



Thursday
March 11, 1999

Part II

**Office of Personnel
Management**

Science and Technology Laboratory
Personnel Management Demonstration
Project: the Army Engineer Research and
Development Center (ERDC); the Army
Missile Research, Development, and
Engineering Center (MRDEC); and the
Army Aviation Research, Development,
and Engineering Center (AVRDEC); Notice

OFFICE OF PERSONNEL MANAGEMENT

Science and Technology Laboratory Personnel Management Demonstration Project: the Army Engineer Research and Development Center (ERDC); the Army Missile Research, Development, and Engineering Center (MRDEC); and the Army Aviation Research, Development, and Engineering Center (AVRDEC)

AGENCY: Office of Personnel Management.

ACTION: Notice of amendment of three demonstration project plans and inclusion of competitive examining and Distinguished Scholastic Achievement Appointment authorities (See 5 CFR 470.315). Clarification of plans regarding OPM's approval of the plans' performance appraisal systems.

SUMMARY: 5 U.S.C. 4703 authorizes the Office of Personnel Management (OPM) to conduct demonstration projects that experiment with new and different personnel management concepts to determine whether such changes would result in improved Federal personnel management.

Public Law 103-337, October 5, 1994, permits the Department of Defense (DoD), with the approval of the OPM, to carry out personnel demonstration projects at DoD Science and Technology (S&T) Reinvention Laboratories. This notice identifies the competitive examining and Distinguished Scholastic Achievement Appointment authorities for three Army laboratories: ERDC, MRDEC, and AVRDEC. Additionally, this notice makes explicit the intent of the demonstration projects regarding OPM approval of the performance appraisal systems already contained in the project plans.

DATES: This amendment to the demonstration projects may be implemented at the Army laboratories beginning on the date of publication of this notice.

FOR FURTHER INFORMATION CONTACT:

ERDC: Dr. C. H. Pennington, U.S. Army Engineer Waterways Experiment Station, ATTN: CEWES-ZT-E, 3909 Halls Ferry Road, Vicksburg, Mississippi 39180-6199, phone 601-634-3549.

MRDEC: Ms. Lana Hargrove, Acting Special Assistant for Laboratory Management, Missile Research, Development, and Engineering Center, U.S. Army Aviation and Missile Command, ATTN: AMSAM-RD, Redstone Arsenal, Alabama 35898-5000, phone 256-955-6734.

AVRDEC: Mr. Dave Knepper, Aviation Research, Development, and Engineering Center, U.S. Army Aviation and Missile Command, ATTN: AMSAM-AR-Z, Redstone Arsenal, Alabama 35898-5000, phone 256-313-4895.

OPM: Ms. Fidelma A. Donahue, U.S. Office of Personnel Management, 1900 E Street, N.W., Room 7460, Washington, D.C. 20415, phone 202-606-1138.

SUPPLEMENTARY INFORMATION:

1. Background

OPM approved and published final plans in the **Federal Register** for the following Science and Technology Reinvention Laboratory Personnel Management Demonstration Projects:

A. Waterways Experiment Station (WES) final publication on Tuesday, March 3, 1998, Volume 63, Number 41, Part IV.

WES correction and re-publication on Wednesday, March 25, 1998, Volume 63, Number 57, Part V.

Publication of WES expansion amendment to include Construction Engineering

Research Laboratory (CERL), Cold Regions Research and Engineering Laboratory (CRREL), and Topographic Engineering Center (TEC) published on Friday, October 16, 1998, Volume 63, Number 200, Part V.

Note: The WES demonstration project was renamed the ERDC demonstration project following consolidation of the Army Corps of Engineers' laboratories.

B. MRDEC final publication on Friday, June 27, 1997, Volume 62, Number 124, Part IV.

C. AVRDEC final publication on Friday, June 27, 1997, Volume 62, Number 124, Part V.

The demonstration projects involved simplified job classification, pay banding, performance-based compensation systems, employee development provisions, and modified reduction-in-force procedures.

2. Overview

At the beginning of the projects, when asked what the laboratories would like to change in the existing personnel management system, managers at all three laboratories overwhelmingly said, "Speed up the hiring process and allow us to hire the best people." The project development teams at each laboratory included such initiatives in earlier versions of the demonstration project plans. However, the initiatives were not included in any of the Army's **Federal Register** notices mentioned above. The Army laboratories require a process which will allow for the rapid filling of

vacancies, is less labor intensive, and is responsive to their needs.

Dated: March 2, 1999.
Office of Personnel Management.
Janice R. Lachance,
Director.

I. Executive Summary

The Department of the Army established the personnel management demonstration projects to be generally similar to the system in use at the Navy personnel demonstration project known as China Lake. The projects and this amendment were built upon the concepts of linking performance to pay for all covered positions; simplifying paperwork in the processing of classification and other personnel actions; emphasizing partnerships among management, employees, and unions; and delegating other authorities to line managers.

II. Introduction

The demonstration projects at the three Army laboratories attempt to provide managers, at the lowest practical level, the authority and flexibility needed to achieve quality laboratories and quality products. The purpose of this amendment is to allow the Army laboratories to compete more effectively for high quality personnel and strengthen the manager's role in personnel management. Restructuring the examining process and providing an authority to appoint candidates meeting distinguished scholastic achievements will help meet the purpose of this amendment and the goals of the demonstration projects. Other basic provisions of the approved plans are unchanged.

III. Personnel System Changes

A. Competitive Examining Authority

1. Coverage

The Army laboratories propose to demonstrate a streamlined examining process for both permanent and non-permanent positions. This authority will apply to all positions covered by the respective demonstration projects with the exception of positions in the Senior Executive Service, Senior Level (ST/SL) positions, the Executive Assignment System or positions of Administrative Law Judge, and any examining process covered by court order. This authority will include the coordination of recruitment and public notices, the administration of the examining process, the administration of veterans' preference, the certification of candidates, and selection and

appointment consistent with merit principles.

2. Description of Examining Process

The primary change in the examining process to be demonstrated is the grouping of eligible candidates into three quality groups using numerical scores and the elimination of consideration according to the "rule of three."

For each candidate, minimum qualifications will be determined using OPM's operating manual, "Qualification Standards Handbook for General Schedule Positions," including any selective placement factors identified for the position. Candidates who meet basic (minimum) qualifications will be further evaluated based on knowledge, skills, and abilities which are directly linked to the position(s) to be filled. Based on this assessment, candidates will receive a numerical score of 70, 80, or 90. No intermediate scores will be granted except for those eligibles who are entitled to veterans' preference. Preference eligibles meeting basic (minimum) qualifications will receive an additional 5 or 10 points (depending on their preference eligibility) which is added to the minimum scores identified above. Candidates will be placed in one of three quality groups based on their numerical score, including any veterans' preference points: Basically Qualified (score of 70 and above), Highly Qualified (score of 80 and above), or Superior (score of 90 and above). The names of preference eligibles shall be entered ahead of others having the same numerical rating.

For engineering/scientific and professional positions at the equivalent of GS-9 and above, candidates will be referred by quality groups in the order of the numerical ratings, including any veterans' preference points. For all other positions, i.e., other than engineering/scientific and professional positions at the equivalent of GS-9 and above, preference eligibles with a compensable service-connected disability of 10 percent or more who meet basic (minimum) eligibility will be listed at the top of the highest group certified.

In making their selections, selecting officials should be provided with a reasonable number of qualified candidates from which to choose. All candidates in the highest group will be certified. If there is an insufficient number of candidates in the highest group, candidates in the next lower group may then be certified. Should this

process not yield a sufficient number, groups will be certified sequentially until a selection is made or the qualified pool is exhausted. When two or more groups are certified, candidates will be identified by quality group (i.e., Superior, Highly Qualified, Basically Qualified) in the order of their numerical scores. In making selections, to pass over any preference eligible(s) in order to select a nonpreference eligible requires approval under current pass-over or objection procedures.

B. Distinguished Scholastic Achievement Appointment

The Army laboratories further propose to establish a Distinguished Scholastic Achievement Appointment using an alternative examining process which provides the authority to appoint undergraduates and graduates through the doctoral level to professional positions at the equivalent of GS-7 through GS-11, and GS-12 positions.

At the undergraduate level, candidates may be appointed to positions at a pay level no greater than the equivalent of GS-7, step 10, provided that: they meet the minimum standards for the position as published in OPM's operating manual, "Qualification Standards for General Schedule Positions," plus any selective factors stated in the vacancy announcement; the occupation has a positive education requirement; and the candidate has a cumulative grade point average of 3.5 or better (on a 4.0 scale) in those courses in those fields of study that are specified in the Qualifications Standards for the occupational series.

Appointments may also be made at the equivalent of GS-9 through GS-12 on the basis of graduate education and/or experience for those candidates with a grade point average of 3.5 or better (on a 4.0 scale) for graduate level courses in the field of study required for the occupation.

Veterans' preference procedures will apply when selecting candidates under this authority. Preference eligibles who meet the above criteria will be considered ahead of nonpreference eligibles. In making selections, to pass over any preference eligible(s) to select a nonpreference eligible requires approval under current pass-over or objection procedures. Priority must also be given to displaced employees as may be specified in OPM and DoD regulations.

Distinguished Scholastic Achievement Appointments will enable

the Army laboratories to respond quickly to hiring needs with eminently qualified candidates possessing distinguished scholastic achievements.

IV. Required Waivers to Law and Regulations

Public Law 103-337 gave the DoD the authority to experiment with several personnel management innovations. In addition to the authorities granted by the law, the following are the waivers of law and regulation that will be necessary for amendment of the demonstration projects. Additional waivers in the area of performance management make explicit the intent of the demonstration projects regarding OPM approval of the performance appraisal systems already contained in the project plans.

A. Waivers to title 5, U.S. Code

Section 3317(a), Competitive Service; certification from registers (insofar as "rule of three" is eliminated under the demonstration projects).

Section 3318(a), Competitive Service; selection from certificates (insofar as "rule of three" is eliminated under the demonstration projects).

B. Waivers to Title 5, Code of Federal Regulations

Part 332.401 (b). Only to the extent that for non-professional or non-scientific positions equivalent to GS-9 and above, preference eligibles with a compensable service-connected disability of 10 percent or more who meet basic (minimum) qualification requirements will be entered at the top of the highest group certified without the need for further assessment.

Part 332.402, "Rule of three" will not be used in the demonstration projects.

Part 332.404, Order of selection is not limited to highest three eligibles.

Part 430.210, (For ERDC only; inasmuch as OPM approval of the final demonstration project plans enumerated in paragraph 1 of the "Supplementary Information," above, also constitutes OPM approval of the performance appraisal systems contained in those plans.) Note that this waiver applies only to the ERDC plan; AVRDEC and MRDEC previously waived all of 5 CFR 430, Subpart B, which contains this provision.

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