

SUBCHAPTER S3

ORGANIZATIONAL AND FUNCTIONAL RESPONSIBILITIES

S3-1 Governmentwide Level

a. The Office of Personnel Management.

(1) The Office of Personnel Management is responsible for prescribing the practices and procedures governing the implementation and administration of the Federal Wage System and for consulting with appropriate labor organizations. With the advice of the Federal Prevailing Rate Advisory Committee and other executive agencies and labor organizations, OPM determines the basic policies, practices, and procedures for the system.

(2) The Office of Personnel Management carries out the staff and operating functions involved in the following for employees covered by the law:

- developing and issuing basic policies and procedures for the system;
- defining the boundaries of individual wage and survey areas;
- designating the lead agency for a survey area;
- prescribing requirements for the statistical design and accomplishment of wage surveys and for the establishment of pay schedules;
- establishing wage schedules and rates for prevailing rate employees who are United States citizens employed in any area which is outside the United States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, certain U.S. insular areas, and the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979);
- establishing occupational grouping and titling;
- establishing a job-grading system;
- developing and issuing job-grading standards;
- providing a system for and making final decisions in employee appeals;
- establishing rules for governing the administration of pay for individual employees, for example, upon appointment, transfer, promotion, and change to a lower grade, including retention of pay rates as appropriate;
- authorizing additional pay, as appropriate, for duty involving unusually severe working conditions or unusually severe hazards;
- determining need for, and authorizing use of, special schedules as appropriate;
- performing necessary audits and evaluations of agency wage programs to insure compliance with overall system requirements; and
- otherwise providing for a continuing program of systems maintenance and improvement designed to keep the wage system fully abreast of changing conditions, practices, and techniques both in and out of the Government.

b. Federal Prevailing Rate Advisory Committee.

(1) The Director of the Office of Personnel Management shall appoint the Chairman of the

Committee for a 4-year term. The Chairman of the Committee shall not hold any other office or position in the Government of the United States or the government of the District of Columbia. The Director of the Office of Personnel Management shall designate two members from the military departments, one member from the Office of Personnel Management, and one member from an agency other than the Department of Defense. The Secretary of Defense shall designate one member from the Department of Defense. The five labor representatives are designated from among the labor organizations representing under exclusive recognition of the Government of the United States, the largest number of prevailing rate employees. However, there shall be no more than two members from any one labor organization nor more than four members from a single council, federation, alliance, association, or affiliation of labor organizations.

- (2) *Functions and responsibilities.* The Federal Prevailing Rate Advisory Committee shall study the prevailing rate system, and other matters pertinent to that system and, from time to time, advise the Office of Personnel Management thereon. The Committee shall make an annual report to OPM and the President for transmittal to Congress.
- (3) *Committee meetings.* The Committee shall meet at the call of the Chairman of the Federal Prevailing Rate Advisory Committee. A special meeting shall be called by the Chairman if five members make a written request to call such a meeting.
- (4) *OPM review.* Every 2 years the Director of the Office of Personnel Management shall review labor organization representation to determine adequate or proportional representation under the guidelines in paragraph S3-1b(1) above.
- (5) *Committee recommendations.* Conclusions and recommendations of the Committee shall be formulated by majority vote. The Chairman of the Committee may vote only to break a tie vote of the Committee.

S3-2 Agency Level

a. Agencies.

- (1) The head of each executive agency is responsible, within the policies and practices of the Federal Wage System, for fixing and administering rates of pay for wage employees of his or her organization.
- (2) Within the policies and practices of the Federal Wage System and with the advice and assistance of local wage survey committees and the agency wage committee, each agency assigned lead-agency responsibility plans and schedules wage surveys, analyzes wage survey data, and establishes wage schedules for designated wage areas. Other agencies having wage employees in the wage area are provided schedules of wage rates established by the lead agency, and establish and administer these rates for wage employees of their organizations.
- (3) Each agency is responsible for insuring that its installations and activities comply with requirements of the Federal Wage System; that system instructions and procedures are appropriately followed; that job-grading standards and instructions concerning pay category, titling, and coding of wage jobs are expeditiously and uniformly applied; and that wage rates are properly administered for individual employees. Each agency is responsible for establishing procedures for employee job-grading appeals, for deciding these appeals expeditiously, and for acting promptly to place into effect decisions rendered within the agency or by OPM on appeals.
- (4) The head of each agency given representation on the Federal Prevailing Rate Advisory

Committee is responsible for designating or nominating an appropriate official to represent the department or agency in all Committee activities.

b. Agency wage committees.

(1) *Organization.* Each agency designated as a lead agency establishes an agency wage committee consisting of five members. Two members are designated by the head of the lead agency. In the Department of Defense, one member each is designated by two labor organizations having the largest number of wage employees covered by exclusive recognition. In the other lead agencies, two members are designated by the head of the labor organization having the largest number of wage employees covered by exclusive recognition in the lead agency. These four members serve at the discretion of their respective designating authorities. The authority to designate labor organization members remains with the same organization, at a minimum, for a 2-year period. The chairperson of the agency wage committee is designated by the head of the lead agency. The designating authorities may provide for alternates to the chairman and members. The salaries of the chairman and members are established and paid by their respective employers.

(2) *Functions and responsibilities.*

(a) The agency wage committee considers and makes recommendations to the lead agency on any matter involved in developing the specifications for a wage survey on which the lead agency proposes not to accept the recommendations of a local wage survey committee and any matters on which a minority report has been filed.

(b) Upon completion of a wage survey, the agency wage committee considers the survey data, the local wage survey committee's report and recommendations and the statistical analyses and proposed pay schedules derived from them, as well as any other data or recommendations pertinent to the survey, and recommends wage schedules to the pay-fixing authority.

(c) A majority vote of the agency wage committee constitutes the decision and recommendation of the committee, but a member of the minority may file a report with the committee's recommendation.

S3-3 Local Level

a. Federal installations and activities.

(1) As delegated by agency headquarters, each Federal installation or activity is responsible for determining pay category, titles, and codes for wage jobs; for properly applying job-grading standards; and for properly paying and administering authorized wage rates for its wage employees.

(2) A local installation, designated by the lead agency as the host installation for wage survey activities, provides support facilities and clerical assistance for the local wage survey committee. All installations and activities in the area are responsible for cooperating with the lead agency in providing members of the local wage survey committee and data collectors as needed.

b. Local wage survey committees.

(1) *Organization.* A local wage survey committee consisting of three members, all of whom are Federal employees, is established in each area where exclusive recognition has been granted to a labor organization pursuant to 5 U.S.C. 7111. One member of the committee is designated by the lead agency in the wage area. One member is recommended by the

labor organization having the largest number of wage employees under exclusive recognition in the wage area, and one member is designated by his or her employing agency. Responsibility for providing these members remains with the same agency and same labor organization, at a minimum, for the duration of the 2-year wage determination cycle and responsibility never changes during the time a survey is in process. The third member of the local wage survey committee, who acts as chairperson of the committee, is designated by the lead agency. Each member continues to receive from his or her Federal agency employer his or her regular pay at the rate he or she receives for his or her regular full-time Government position.

(2) *Functions and responsibilities.*

- (a) The local wage survey committee determines the number of data collectors needed for a wage survey and provides for the necessary training and supervision of data collectors.
- (b) The local wage survey committee conducts hearings for interested parties desiring to submit information or recommendations to the Committee.
- (c) The local wage survey committee makes its decision on any differences between data collectors in reference to the comparability of job matches, discriminatory rates, or differences in interpretation and application of the policies and procedures in manual instructions and makes its recommendations to the lead agency.
- (d) The local wage survey committee makes preliminary contact and arrangements with employers to be surveyed.
- (e) Each member of a local wage survey committee, each data collector, and any other person having access to data collected must retain this information in confidence, and is subject to disciplinary action by his or her employer upon proof of violation of confidence of data secured from private employers. Any violation by a Federal employee is reported to his or her employing agency and, by a participant designated by a labor organization, to the recognized union and its headquarters, and shall be cause for the lead agency immediately to remove the offending person from participation in the wage survey function.
- (f) The local wage survey committee forwards the wage data to the lead agency for analysis and referral to the agency wage committee.
- (g) The local wage survey committee also forwards to the lead agency a narrative report of the activities, decisions, and recommendations of the local wage survey committee on submissions presented to the committee by interested parties, and this narrative report contains the reasoning upon which the committee bases its decisions and recommendations.
- (h) A majority vote of a local wage survey committee constitutes the decision and recommendation of the committee, but a member in the minority may file a report with the committee's recommendation.