Approved for Release
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DEPARTMENT OF COMMERCE
OFFICE OF HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES (HR) BULLETIN #066, FY 07

SUBJECT: Category Rating

EFFECTIVE DATE: Upon Release of this HR Bulletin

EXPIRATION DATE: Effective until canceled or superseded

IMPLEMENTS: Section 3319 of Public Law 107-296, Homeland Security Act of 2002.

BACKGROUND: On June 15, 2004, the Office of Personnel Management (OPM) issued final regulations implementing several human resources flexibilities enacted in the Homeland Security Act (HSA) of 2002 (P.L. 107-296). Category rating, an alternative rating and selection procedure, is one of the hiring flexibilities. The purpose of category rating is to increase the number of eligible candidates from which a selecting official can choose, while preserving veterans' preference rights. The Department of Commerce, Office of the Secretary, and the National Oceanic and Atmospheric Administration, piloted category rating, July 12, 2006, and found it to be a useful hiring flexibility.

PURPOSE: The purpose of this HR Bulletin is to authorize the use of category rating throughout the Department, and provide the policy, procedures, and selection process when using this flexibility.

COVERAGE: This HR Bulletin applies to all Operating Unit positions, which are not covered by the Luevano Consent Decree, when competitive examining procedures are used.

POLICY: Applicants who meet the basic qualification requirements established for the position, and whose job-related competencies or Knowledge, Skills, and Abilities (KSAs) have been assessed, are ranked by being placed in three pre-defined quality categories instead of being ranked by individual numeric score order. The names of all eligible candidates in the highest quality category are referred on the Certificate of Eligibles to the selecting official for consideration, without regard to the "Rule of Three." Selecting

officials select from among the candidates in the highest quality category, without being limited to the top three eligible candidates; preference eligibles are listed ahead of non-preference eligibles within each quality category; and preference eligibles receive preference within each quality category.

Categories of Qualified Candidates: As in traditional rating and ranking, criteria for evaluating candidates are identified through the job analysis process. Critical tasks or major duties are identified for the position. Technical experts and/or selecting officials, in consultation with HR specialists, establish job-related task examples for use in evaluating applicants. These task examples are then translated into questions and responses that are used by an automated rating system to self-evaluate applicants.

Category Rating uses three pre-defined quality categories instead of ranking by individual numeric scores. Quality category definitions must be written to reflect requirements to perform the job successfully and distinguish differences in the quality of candidates' job-related competencies or KSAs, and **must** be defined by the HR specialist and technical expert and/or selecting official prior to announcing the vacancy (see Exhibit 1).

Some of the factors to consider for inclusion when developing quality categories are:

- Breadth and scope of competencies/KSAs
- Increased levels of difficulty or complexity of competencies/KSAs
- Successful performance of the job
- Level of the job

The three categories of qualified candidates are:
"gold" (best qualified), "silver" (highly qualified), and "bronze" (qualified). A "not qualified" category **must not** be established; only applicants who meet the basic qualification requirements established for the position will be placed in a qualified category. Actual scores for categories may differ based on the specific job requirements and available applicant pool. Each category is broadly defined as:

Gold category: highly proficient with an overall comprehensive level of knowledge, skills, and abilities of the job based on a complete review of experience, education, and training, as described in an applicant's responses to vacancy announcement questions, narrative essays, and resume. Generally, candidates scoring 90 and above will meet the gold (best qualified) requirement.

Silver category: competent in the position with an overall accomplished level of knowledge, skills, and abilities of the job based on a complete review of experience, education, and training, as described in an applicant's responses to vacancy announcement questions, narrative essays, and resume. Generally, candidates scoring between 80 and 89.9 will meet the silver (highly qualified) requirement.

<u>Bronze category</u>: an overall basic level of knowledge, skills, and abilities of the job based on a complete review of experience, education, and training, as described in an applicant's responses to vacancy announcement questions, narrative essays, and resume. Generally, candidates scoring between 70 and 79.9 will meet the bronze (qualified) requirement.

Applying Veterans' Preference: Preference eligibles must be identified and placed above non-preference eligibles within each quality category (no preference points are added to assessment scores under category rating).

Qualified preference eligibles with a compensable service-connected disability of 30 percent or more (CPS) and those with a compensable service-connected disability of more than 10 percent but less than 30 percent (CP) move from the category in which they were originally placed, to the top of the highest quality category, except for scientific or professional positions at the General Schedule (GS) 9 level (or equivalent) or higher. Preference eligibles who do not have a service-connected disability of 10 percent or more (TP and XP) are assigned to the appropriate quality category based on the job-related assessment (see Exhibit 2).

Merging Categories: Merging categories is optional, and is the combining of the highest quality category with the next lower quality category and making selections from the newly merged category. This option may only be used if there are fewer than three eligible candidates in the highest quality category. The newly merged category is the new highest quality category, and preference eligibles must be listed ahead of non-preference eligibles.

The HR specialist, in conjunction with the selecting official, may decide to merge categories at two places in the hiring process:

1. Before certifying/issuing the Certificate of Eligibles (see Exhibit 3); and
2. Before selecting an eligible (see Exhibit 4).

Certificate of Eligibles: The "Rule of Three" does not apply under category rating. Names of all eligible candidates in the highest quality category will be referred on the Certificate of Eligibles to the selecting official for consideration, with preference eligibles listed ahead of non-preference eligibles in the highest category. Names of eligible candidates may be listed in alphabetical or random order.

For most jobs and grade levels under category rating, the Certificate of Eligibles, or equivalent, certifies eligibles in the following order:

1. Career Transition Assistance Program (CTAP) eligibles
2. Agency Reemployed Priority List (RPL)
3. Interagency Career Transition Assistance Program (ICTAP) eligibles
4. Eligibles who lost consideration due to the erroneous certification of another applicant(s)

5. Eligibles in the highest quality category

Selection Process: The selecting official may select eligible candidates from the highest category, without being limited to the top three eligible candidates. However, in accordance with 5 United States Code (U.S.C.) §3318, a selecting official **may not** select a non-preference eligible over a preference eligible unless the selecting official obtains prior approval to pass over the preference eligible. This approval **must** be obtained from the Director for Human Resources Management.

Preference Eligible Passover Procedures: Procedures to pass over a preference eligible under Category Rating are the same as those used in the traditional numeric rating, ranking, and selection procedures. Operating Unit's must comply with the procedures as outlined in HR Bulletin #001, Process for Adjudicating Cases Involving Preference Eligibles, dated March 10, 2005.

Job Announcement Requirement: Language regarding the rating process **must** be included in the vacancy announcement. Without such language, category rating cannot be used. HR specialists must communicate the following to applicants in the "Basis of Rating" section of vacancy announcements:

*   The category rating ranking and selection procedures that will be used
*   How veterans' preference is applied under category rating procedures
*   A description of each quality category (see 5 CFR Part 337, Subpart C)

Rating Request Requirement: Selecting officials must indicate on the recruitment action which type of rating is requested, (i.e. traditional rating, or category rating), and provide a Request for Personnel Action (SF-52), and a classified position description to their servicing HR office. The HR specialist, in consultation with the technical expert and/or selecting official, must provide a job analysis that describes the competencies or KSAs that will be used as the basis for defining the specific criteria for each category, when category rating is requested.

Category Rating Process:

1. On the job analysis form, the HR specialist, in coordination with the technical expert/selecting official, provides definitions for the three categories for each competency/KSA and grade, including developing criteria for long answer/narrative essay responses.
2. Specific vacancy questions are weighted in relation to the competencies. The questions will provide an initial determination for each candidate when using the automated vacancy announcement system. Subject Matter Experts (SME), who can be either a HR specialist or a technical expert, will use the criteria for the long answer/narrative essay responses to support or modify initial determinations.
3. Cutoff scores for each category (gold/silver/bronze) are established prior to announcing the position.

4. Candidates are determined to be qualified based on OPM's Qualification Standards for General Schedule Positions or OPM's Job Qualification System for Trades and Labor Occupations Handbook, specialized experience, and any applicable selective placement factors.

5. All qualified candidates are placed in a category (gold/silver/bronze) based on an assessment of their experiences, (KSAs resulting from their responses to questions, long answer/narrative essays), and resume.

6. All qualified candidates with a score of 70 or above are forwarded to the SME for review.

7. The SME validates the initial category determination generated by the automated system by reviewing candidates' applicable experiences, (KSAs resulting from their responses to questions, long answer/narrative essays), and resume.

8. The SME can change a candidate's category (either raising or lowering) based on information provided by the applicant. However, the SME **must document** category changes with a full justification that relates to the specific competency being modified, as defined in the established criteria.

9. The SME returns candidate listing with changes/justifications.

10. The HR specialist evaluates documentation to ensure completeness and alignment with job analysis and proper application of veterans' preference. Any discrepancies **must be** resolved prior to the issuance of all Gold category candidates.

11. The automated system is documented based on the SME's justification.

12. The HR specialist refers applicants in the order specified by the Department's Career Transition Assistance Plan. Only eligibles in the highest quality category may be referred to the selecting official as noted in the "Selection Process."

Reporting Requirements: Each Operating Unit that utilizes category rating must submit a report to the Program Manager (see contact information below) by the second Friday in the months of December, March, June, and September. The report must include the following:

1. Number of employees hired under category rating;

2. Impact category rating has had on the hiring of veteran's and minorities, including those who are American Indian or Alaska Natives, Asian, Black or African American, and native Hawaiian or other Pacific Islanders; and

3. Ways in which managers are trained in the administration of category rating.

This reporting requirement is in addition to the Delegated Examining Quarterly Workload Report. Quarterly reports should include category rating numbers.

ACCOUNTABILITY: Servicing Human Resources offices are responsible for the appropriate and effective use of this human resources flexibility.

REFERENCES: Homeland Security Act of 2002, Public Law 107-296 (dated November 25, 2002), with final regulations issued on June 15, 2004. HR Bulletin #001, Process for Adjudicating Cases Involving Preference Eligibles, dated March 10, 2005.

Title 5 U.S.C. § 3319; 5 CFR Part 337, Subpart C; 69 FR 33271; Delegated Examining Operations Handbook, Chapter 5, Section B; and Category Rating Fact Sheet (www.opm.gov/employ/category_rating/index.asp).

OFFICE OF POLICY AND PROGRAMS: Michael Osver, Acting Director, mosver@doc.gov (202) 482-3919

PROGRAM MANAGER CONTACT INFORMATION: Valerie Smith, Program Manager, vsmith@doc.gov (202) 482-0272

(Exhibit 1)   **Example of how to create three quality categories:**
               (Accountant, Series 510, Grade 12 or equivalent)

Step 1   The following competencies/KSAs were identified through the job
               analysis process to be job-related:

               1. Oral Communication
               2. Technical Knowledge
               3. Project Management

Step 2   Identify indicators of proficiency for each of the competencies/KSAs
               identified in Step 1

               1. Oral Communication
                  * Makes presentations
                  * Influences others
                  * Answers technical questions

               2. Technical Knowledge
                  * Financial analysis
                  * Accounting

               3. Project Management
                  * Reviews budget cycles
                  * Uses project management software

Step 3   Create quality categories based on the specific level of proficiency in
               each of the competencies/KSAs. Applicants have to demonstrate a
               specific level for each of the competencies/KSAs.

Oral Communication

Category	Benchmark	Benchmark Definition
Gold	5	Communicates or explains *complex* ideas or information clearly (e.g., explains new regulations, presents technical information at conferences, etc.).
Silver	3	Communicates or explains *moderately complex* ideas or information clearly (e.g., explains changes in regulations, describes available services to individuals, etc.).
Bronze	1	Communicates or explains *basic ideas* or information clearly (e.g., explains non-technical procedures or routine information, etc.).

Note: Use this format to develop specific levels of proficiency for the remaining two competencies/
KSAs (i.e., Technical Knowledge, and Project Management).

Example of an Inappropriate Quality Category:

GS-12 Accountant

An agency is seeking to fill a job that requires an Accountant. Candidate A is a Certified Public Accountant (CPA) and Candidate B is **not** a CPA.

Because both candidates have the necessary experience for the critical tasks of the position, they are indistinguishable with respect to this factor. Candidate A should not be put into a higher category than Candidate B just because Candidate A is a CPA. A CPA is not required for the job and should not be used as a rating criterion.

(Exhibit 2)   **Example of Applying Veterans' Preference**

Placement of Preference Eligibles with a Compensable Service-Connected Disability of 10 Percent or More (CPS and CP)

For scientific and professional positions at the GS-9 (or equivalent) or higher...	Place qualified CPS and CP preference eligibles above non-preference eligibles within the same quality category (CPS and CP eligibles do not "float" to the highest quality category)
For all other positions (series) and grade levels...	Place qualified CPS and CP preference eligibles at the top of the highest quality category regardless of the quality category in which they are placed (CPS and CP eligibles "float" to the highest quality category)

Example: HR Specialist, Series 201, Grade 11

Three quality categories (Gold, Silver, and Bronze) were established for the position.

Applicants who meet basic qualification requirements established for the position and whose job-related competencies or KSAs have been assessed, are ranked by being placed in one of the three quality categories.
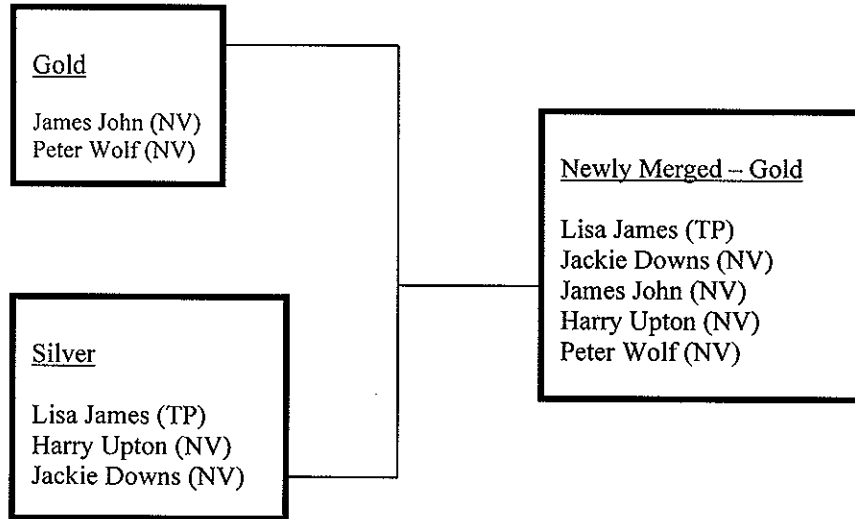
A preference eligible with tentative preference who meets the requirements for the Silver category is identified and is placed at the top of the Silver category.

A preference eligible with a service-connected disability of 30% (CPS) who meets the requirements for the Bronze category is identified. Because of the series and grade in this example, the qualified preference eligible must be placed at the top of the Gold category.

Eligibles Ranked by Quality Category Based on Review of Qualifications & Assessment Tool(s)	Identify Preference Eligibles	Apply Veterans' Preference for Certificate of Eligibles
Gold Ben Franklin Thomas Jefferson	Gold Ben Franklin Thomas Jefferson	Gold Cameron Rules (CPS) Ben Franklin Thomas Jefferson
Silver Joyce Rogers George Washington	Silver Joyce Rogers George Washington (tentative preference)	Silver George Washington (tentative preference) Joyce Rogers
Bronze Preston Foster Cameron Rules	Bronze Preston Foster Cameron Rules (CPS)	Bronze Preston Foster

(Exhibit 3)

<u>Merging Before Issuing a Certificate</u>

<u>Gold</u>

James John (NV)
Peter Wolf (NV)

<u>Silver</u>

Lisa James (TP)
Harry Upton (NV)
Jackie Downs (NV)

<u>Newly Merged – Gold</u>

Lisa James (TP)
Jackie Downs (NV)
James John (NV)
Harry Upton (NV)
Peter Wolf (NV)

Note: Merging the highest quality category (Gold) with the next lower category (Silver) requires placing the qualified preference eligible at the top of the newly merged quality category

(Exhibit 4)

Merging Before Selecting an Eligible

Gold Category

Michael (NV)
Peter (NV) *Selected*
Quince (NV)
Sam (NV) *Selected*
Troy (NV) *Selected*

Bronze Category

Anne (TP)
David (TP)
Homer (NV)
Winston (NV)

Newly Merged Category

Gold Category

Anne (TP)
David (TP)
Homer (NV)
Michael (NV)
Quince (NV)
Winston (NV)