The CCAS appraisal cycle begins 1 October. This is the time when you and your supervisor discuss the new cycle contribution planning expectations for the following 12-month appraisal period, ending 30 September.

Mid-Point

The timing of the Mid-Point Assessment is locally determined, but usually falls in the March to April timeframe. Supervisors and employees work together to document progress, identify any known issues, and make any necessary course corrections.

End of the Appraisal Period

At the end of the rating period, you will complete your Annual Appraisal Self-Assessment in accordance with local policy.

The rating and pay pool panel process begins in October. During that time your supervisor assesses your level of contribution to the organization's mission throughout the year. He or she reviews your self-assessment and assigns categorical scores to each of the 3 factors.

The sub-pay pools meet to review the categorical scores proposed by your supervisor and assign a numerical score to each of the 3 factors. The Pay Pool Panels usually meet in November or early December to finalize scores and determine compensation adjustments and awards.

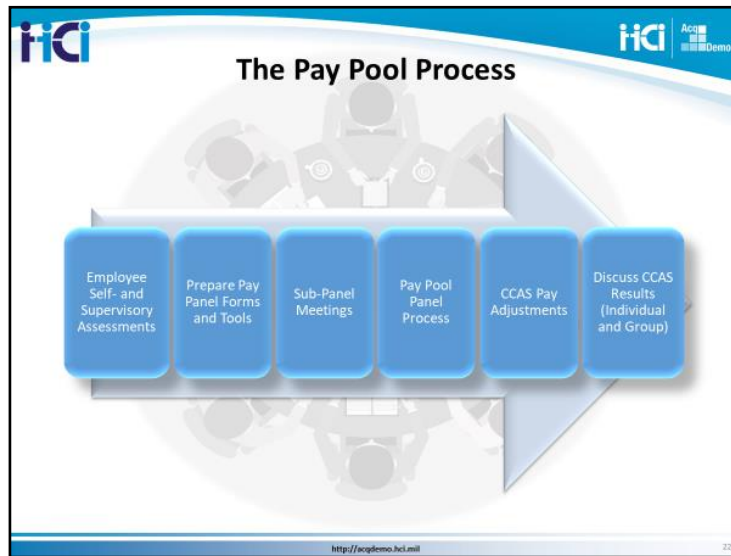
Results

At the end of the pay pool process, your supervisor communicates to you the results approved at the pay pool meetings. This Annual Appraisal discussion typically occurs in January. At the conclusion of the meeting, you and your supervisor sign the CCAS Salary Appraisal Form indicating this meeting has occurred. Any pay adjustments are effective the first full pay period in January.

To be eligible for the payout based on your CCAS rating, you must be in an AcqDemo organization on the effective date of the payout, which is the beginning of the first full pay period in January.

An employee who leaves after the end of the appraisal period, but before the effective date of the payout may receive compensation in the form of a Special Act or other such award at the discretion of the pay pool manager.

3.2 Slide 12, The Pay Pool Process



Now that we've discussed the CCAS process and touched on some of the elements of the contribution assessment process, let's take a brief look at the overall pay pool panel process - AcqDemo's process for evaluating contribution, quality of performance, and aligning compensation to contribution.

The process starts with the supervisor requesting a self-assessment from the employee. Using that information along with personal knowledge and frequently, input from customers, the supervisor assesses the employee's contribution against the three factors and completes the supervisory assessment. For each factor, the supervisor recommends a categorical score and performance appraisal quality level (PAQL) rating.

A key component to this process is the preparation of documents needed for the panel members to review and reach consensus on scores and payout distributions. The Pay Pool Administrator will provide the pay panel members with the contribution assessments of employees in the pay pool and a populated Compensation Management Spreadsheet (CMS) to be used to document appraisal and payout decisions made during pay pool deliberations.

Next, the sub-panels will meet to review employee contributions in terms of equity, consistency, and grouping. They will also assign categorical and numerical scores for final review by the pay pool panel.

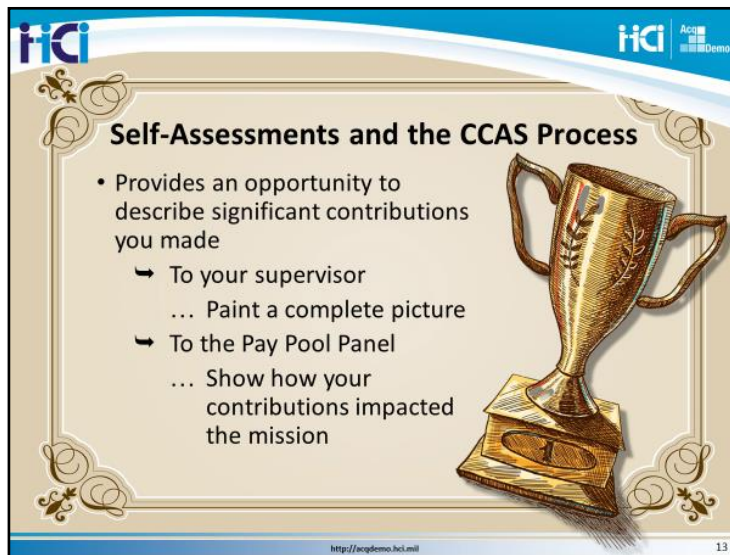
Once the sub-panels have completed their review and assigned numerical scores, the pay pool then reviews all employees' OCS and PAQL ratings from Sub-Panel results. During the pay pool panel process, inconsistencies are identified and corrected as appropriate and once consensus has been reached, the pay pool manager will approve and finalize the OCSs and PAQL ratings to ensure ratings and scores are accurate.

The next, and to most employees, the most important task the pay pool panel will perform is to allocate payouts for CRI and CA. The CMS will complete the necessary computations based on the

payout factor established by its algorithm. The pay pool panel will review the CMS's payout distributions and ensure they are equitable and in line with the organization's compensation management policies. Adjustments are made as necessary.

The end-of-cycle discussion between supervisors and their employees is the final step in the pay pool process and can only occur after the Personnel Policy Board has approved pay pool panel results and the annual GPI and locality percentages have been finalized in the CMS. At this time, the organization will prepare and present a report of CCAS results to the general employee population.

3.3 Slide 13, Self-Assessments and the CCAS Process



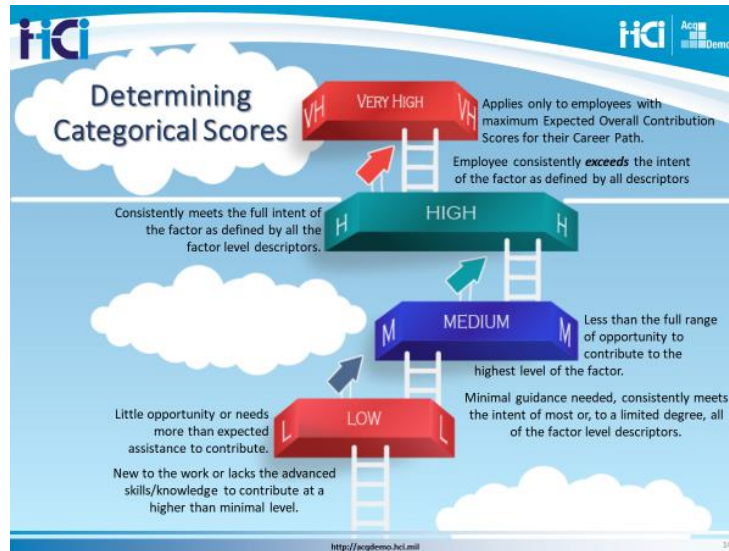
At the end of the appraisal cycle, subject to Component or local policy, an Annual Appraisal Self-Assessment is optional but highly encouraged.

An annual appraisal self-assessment provides you the opportunity to present a narrative description of your significant contributions made during the appraisal period to both your supervisor and the pay pool panel.

It also gives you the opportunity to:

- Provide Your Supervisor with a Complete Picture of Your Significant Contributions
- Demonstrate to the Pay Pool How Your Contributions Contributed to the Mission

3.4 Slide 14, Determining Categorical Scores

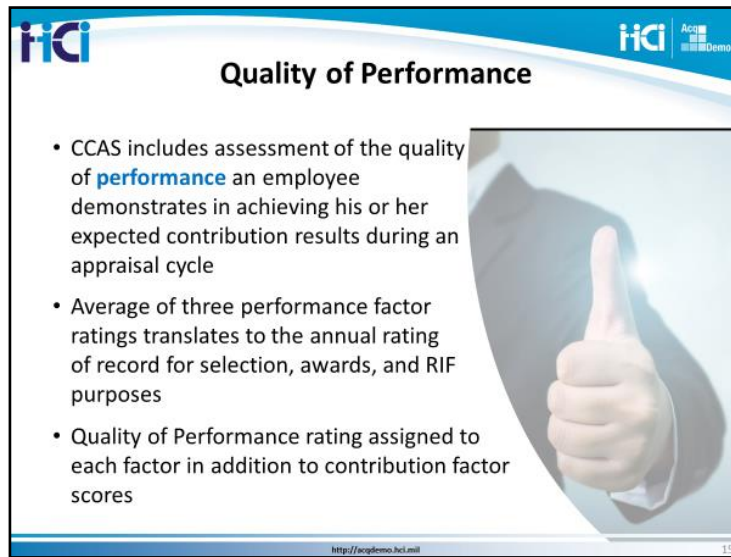


The next step in the CCAS cycle is the annual appraisal written by the supervisor.

The supervisor compares employee contributions against the appraisal criteria (the three factor descriptors and discriminators) and the expectations documented in the contribution plans. Factor descriptors cannot be modified or supplemented.

Contributions may not perfectly match all descriptors for a particular level and input for each discriminator is not necessary. The descriptors should be considered in whole to derive a single evaluation of each factor. Descriptors are written at the top of the broadband level. Supervisors determine the degree to which an employee's contributions have met or exceeded the factor descriptors.

3.5 Slide 15, Quality of Performance



Quality of Performance

- CCAS includes assessment of the quality of **performance** an employee demonstrates in achieving his or her expected contribution results during an appraisal cycle
- Average of three performance factor ratings translates to the annual rating of record for selection, awards, and RIF purposes
- Quality of Performance rating assigned to each factor in addition to contribution factor scores

<http://acqdemo.hci.mil> 15

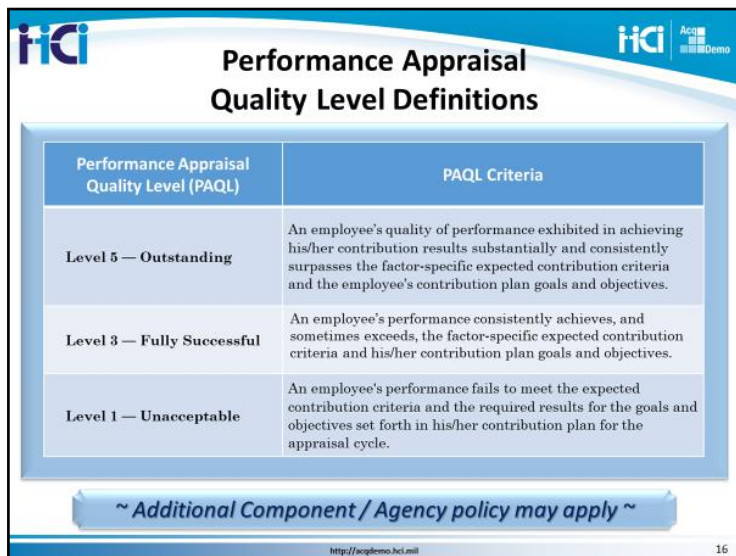
AcqDemo also has a Quality of Performance assessment in order to meet requirements mandated by Congress in the Fiscal Year 2017 National Defense Authorization Act (NDAA) that requires all reduction-in-force decisions to be based primarily on performance.

The Quality of Performance rating may be used for the selection of employees for assignments, training, awards, promotions, and RIF purposes.

To appropriately capture performance, AcqDemo incorporates a performance assessment. The performance level assigned to each factor should reflect an employee's level of performance during the appraisal cycle as compared to the factor "Expected Contribution Criteria" language.

A participating organization may supplement the generic criteria with additional standards that identify milestones, production, due dates, or other measurable aspects of success contributing to the organization's mission and are achievable during the appraisal cycle.

3.6 Slide 16, Quality of Performance Level Values



The slide features the HICI logo in the top left and top right corners. The top right corner also includes the text 'Acq DEMO' with a small icon. The main title is 'Performance Appraisal Quality Level Definitions'. Below the title is a table with two columns: 'Performance Appraisal Quality Level (PAQL)' and 'PAQL Criteria'. The table lists three levels: Level 5 - Outstanding, Level 3 - Fully Successful, and Level 1 - Unacceptable. At the bottom of the table area, there is a blue banner with the text '~ Additional Component / Agency policy may apply ~'. The footer of the slide contains the URL 'http://acqdemo.hici.mil' and the number '16'.

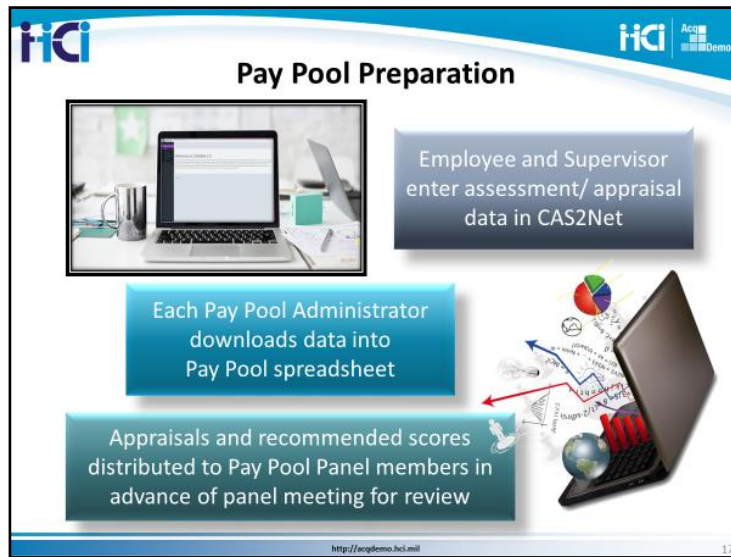
Performance Appraisal Quality Level (PAQL)	PAQL Criteria
Level 5 – Outstanding	An employee's quality of performance exhibited in achieving his/her contribution results substantially and consistently surpasses the factor-specific expected contribution criteria and the employee's contribution plan goals and objectives.
Level 3 – Fully Successful	An employee's performance consistently achieves, and sometimes exceeds, the factor-specific expected contribution criteria and his/her contribution plan goals and objectives.
Level 1 – Unacceptable	An employee's performance fails to meet the expected contribution criteria and the required results for the goals and objectives set forth in his/her contribution plan for the appraisal cycle.

~ Additional Component / Agency policy may apply ~

<http://acqdemo.hici.mil> 16

A preliminary performance appraisal level of either Level 5 –Outstanding, Level 3 –Fully Successful, or Level 1 -Unacceptable will be assigned by the rating official to each of the three contribution factors. To ensure fairness and consistency across the entire pay pool, the Pay Pool Panel will make final decisions on the level scores.

3.7 Slide 17, Pay Pool Preparation



Once all employee and supervisor data has been entered into CAS2net, the people assigned as pay pool administrators download the categorical scores, numerical scores, and PAQLs into the DoD standardized pay pool panel spreadsheets: Sub-Panel Meeting spreadsheet and the Compensation Management Spreadsheet. All pay pool calculations are executed in this spreadsheet.

Appraisals and recommended scores are distributed to all pay pool panel members prior to the first meeting so that they may review the information and come prepared with any questions or concerns.

3.8 Slide 18, Finalizing Categorical Scores

The slide displays a matrix for finalizing categorical scores. The matrix is titled 'Finalizing Categorical Scores' and is presented within a blue-bordered frame. The frame includes the HCl logo in the top left and 'HCl Acq Demo' in the top right. At the bottom of the frame, the URL 'http://acqdemo.hcl.mil' and the slide number '18' are visible.

NH Contribution Matrix		Factors		
		Job Achievement and/or Innovation	Communication and/or Teamwork	Mission Support
Very High	High			
	Med			
	Low			
Level IV	High			
	Med			
	Low			
Level III	High (79 - 83)	3H		
	Med (67 - 78)		3M	3M
	Low (61 - 66)			
Level II	High			
	M/H			
	Med			
	M/L			
	Low			

When the Pay Pool Panel meet for the first time, their first task is to review and normalize categorical scores and PAQLs across the panel in order to ensure consistency and fairness to all employees.

Note, the Pay Pool structure may be broken down into Sub Pay Pool Panels. If so, the Sub Pay Pools will meet first, agree on categorical score placements, assign numerical scores and forward the results to the pay pool.

3.9 Slide 19, Determining Numerical Scores

Once the recommended Categorical Score is known, determine a numerical score

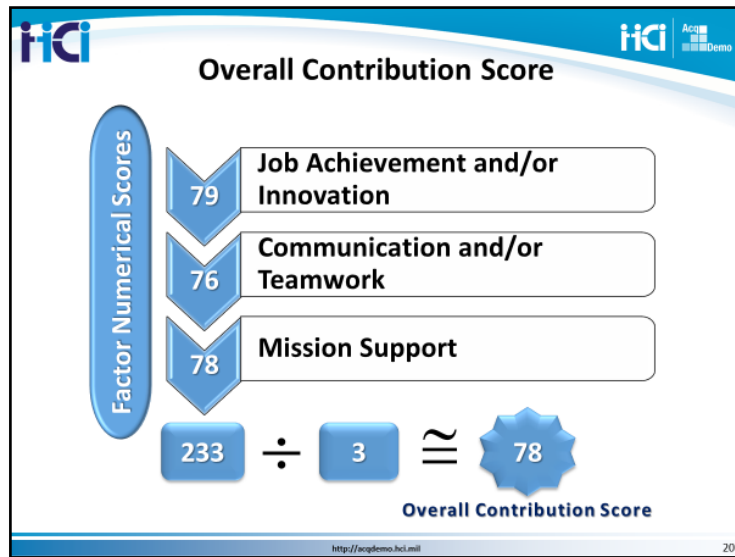
- Use factor discriminators and knowledge of the employee's contributions to rank order the results
- Use rank order and knowledge of the employee's contributions to determine numerical scores

NH Career Path Job Achievement and/or Innovation Factor	
3 High (3H)	79-83
John, Dan	83
Susan	82
Bruce, Rick	81
James	80
Rose, Joe	79

<http://acqdemo.hci.mil> 19

The pay pool meetings begin next. Using the assessment information provided by the supervisors, and the employees as well if provided, the pay pool considers the context of the contributions of each member of the pay pool. Based on the value of the contributions made to the mission of the organization, the contributions are rank ordered and numerical scores are assigned to each of the three factors for each employee. Note that multiple people can receive the same numeric score if the value of their contributions is considered to be equivalent.

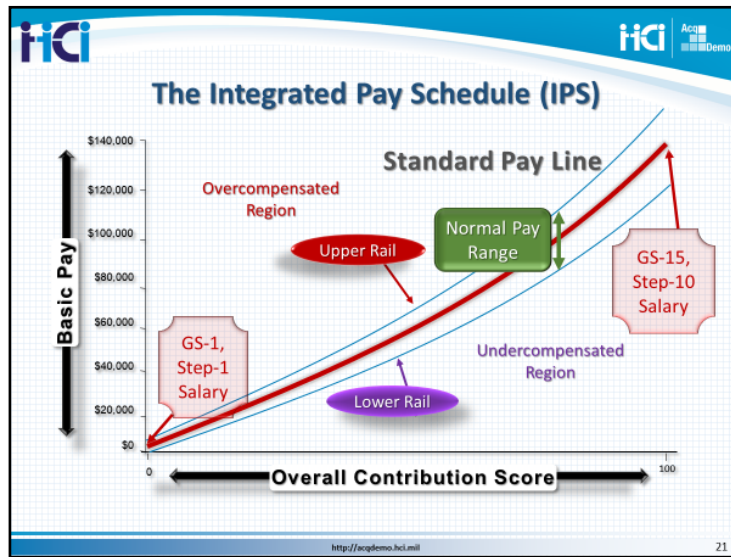
3.10 Slide 20, Overall Contribution Score



After considering each preliminary OCS for equity and consistency, the pay pool manager approves a final score for each factor. Those scores are averaged and rounded to the nearest whole number resulting in an Overall Contribution Score (OCS) for each employee.

4.0 PAYOUT CALCULATIONS

4.1 Slide 21, The Integrated Pay Schedule



Now that we've discussed all of the steps, let's see an illustration on how it all plays out.

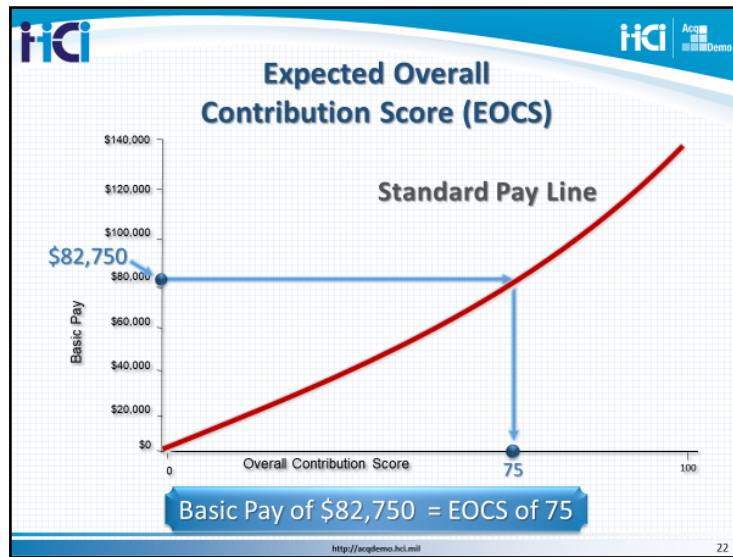
Let's begin with a graphic that illustrates how AcqDemo ties expected contribution to actual compensation. In talking about this graph we're going to cover a few things.

On this graph the Y-axis looks at AcqDemo basic pay in the same range as those within the GS pay scale. Along the X axis we have overall contribution scores ranging from 0 to 100.

To show the relationship between these two is this red line known as the Standard Pay Line. The Standard Pay Line starts at a point that's equivalent to basic pay associated with a GS1, Step 1 and ends at a point equivalent to the GS15, Step 10 basic pay.

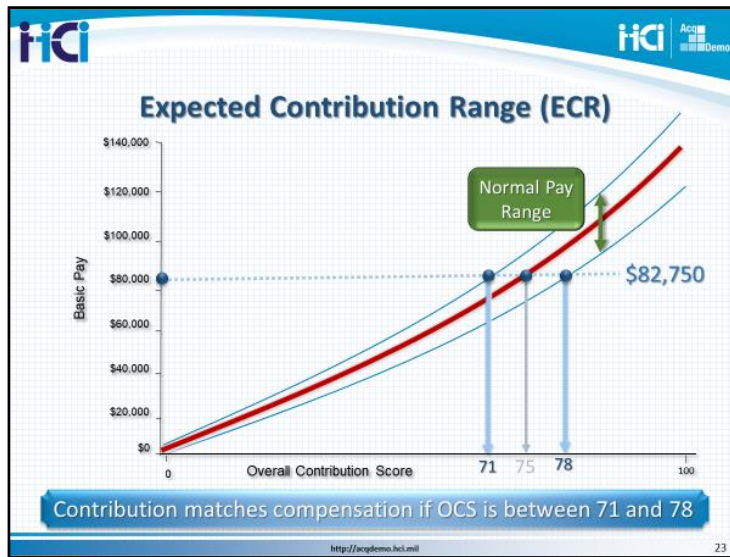
Surrounding the standard pay line, there are two additional rails known as the upper rail and the lower rail. You will see here that they are indicated in blue. Each of these rails are 8% in basic pay away from the Standard Pay Line. If we're to look at scores along the horizontal axis, you'll see that the Standard Pay Line is offset by the upper and lower rail by approximately 4 points to each side. Now, why does this become important? First it becomes important as we set your expected contribution.

4.2 Slide 22, Expected Overall Contribution Score (EOCS)



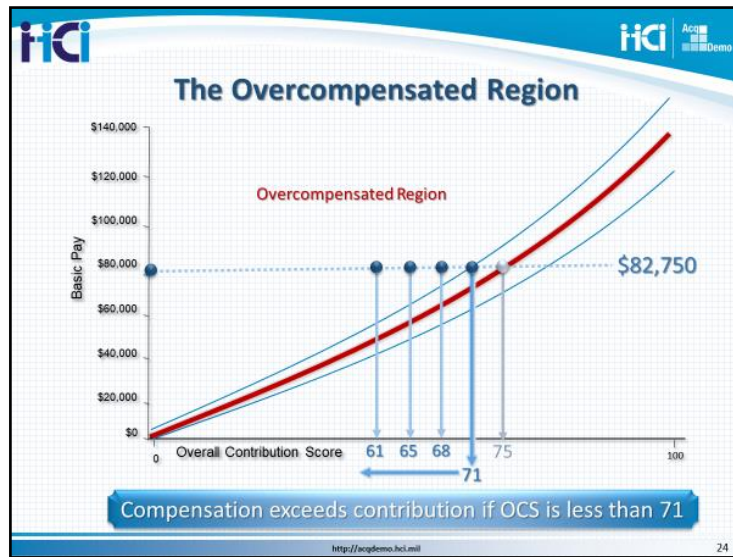
Let's say you are making \$82,750 in basic pay under AcqDemo. Your expected score is determined by the point at which your basic pay and OCS intersect on the Standard Pay Line. I just so happen to know that for a salary value of \$82,750, the score corresponding to that is a 75. So now we've identified the exact contribution score that corresponds to your current basic pay. This is known as your Expected Overall Contribution Score, or EOCS.

4.3 Slide 23, Expected Contribution Range (ECR)



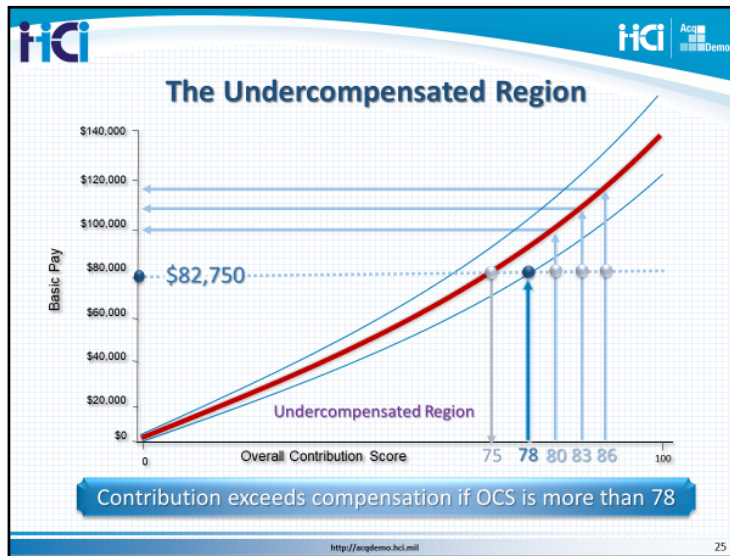
You'll also see where this salary figure intersects a range, which is known as the Normal Pay Range, at three different points. If we track the first point, again offset by about 4 points, we see it first intersects this Normal Pay Range at the point value of 71. And the last point it intersects is at a point value of 78. So, this means an OCS falling anywhere between 71 and 78 indicates a level of contribution within what's known as your Expected Contribution Range, or ECR. Now, what are the other two zones?

4.4 Slide 24, The Overcompensated Region



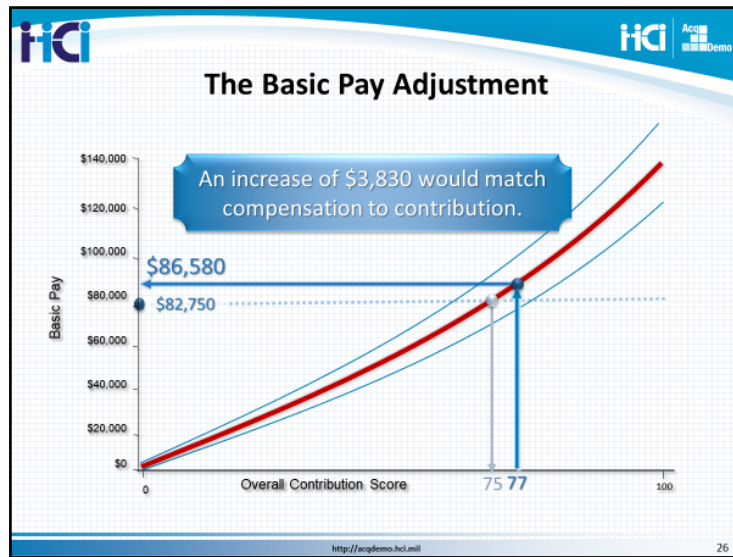
Instead of scoring within the Normal Pay Range, let's say you receive an OCS that is less than 71. This now places you above the normal pay range. So, plotting above the upper rail means that you're considered to be overcompensated for the level of contribution you achieved.

4.5 Slide 25, The Undercompensated Region



The third range is known as the Undercompensated Region. This means your basic pay is too low for your level of contribution. Let's say that again with that same \$82,750 salary, you receive an OCS that is higher than 78. If we track any of these scores back to the normal pay range, now we're talking about something much higher as far as a salary. This all relates to what's expected relative to your current basic pay. Let's now talk about what actually happens when a person is scored.

4.6 Slide 26, The Basic Pay Adjustment



Let's say that this individual with an expected score of 75 actually scores 77 for this appraisal period. To determine the value of that score we really just work in reverse of the original process shown earlier. We take the 77, track it back up to the Standard Pay Line, and bring it back over to the Y-axis, the Basic Pay line. Tracking it this way, we see that a 77 is equivalent to a basic pay of \$86,580. The difference between the expected OCS and the final score is +2 and the difference between the current basic pay and the basic pay equivalent to a 77 is \$3,830. That amount is what it would take to really bring you up to the level of compensation you should receive based on your level of contribution.

There are a lot of different factors that go into what you'll actually receive based on pay pool funding and other things; but as far as the basic mechanics of how the Normal Pay Range and the scale itself works, that's it.

4.7 Slide 27, Performance Appraisal Quality Level (PAQL) Values

PAQL Values

- Quality of performance appraisal level ratings assigned to each factor are averaged.
- The average translates to the annual rating of record using the Rating Criteria, below:

Rating of Record	Rating Criteria
Level 5 — Outstanding	The average score of the three appraisal levels is 4.3 or greater, with no contribution factor being rated a “1” (Unacceptable), resulting in a rating of record that is a “5”.
Level 3 — Fully Successful	The average score of the three appraisal levels is less than 4.3, with no contribution factor being rated a “1” (Unacceptable), resulting in a rating of record that is a “3”.
Level 1 — Unacceptable	Any contribution factor rated as “1”.

<http://acqdemo.hci.mil> 27

During the pay pool panel process, panel members will review the preliminary performance appraisal level justifications for the contribution factors and rating of record for all pay pool members for consistency and equity of application within the pay pool population before final approval.

The three performance appraisal levels are then averaged to calculate the annual rating of record. The resulting quotient will be rounded to the nearest tenth of a decimal point.

The annual rating of record will be recorded as a Level 5 - Outstanding, Level 3 - Fully Successful, or Level 1 - Unacceptable.

The average raw score of the three appraisal levels and the approved annual rating of record will be recorded in the Defense Civilian Personnel Data System.

4.8 Slide 28, Pay Pool Funding

Pay Pool Funding

- Contribution Rating Increase (CRI)**
 - Intended to be consistent with funds historically spent in GS on within-grade increases, quality-step increases and promotions between grades that are now banded
 - Minimum of 2% of activity's total basic pay budget of employees onboard as of 30 September
- General Pay Increase (GPI)**
 - Accounts for the cost of labor and percentage increase for the GS pay table
- Contribution Awards (CA)**
 - Intended to be consistent with funds historically spent in GS on performance awards
 - Minimum of 1% of activity's total adjusted basic pay budget
 - Will not exceed 90% of organization total awards budget

<http://acqdemo.hci.mil> 28

Based on the scoring results, the pay pool manager, in consultation with the pay pool panel, determines the potential salary adjustment and contribution award for each employee. Overall, there are three pots of money available to the pay pool for distribution at the end of each appraisal cycle:

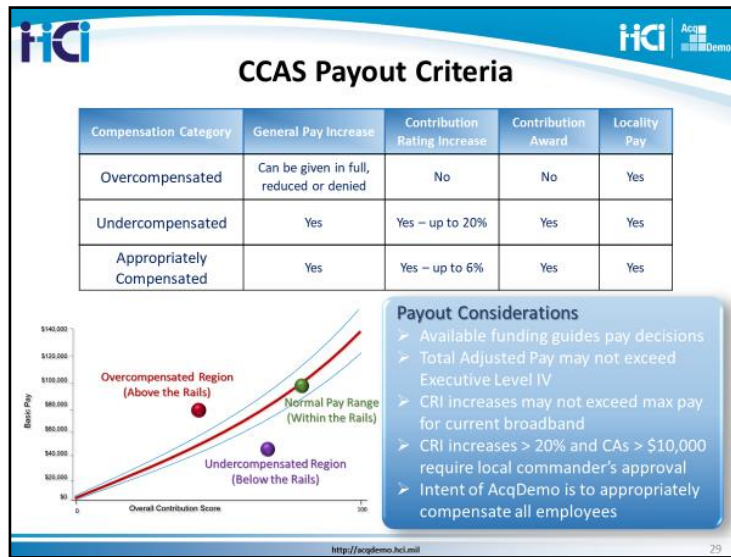
The amount of money available within the pay pool for salary increases, here called a Contribution Rating Increase (or CRI), is determined by the money that would traditionally have been available in GS for quality and within-grade step increases, and career promotions. The CRI pool of money will be set at no less than 2% of the activity's total basic pay budget (without locality). Components may optionally set higher amounts within their budgetary limits, unless a ceiling amount is directed by the AcqDemo Program Office, OPM, and/or OMB within any given year.

The General Pay Increase (or GPI) is an optional annual increase recommended by the President of the United States and approved by Congress.

The Contribution Award (or CA) pot includes what were formerly performance awards under the General Schedule. This money will be used for awards given under the CCAS process. The fund will be set at no less than 1 % of the activity's total adjusted basic pay budget (with locality). This fund will not exceed 90 % of the total awards budget, so as to allow for other awards not related to the CCAS process, e.g., on the spot awards and group awards to be given throughout the year.

The dollar amounts to be included in the pay pool will be computed based on the total of the basic pay of all employees in the pay pool as of 30 September each year.

4.9 Slide 29, Payout Criteria



An employee's final OCS will plot into one of three zones, Overcompensated, Undercompensated or Appropriately Compensated.

Overcompensated: Scores plot above the rails. These are data points of employees who are contributing less than what is expected for their pay and are thus considered overcompensated.

Undercompensated: Scores plot below the rails. These data points represent employees who are contributing more than what is expected for their pay and are thus considered undercompensated.

Appropriately Compensated: Scores plotting between the rails. These data points represent employees who are appropriately compensated for their level of contribution.

Aside from the guidelines above, there are other considerations for assigning Contribution Rating Increases (CRI) and Contribution Awards (CA). Those considerations include:

- Pay increase decisions based, in part, on available funding
- Basic pay plus locality pay may not exceed Executive Level IV basic pay
- CRI increases may not exceed maximum pay for the current broadband level
- CRI increases over 20% require local commander's (or equivalent) approval
- Pay pool manager can approve CA's up to \$10,000. Amounts exceeding \$10,000 require local commander's (or equivalent) approval
- Program intent is to appropriately compensate all employees

Requirements for award eligibility are determined by your organization's business rules. Please check local policy to fully understand the requirements that apply to your pay pool.

4.10 Slide 30, Pay Pool Videos



~ VOICEOVER ~

Let's look at a Sub Pay Pool Panel meeting to better understand how this process works. In this scenario, a Sub-Pay Pool panel consisting of 1 Sub-Pay Pool Manager and 5 Branch Chiefs are in attendance.

SUB-PAY POOL (SPP) MANAGER: Let me summarize our findings thus far: We're all in agreement on the categorical scores for 38 of our 40 employees. Agreed?

ALL: Agreed

SPP MANAGER: We still have 2 employees for whom we can't agree on their categorical scores. Lisa, can you please recap the first issue for us? And after that, Joe can you please walk us through the second one?

LISA: This employee provided a very lengthy and detailed description of their taskers throughout the year but didn't capture specific results or impacts. In addition, the supervisor did not emphasize the employee's contributions from a mission impact perspective. In other words, there are no qualitative or quantitative metrics. No benchmarks. I mean, I could make assumptions, but I don't want to be wrong.

PATRICK: Absolutely, we want to make sure the employee gets the correct score for the contributions made. I believe the supervisor should have given us more scope and scale to paint a more accurate picture.

SPP MANAGER: OK. We need more information. Let's ask the supervisor to provide additional information before deciding on the appropriate categorical scores for this employee.

JOE: For the second employee, the write-up for Job Achievement and/or Innovation simply doesn't match the recommended score.

BARBARA: You know, it almost seems like the score was mistyped. I think it should be a 3M, but a 3H was assigned.

ELINOR: I would agree. To me, it looks like an inflated rating that needs to be corrected. I think we should lower the score.

SPP MANAGER: Our business rules state that if we are considering doing that we have to first contact the supervisor to give them a chance to defend their recommendation. Let's call her in. All?

ALL: Agreed.

~ VOICEOVER ~

The supervisors will meet individually with the Sub Pay Pool and address the panel's concerns by providing clarification and additional details that may have not been captured in the submitted annual appraisal. The supervisors may need to update the annual appraisal documentation to reflect the total contributions made.

The Sub Pay Pool then considers this new information when determining categorical and numeric scores.

SPP MANAGER: Now that we have consensus on the categorical scores, we will each put the employees in contribution value order. We will do this for the NHs, NJs, and NKs and their respective Broadband levels I, II, III and IV. Looking first, then, at NH's who have received a categorical score of 4H for Job Achievement and/or Innovation, let's start putting everyone into relative order.

JOE: I believe my Engineering positions are the most valuable and should be ranked highest.

LISA: I don't agree. I believe the Accounting positions are equally as valuable. For instance, we were able to find new vendors with better quality and lower costs.

ELINOR: Don't forget Human Resources! We reduced cycle time for all new hires by over 30 days on average in the last two quarters.

SPP MANAGER: OK, OK. We may not personally agree on which positions are "most valuable." But remember, AcqDemo comes at this from a contribution and compensation perspective. If our top-level engineers have expected contribution scores of 95, and our top financial people have expected scores of 95, and our top HR people also have expected scores of 95, they are, by definition, all equally valuable in their respective fields to our organization.

PATRICK: With that in mind, let's look at the contribution order lists we each made for our functional areas, then select our top ranked names.

JOE: For me then, I would put Ralph and Rip at the very top.

LISA: I'd pick Jamie from my group.

ELINOR: Frank for me, and also Hugh.

PATRICK: I don't have anyone at that level from my team.

BARBARA: I would like to add John, please.

SPP MANAGER: OK. Anyone from this list jump out as providing the highest contribution value to Job Achievement and/or Innovation this year?

JOE: For me it would be Ralph. For sure.

LISA: And I think Jamie should be right at the top as well.

SPP MANAGER: Great. They will receive the highest scores for this factor, with the other 3 just behind them. Now, who is next in relative value order on your lists?

~ VOICEOVER ~

This process continues until all agree on the relative value of contributions for each Factor and then numerical scores are assigned.

4.11a Slide 31, Annual Appraisal Discussion—Part I Form

Annual Appraisal Discussion – Part I Form

Identifying Info

Name: Joe Contributor	Series: 801	Appraisal Period:
CAS2Net ID: 31	Broadband Level: III	From: 1-Oct-17
Organization: AMCI/LHBB	Retained Pay: No	To: 30-Sep-18
Career Path: NH	Presumptive: None	

Approved By: Bob Arnold, Pay Pool Manager **Effective Date of Appraisal:** January 1, 2019

Discuss evaluation with employee and obtain signature confirming discussion. Signature of employee does not constitute agreement with CCAS appraisal.

Signatures

Supervisor Print / Sign _____ Date _____

Supervisor Print / Sign _____ Date _____

Employee Print / Sign _____ Date _____



Appraisal Details

2018 Appraisal Detail		Factor	Category Score	Numeric Score	PAQL
Overall Contribution Score	69	Job achievement and/or Innovation	3M	70	5
Expected Contribution Score	67	Communication and/or Teamwork	3M	69	3
Expected Contribution Range	64-71	Mission Support	3M	69	3
Delta OCS	2				
Rating of Record	3	Average raw score of PAQLs			3.67

<http://acqdemo.hcl.mil> 31

At the conclusion of the CCAS cycle and once all pay pool decisions have been made final, the sixth step of the CCAS process is an Annual Appraisal Discussion to be held between each employee and their supervisor. The purpose is to discuss the employee’s appraisal, OCS, Performance Appraisal Quality Level, and the pay pool payout decisions using the Part I CCAS Salary Appraisal Form.

4.11b Slide 32, Part 1 Form

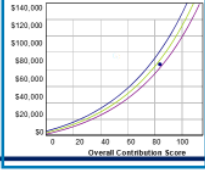



Part I Form

Compensation
Detail

Remarks

Compensation Detail	
\$ 70,996	Current Rate of Basic Pay
+ \$ 710	General Pay Increase 1.0%
+ \$ 1,905	CRI (Pay Increase) 2.70%
= \$ 73,611	New Rate of Basic Pay
+ \$ 10,430	Locality Pay @ 14.16%
= \$ 84,041	New Total Salary
+ \$ 1,815	Contribution Award
2019 Expected Contribution Level	
Expected Overall Contribution Score	69
Expected Contribution Range	65 - 73

Employee Compensation Region Chart Approved Compensation Region	
The graph plots the employee's current base pay versus the final OCS relative to the rate and standard pay line (SPL), ranging contribution to compensation. The top and bottom lines are the Upper and Lower Rate, respectively. The middle line is the SPL. Above the Upper Rate is Overcompensated. Undercompensated is below the Lower Rate. Appropriately Compensated is on or within the rate. Compensation regions determine the availability of pay increases and awards. The point on the graph below is the employee's appraisal point.	
	C

Privacy Act Statement (5 U.S.C.)
 AUTHORITY: Section 552, Federal Register Notice dated November 5, 2007.
 PURPOSE: This form summarizes the annual evaluation of an employee's contribution to the agency OCS assessment.
 ROUTING USE: This form is a computer-generated form that is produced for each employee and contains the overall contribution score and space for the signature of the PM, the supervisor, and the employee. The output of this form will be maintained in accordance with agency procedures.
 DISCLOSURE: Information on this OCS may result in a release or incorrect processing of the individual's CCAS and applicable pay plan. The information contained within this form is personal in nature and is restricted to those with appropriate permissions. Information collected on this form may be used for statistical and impact analysis.

http://acqdemo.hici.mil 32

The Appraisal Form also includes compensation detail including any General Pay Increase (GPI), Contribution Rating Increase (CRI) and/or Contribution Award (CA) you may have received. Your new basic pay is calculated including any applicable locality pay.

If your basic pay increases, the expected OCS and range for the new appraisal cycle may also increase.

Any pay adjustments resulting from the CCAS process are effective the first full pay period in January each year.

4.12 Slide 33, Inadequate Contribution

Inadequate Contribution

Goal of System: Appropriate compensation for contribution to mission effectiveness

- Contribution Improvement Plans (CIPs) should be considered when...
 - ↳ Contributions to mission accomplishment are inadequate

Inadequate contribution occurs...

- ↳ When employee's OCS plots in the Overcompensated Region
- ↳ Unacceptable performance in any contribution factor
- ↳ PAQL of 1 (Unacceptable) in any factor

Inadequate contribution could result in...

- ↳ Reassignment
- ↳ Reduction in Pay
- ↳ Removal from Federal Service

<http://acqdemo.hcl.mil> 33

As we've discussed AcqDemo aims to go beyond a just performance-based rating system to link rewards to the levels of contribution. Therefore, the system also accounts for those whose contributions are judged to be less than appropriate for their compensation level.

Inadequate contribution occurs:

- When the overall contribution score places the employee in the overcompensated region (above the rail)
- An unacceptable performance appraisal level on at least one of the three contribution appraisal factors
- Contributions in one or more of the Quality of Performance levels falls into the Unacceptable range

Inadequate contribution may be cause for reassigning employees, reducing their pay or removing them from Federal Service. This authority is similar to that for identifying poor performers under current Civil Service Rules.

4.13 Slide 34, CCAS Reconsideration Process

CCAS Reconsideration Process

- Employees may request reconsideration of:
 - OCS Rating
 - Quality of Performance Rating
 - Supervisor Assessment

Process:

- Through a Collective Bargaining Agreement; or
- Administrative Grievance Procedure (5 CFR 771) as supplemented by local procedures
- Employee submits reconsideration to Supervisor
- Supervisor provides recommendation to Pay Pool Panel
- Pay Pool Panel may accept recommendation or reach independent decision
- Pay pool decision is final unless employee requires reconsideration by next higher official to Pay Pool Manager
- Next higher official renders final decision

<http://acqdemo.hici.mil> 34

An employee may request reconsideration of their OCS, Quality of Performance Rating, and Supervisor Assessment.

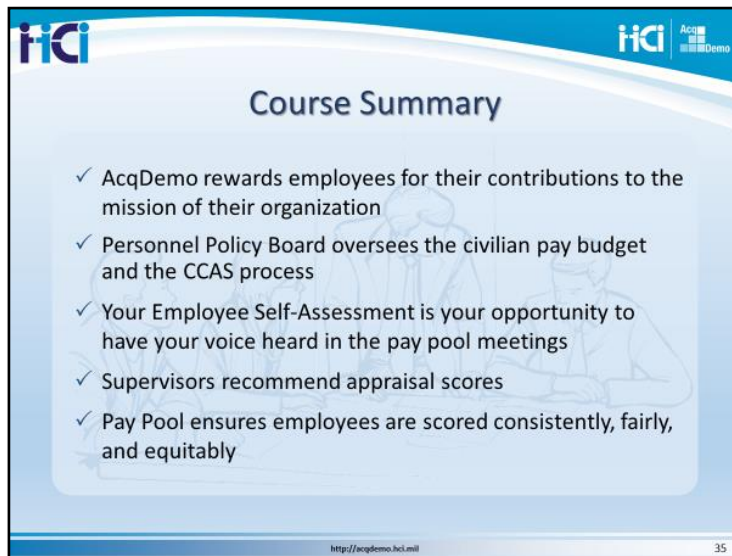
The process is either through a Collective Bargaining Agreement or an Administrative Grievance Procedure (5CFR 771) as supplemented by local procedures:

- Employee submits reconsideration to Supervisor
- Supervisor provides recommendation to Pay Pool Panel
- Pay Pool Panel may accept recommendation or reach independent decision
- Pay pool decision is final unless employee requires reconsideration by next higher official to Pay Pool Manager
- Next higher official renders final decision

Check with your Component for specific request for reconsideration process timeline details.

5.0 COURSE CLOSING

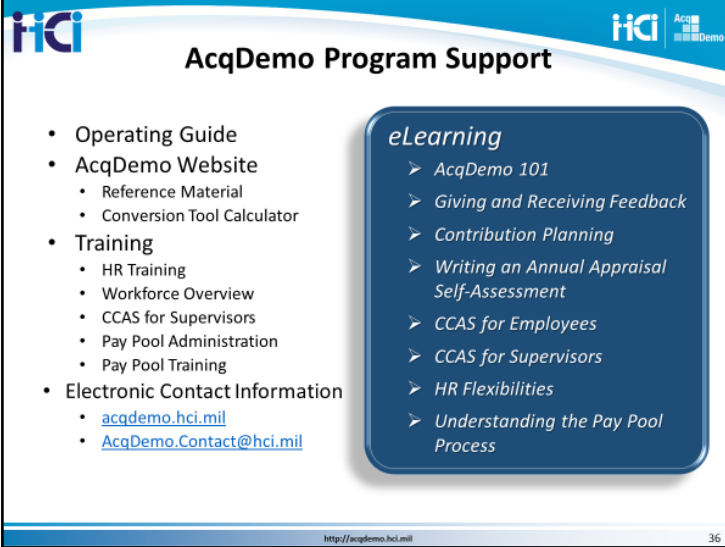
5.1 Slide 35, Summary of Key Course Topics



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

- AcqDemo rewards employees for their contributions to the mission of their organization
- Personnel Policy Board oversees the civilian pay budget and the CCAS process
- Your Employee Self-Assessment is your opportunity to have your voice heard in the pay pool meetings
- Supervisors recommend appraisal scores
- Pay Pool ensures employees are scored consistently, fairly, and equitably

5.2 Slide 36, AcqDemo Program Support

The slide is titled "AcqDemo Program Support" and features the HCI 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 main sections: a bulleted list of resources on the left and an "eLearning" section on the right. The "eLearning" section is enclosed in a dark blue rounded rectangle with a white border. At the bottom of the slide, there is a URL "http://acqdemo.hci.mil" and the number "36".

- Operating Guide
- AcqDemo Website
 - Reference Material
 - Conversion Tool Calculator
- Training
 - HR Training
 - Workforce Overview
 - CCAS for Supervisors
 - Pay Pool Administration
 - Pay Pool Training
- Electronic Contact Information
 - acqdemo.hci.mil
 - AcqDemo.Contact@hci.mil

eLearning

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

http://acqdemo.hci.mil 36

The AcqDemo Program Office provides a variety of support. These include overall program operating procedures; 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 also available:

- AcqDemo 101
- Giving and Receiving Feedback
- Contribution Planning
- Writing an Annual Appraisal Self-Assessment
- CCAS for Employees
- CCAS for Supervisors
- HR Flexibilities
- 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.

5.3 Slide 37, Parting Thought



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