



DEPARTMENT OF THE NAVY
COMMANDER, NAVY INSTALLATIONS COMMAND
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CNICINST 12400.3
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CNIC INSTRUCTION 12400.3

From: Commander, Navy Installations Command

Subj: PERFORMANCE MANAGEMENT PROGRAM

Ref: (a) 5 U.S.C. § 4301 et seq.
(b) 5 U.S.C. § 7101 et seq.
(c) 5 C.F.R. 430 and 432
(d) DOD 1400.25-M Subchapter 430
(e) OPNAVINST 12430.3
(f) DON Civilian Human Resources Manual (CHRM)
Subchapter 430.1
(g) DON CHRM, Subchapter 432.1
(h) DON CHRM, Subchapter 451.1
(i) DON Implementation Guide 430-02
(j) DON Implementation Guide 432-02
(k) DON Implementation Guide 451-02
(l) A Handbook for Measuring Employee Performance (OPM)
(m) CNICINST 12451.1

Encl: (1) Additional Performance Requirements

1. Purpose. To establish and publish policy for the Commander, Navy Installations Command (CNIC) performance management program. This instruction is consistent with the provisions of references (a) through (m).

2. Policy. Performance management is an integral part of any Human Resources program. This instruction serves as a tool for supervisor-employee communication and linking of performance objectives to organizational goals in order to improve organizational effectiveness in accomplishing our mission. All non-National Security Personnel System (NSPS) employees must be covered by a two-level system as defined by references (e), (f) and (i). CNIC policy is that all summary ratings will be either "Acceptable" or "Unacceptable," in compliance with Department of the Navy policy.

3. Scope

a. The provisions of this directive are applicable to all CNIC civilian employees being evaluated using this performance management program, except non-appropriated fund (NAF)

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employees, employees outside of the U.S. who are paid in accordance with local national prevailing wage rates, employees in the excepted service who are specifically excluded by Office of Personnel Management (OPM) regulations, employees in the Senior Executive Service (SES), and employees covered under NSPS. In the event of a conflict between this instruction and a negotiated agreement, the provision(s) of the agreement will prevail.

b. CNIC employees under NSPS will be evaluated in accordance with NSPS regulations, rules, policies, and procedures.

4. Action

a. Heads of Naval activities are responsible for the success of the performance management system. To fulfill their responsibilities, they will:

(1) Ensure fair and consistent application of this instruction in compliance with governing laws, rules, and regulations by all members of the command chain.

(2) Develop and communicate organizational goals and priorities to assist in developing individual and/or group goals and expectations.

(3) Discuss and exhibit DON values and ethics; assure they are visible and meaningful in the organization.

(4) Ensure that employees are informed of the individuals in their supervisory chains and of their annual performance cycle.

(5) Ensure that all - civilian supervisors, military supervisors who rate civilians, and employees - receive adequate training or orientation concerning the performance appraisal system.

(6) Ensure timely preparation of written performance plans and completed performance appraisals.

(7) Monitor the performance management program.

b. Supervisors are responsible for assigning work and for either assisting employees in or for establishing job-related expectations for employees. They provide information to and

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obtain feedback from employees on DON values and ethics, work unit goals and priorities, performance, and professional development plans. To accomplish their responsibilities, supervisors will:

(1) Identify supervisory chains to their employees. Explain if and how any individuals who are not in the official supervisory chain but who assign and monitor the employee's work will be involved (e.g., Project Managers, EEO Officers, Safety Officers).

(2) Communicate organizational goals and priorities to employees - both at the beginning of each performance cycle and throughout the year as changes occur.

(3) Develop employee performance plans for each performance cycle. Work with employees in establishing individual performance and professional development goals and expectations that should be attainable and that reflect organizational needs.

(4) Discuss DON values and ethics with employees. Exchange ideas about what values mean and what types of behavior each believes indicates adherence.

(5) Conduct formal performance-related discussions at the mid-point of each performance cycle and at any other time that needs arise. Provide informal feedback and get employee input on performance expectations and accomplishments throughout the performance cycle. If significant changes to expectations occur, notify the supervisory chain and obtain approval.

(6) Prepare timely written performance appraisals that describe specific accomplishments and that accurately assess the employee's total contributions when compared with documented expectations.

(7) Use performance appraisals and ratings to assist them in making sound, equitable personnel decisions.

c. Employees are responsible for learning what is expected of them; for discussing their ideas about the work, Navy values and professional development goals with supervisors; and for performing to the best of their abilities. In fulfilling these responsibilities, employees will:

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(1) Take appropriate roles in developing their performance and professional development plans.

(2) To perform assigned duties to the best of their ability - for informing their supervisory chains when they have questions and/or needs, when problems occur or when they believe work could be performed more efficiently or effectively.

(3) Provide supervisory chains with timely feedback on their accomplishments that supervisory chains can use in preparing performance appraisals.

(4) Participate in a progress review(s) and in the final performance appraisal discussion.

d. The servicing Human Resources Office is responsible for supporting the command (i.e., both CNIC and other serviced Major Commands' activities) in implementing and administering viable and constructive performance management programs. In fulfilling their responsibilities, they will:

(1) Advise and assist supervisors in executing their daily performance management responsibilities and keep commanders and equivalent leadership informed of program status and needed program improvements.

(2) Train or arrange training for supervisors and disseminate information to employees and employee representatives concerning the performance management system as appropriate.

(3) Maintain performance rating information in accordance with DON and CNIC policy (e.g., Forward close-out ratings and ratings of record to the servicing Human Resources Service Center (HRSC) for data input to the Defense Civilian Personnel Data System (DCPDS)).

e. The Civilian Personnel Programs (CPP) office is the Performance Management Program Administrator and is responsible for issuing guidance and procedures to subordinate CNIC regions and activities for internal program management.

f. CNIC is responsible for designating the performance cycle. Regional Commanders are delegated the authority to establish performance cycles consistent with regional needs and negotiated agreements for non-NSPS employees. Current

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performance cycles, as of the effective date of this instruction, remain in effect.

g. If no current performance cycle exists, the default performance cycle shall be for a period of one year beginning 1 July and ending 30 June of the following year for non-NSPS employees.

5. Definitions

a. Acceptable Performance. is performance that meets the requirement(s) or standard(s) in all critical element(s) established in an employee's performance plan. In a two-level performance management system, the acceptable standard describes a single point of performance. Any performance at or above that point is acceptable.

b. Close-out Rating is a written performance appraisal conducted when an employee or first level supervisor leaves a position before the end of the performance cycle, and after the employee has been under established performance standards for 90 days or more. Close-out ratings will be performed, documented and used in deriving the rating of record and, in some cases, may become the rating of record. Reference (i) provides additional guidance regarding close-out ratings.

c. Critical Performance Elements consist of duties and responsibilities contributing towards accomplishing organizational goals. These duties and responsibilities are of such importance that unacceptable performance in the element would result in unacceptable performance in the position. Additionally, inclusion of some performance elements that may be required by law, regulation, or DoD policy are listed at enclosure (1). Per reference (c), non-critical performance elements are not permitted in a two-level performance management system.

d. Performance Plans include all of the elements that describe the expected performance of an individual employee. A plan must include all critical elements and their related performance standards.

e. Progress Review is a method of communicating with employees about actual performance compared to the performance standards of critical elements at any time during the performance cycle. Progress reviews need not always be in writing, but they must be documented, and summary ratings are

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not given. Mid-year progress reviews are required and will be documented in writing.

f. Supervisor is the individual in the employee's chain of command, normally the immediate supervisor, who establishes performance expectations and who, in accordance with regional and local policy, either assigns or proposes overall performance appraisals and ratings.

g. Rating of Record is the performance appraisal rating prepared at the end of a performance cycle for performance over the entire period including the assignment of a summary rating. The rating of record is the official rating for pay, performance award, and retention purposes.

h. Summary Rating is the final result of the performance appraisal process. The summary rating is used to provide consistency in describing ratings of record. The two summary rating levels are "Acceptable" and "Unacceptable."

i. Unacceptable Performance is the performance of an employee that fails to meet established performance standards in one or more critical elements.

6. Process and Procedures. Performance management is the systematic process of: planning work and setting expectations, continually monitoring performance and giving feedback, developing the capacity to perform, periodically reviewing performance in a summary fashion, rating performance, and rewarding good performance.

- a. Planning
 - (1) Set of goals and measures
 - (2) Establish and communicate elements and standards
- b. Monitoring
 - (1) Measure performance
 - (2) Provide feedback
 - (3) Conduct progress review
- c. Developing
 - (1) Address poor performance
 - (2) Improve good performance

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d. Rating

(1) Summarize performance

(2) Assign the rating of record

e. Rewarding. Recognize and reward good performance

f. All employees covered under this instruction must have a performance plan.

(1) In order to facilitate the employee/supervisor communication basic to performance management, joint discussion of performance plan objectives and expectations should be held prior to establishing the performance plan for the year. Once the discussion has occurred and the performance plan is updated as necessary, the employee and supervisor sign and date the plan, and the supervisor provides a copy to the employee.

(2) Performance plans will be provided to employees within 30 days after the beginning of each performance cycle, permanent assignment to a new position and for each detail or temporary promotion expected to last 120 days or longer. As CNIC's default performance cycle begins 01 July of each year, performance plans given in conjunction with an annual performance appraisal on this performance cycle will be provided to employees by 31 July.

(3) At least one progress review is required midway through the performance cycle. This required mid-year review should be not later than six months into the performance cycle. After the review is conducted, the employee and the supervisor should sign and date the performance plan in the appropriate blocks. The employee's signature is acknowledgment that the review has been accomplished and does not necessarily constitute agreement with the review. This review is due by 31 December.

(4) Additional formal progress reviews should be done when either the employee or the supervisor believes that changes to the performance plan are necessary, and when a supervisor becomes aware of performance deficiencies. When using a two-level performance appraisal system, it is critical that the performance plan be a dynamic tool and adjusted as necessary to be realistic and responsive to organizational needs and changes.

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(5) Employees receive final ratings of record at the end of a performance cycle that serves as the official rating of record for the performance cycle. Employees must serve a minimum of 90 days in their current position in order to receive a final rating of record. Although it is preferred that the employee's final rating of record be assigned (or proposed, as applicable) by their current supervisor, an employee's rating of record can be based upon a close-out rating issued by a prior supervisor during the last 90 days of the performance cycle. If necessary, the employee's performance cycle should be extended beyond the activity's fixed ending date to ensure the minimum 90 day period is met. Written ratings of record should be completed within 30 calendar days following the completion of the annual performance cycle. Once the final rating has been conducted, both supervisor and employee sign the performance appraisal form. The employee's signature does not necessarily constitute agreement with the rating; it merely signifies that the employee has received it. The reviewer's signature is only needed in instances of "Unacceptable" performance.

g. "UNACCEPTABLE" Performance

(1) Whenever an employee's performance falls below an acceptable level, the servicing Human Resources Office must be contacted for consultation and guidance as early as possible.

(2) If the supervisor becomes aware of performance deficiencies at any time during the performance cycle, it is recommended that a progress review be conducted immediately after contacting the servicing HRO for guidance. During this review, the supervisor should discuss the deficiencies with the employee and suggest methods for improvement. However, if the supervisor decides against this recommendation, in no case shall this be construed as any limitation, bar or waiver of management's rights to pursue any and all legal and administrative avenues available to it.

(3) Should employee performance in one or more critical elements become "unacceptable," employees will be notified in writing. In accordance with reference (j), this Performance Improvement Plan (PIP) must include:

(a) The critical element(s) for which performance is determined to be "unacceptable," the performance requirement(s) and "acceptable" standards that must be attained to demonstrate acceptable performance.

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(b) Notice of the period of time allowed for the employee to demonstrate acceptable performance. This "opportunity period" must be sufficient for the employee to demonstrate improved performance.

(c) Offer of assistance in improving performance which may include, but is not limited to, formal training, on-the-job training, counseling, close supervision or other appropriate measures.

(d) Notice to the employee that unless performance in the critical element(s) improves to and is sustained at the acceptable level, the employee may be reassigned, reduced in grade, or removed.

(4) If, at the conclusion of the "opportunity period", the employee's performance continues to be "Unacceptable", the activity must initiate reassignment, reduction in grade, or removal action, in accordance with references (c) and (j).

7. Performance Recognition. Guidance for awards programs may be found at references (h), (l), and (k).

8. Grievances and Appeals

a. Employees subject to this instruction may be able to raise issues relating to the performance management process through the administrative grievance procedure, the negotiated grievance procedure for bargaining unit employees, and/or by appealing to the Merit System Protection Board (MSPB) for completed performance-based actions. Because of these multiple possible options, it is critical that the servicing Human Resources Office be involved as early as possible.

(1) Contents of individual performance plans are neither grievable nor appealable.

(2) Failure to inform employees of critical elements and standards within the required time frame is grievable.

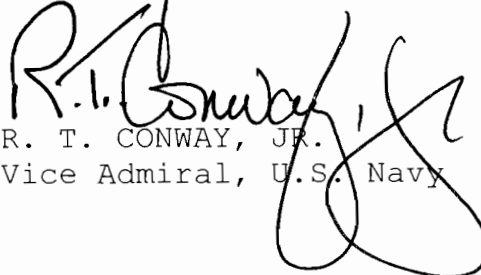
(3) Ratings on individual elements and summary ratings are grievable.

(4) Awards are not grievable under administrative grievance procedures.

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9. Labor Relations Program Requirements. The establishment and content of performance expectations set forth in individual Performance Plans are not negotiable under 5 U.S.C. 7106(a)(2)(A) and (B). However, supervisors are encouraged to inform local bargaining unit representatives of organizational goals, objectives, and priorities to assist them in carrying out their representational responsibilities and to facilitate cooperative management/union relationships. Exclusive representatives of bargaining units may bargain on the impact and implementation of performance management systems.

10. Cancellation Contingency. This instruction shall remain in effect until superseded by another instruction bearing the same subject.



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ADDITIONAL PERFORMANCE REQUIREMENTS

1. Purpose. Specific provisions of law, regulation, and Department of Defense (DoD) policy require certain matters to be considered in the performance evaluations of some employees. Except as provided below, this does not require the establishment of specific performance elements and standards addressing the individual's performance. Rating officials may just consider these requirements in the performance rating or provide narrative evaluations of progress in meeting these requirements (e.g., in a statement on an appraisal form reserved for remarks).

It is strongly encouraged that employees be given written objectives/responsibilities at the beginning of the performance cycle. The assignment of objectives/responsibilities, along with periodic performance appraisal discussions, lets employees know what work they are going to be rated on and the standard of performance they must meet to be satisfactory. Within CNIC, all objectives/responsibilities are "critical," therefore at any time during the performance cycle that an employee's performance fails to meet one or more of the objectives/responsibilities, the supervisor may place an employee on a performance improvement plan (PIP). Failure to bring the performance up following that opportunity period should result in the employee being reassigned, demoted, or removed. On the opposite end of the spectrum, employees who exceed the objectives/responsibilities should be considered for recognition under the incentive awards program. Throughout the performance cycle, the supervisor reviews the employee's work and communicates expectations. At the end of the performance cycle, there is the formal evaluation or assessment, the written evaluation and formal oral discussion, that comprise the employee's rating of record. This formal evaluation or assessment is conducted at the end of a performance cycle, normally annually. This phase is often referred to as the performance appraisal. Each year this performance cycle ends and begins again.

The U.S. Court of Appeals, Federal Circuit, has declared that absolute performance standards are acceptable under Title 5, U.S. Code. An absolute performance standard provides that a single incident of poor performance will result in an unsatisfactory rating on a job element. The decision dismissed a group of cases going back 20 years, in which the Merit Systems Protection Board (MSPB) had previously held in favor of appellants who challenged an agency's use of absolute performance standards. The Federal Circuit found that the important determination in an examination of the validity of performance standards is not whether they are absolute. Rather, the determination rests on whether the standards were reasonable, based on objective criteria and communicated to the employee in advance. In short, if the additional performance requirement is of sufficient importance that there may be circumstances where a single failure would justify removal, consideration should be given to constructing an absolute performance standard.

These performance standards exclude acts of willful misconduct and gross negligence (i.e., conduct, rather than performance).

For further guidance, please contact your servicing Human Resources Office.

2. Performance Evaluation Requirements

ENCLOSURE (1)

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a. Audit Follow-Up. Performance evaluations of appropriate managers must reflect the degree of effectiveness in addressing audit findings and recommendations and implementing agreed-upon corrective actions as required by Office of Management and Budget (OMB) Circular A-50, "Audit Follow-Up," September 29, 1982. This requirement applies to audits conducted by the General Accounting Office (GAO) and the DoD Inspector General. This requirement is established in DoD Directive 7650.3, "Follow-Up on General Accounting Office, DoD Inspector General, and Internal Review Reports," June 3, 2004.

b. Protecting Classified Information. Performance evaluations of all employees whose duties involve access to classified information must include a comment by rating officials pertaining to an employee's discharge of security responsibilities. This requirement is established in DoD 5200.2-R, "Personnel Security Program," January 1987.

c. Internal Management Control. Performance evaluations of managers who have significant Internal Management Control (IMC) responsibilities must reflect the accountability for the success or failure of IMC practices. This requirement is established in DoD Directive 5101.39, "Internal Management Control Program," April 14, 1987.

d. Equal Employment Opportunity (EEO). Performance evaluations of supervisors, managers, and other personnel with EEO responsibility must have a critical element on EEO. This requirement is established in DoD Directive 1440.1, "The DoD Equal Employment Opportunity (EEO) Program," May 21, 1987.

e. Inventory Management. Performance evaluations of individuals employed at Inventory Control Points must give appropriate consideration to efforts made by these individuals to eliminate wasteful practices and achieve cost savings in the acquisition and management of inventory items. This requirement is established in section 2458 of Title 10, United States Code.

f. Acquisitions. Persons serving in acquisition positions in the same acquisition career field must be provided an opportunity for review and inclusion of any comments on any appraisal of the performance of a person serving in an acquisition position. This requirement is established in DoD Directive 5000.52, "Defense Acquisition, Technology, and Logistics Workforce Education, Training, and Career Development Program," January 12, 2005.

g. Regulatory Reinvention. Performance measurements of persons who are frontline regulators, i.e., those who have authority to order a corrective action or levy a fine on a business or other government entity, must focus on results, not process and punishment. Therefore, such measures should not be based on process (e.g., number of visits to a business or government entity) or punishment (e.g., number of violations found, number of fines levied on a business or government entity). This requirement is established by a Presidential Memorandum for heads of Federal departments and agencies, "Regulatory Reinvention Initiative," March 4, 1995.

h. Classified Information Management. The performance ratings of civilian employees who are original classification authorities, security managers or security specialists, or significantly involved in the creation or handling of classified information must include the management of classified information as a critical element or item to be evaluated. This requirement is

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established in Executive Order 13292, "Classified National Security Information," March 25, 2003.

i. Safety. Responsible DoD officials at each management level, including first level supervisors, must to the extent of their authority, comply with the DoD Occupational Safety and Health program guidance and regulations. Performance evaluations of those employees must reflect personal accountability in this respect, consistent with the duties of the position, with appropriate recognition of superior performance, and conversely, with corrective administrative action, as appropriate, for deficient performance. This requirement is established in DoD Instruction 6055.1, "DoD Occupational Safety and Health Program," August 19, 1998.

j. Increased Competition and Cost Savings in Contracts. Performance evaluations of officials involved in contracting and acquisition must give appropriate recognition to efforts to increase competition and achieve cost savings. This requirement is established in section 2317 of Title 10, United States Code.