



Department of Energy

Washington, DC 20585

August 27, 2010

MEMORANDUM FOR HUMAN RESOURCES DIRECTORS

FROM: SARA J. BONILLA, DIRECTOR OF
HUMAN CAPITAL MANAGEMENT

SUBJECT: GUIDANCE MEMORANDUM #10
CATEGORY RATING

The purpose of this memorandum is to establish the Department of Energy's (DOE's) policy for the use of Category Rating.

Authorities: Public Law 107-296; Title 5 USC 3319; 5 CFR, Part 337, Subpart C., Presidential Memorandum of May 11, 2010

This guidance is established in accordance with 5 USC 3319, which authorizes Federal Agencies to use alternative rating procedures in assessing applicants for employment using category rating and selection procedures, and to ensure consistency in complying with federal regulations contained in the Code of Federal Regulations (CFR), Office of Personnel Management (OPM) and the Department of Energy policies. This policy guidance must be used in conjunction with 5 CFR part 337 subpart C.

Managers, in coordination with their human resources offices, must use category rating to rate and rank candidates for any competitive service position, including wage grade and temporary/term positions. Human Resource Directors throughout the Department are responsible for the effective implementation of this policy.

Coverage: All competitive positions filled through the delegated examining process and excepted appointments filled through a competitive announcement. The following procedures will implement the provisions for the use of category rating.

Assessment - Selecting Officials in coordination with HR Specialist's will:

Conduct a job analysis to identify job related criteria that identify the level of job competencies or the level of demonstrated knowledge, skills, and abilities (KSAs) required for the job in order to assign a quality category. The competencies and KSAs identified in the job analysis will serve as the foundation for the assessment strategy for the defined quality categories. Managers and servicing human resources staff should spend adequate time in the beginning of the process performing a thorough assessment of the needed competencies/KSAs. All job



analysis must conform to the "Uniform Guidelines on Employee Selection Procedures," which can be found at 29 CFR Part 1607 and CFR Part 300.

At least two quality categories should be defined (i.e., Highly Qualified and Qualified). If more than two quality categories are used, each category must be defined in advance (i.e., Highly Qualified, Well Qualified and Qualified). However, the use of three quality categories is recommended to allow for more meaningful distinctions among applicants.

Each quality category must be defined prior to the vacancy being advertised.

Servicing Human Resources Offices (SHROs) can define their quality category by using either a narrative description or numerical point range.

Candidates will be assessed against job-related criteria assigned to previously defined quality categories, for example Highly Qualified or Well Qualified and Qualified depending upon the quality and relevance of their qualifications to the job.

Applicants who meet the basic qualification requirements established for the position will be placed in a quality category.

SHROs cannot establish Not-Qualified Categories. In other words, candidates who are determined not qualified are not grouped into a category. They are simply eliminated from further consideration.

Quality Categories: Suggested definitions for three categories are:

Highly-Qualified: This highest category will be used for those candidates who possess the type and quality of experience that substantially exceeds the minimum qualifications of the position, including all selective placement factors as determined by the job analysis.

To be highly qualified, the candidates are considered by the Human Resources Office and the subject matter expert as being highly proficient in all the requirements of the job and can immediately perform effectively in the position or with a minimum amount of training and/or orientation.

Well Qualified: This next lower category will be used for those candidates that meet the basic qualifications of the position and demonstrate proficiency in nearly all requirements of the position. Candidates may require some training and/or orientation in order to satisfactorily perform the duties of the position.

Qualified: This category will be used for those candidates who meet the basic qualification requirements of the position and may or may not have direct experience performing the duties of the position or may require considerable training in order to perform the duties of the position.

Vacancy Announcements must:

Include a statement (under the section "How You Will Be Evaluated") informing all applicants that category rating and selection procedures will be used as the basis of rating along with a brief description of each category (Highly-Qualified, Well-Qualified and Qualified) that will be used to assess all applicants; and

Clearly describe how veteran's preference will be applied under the category rating process.

Veterans Preference: Apply veteran preference as outlined in 5 U.S.C. 3319(b) and (c) 2 and as referenced below:

- (a) Veterans preference is absolute within each defined category. Therefore, veteran's must be placed at the top of their category ahead of non-veterans;
- (b) Qualified veteran's with a 30 percent compensable service-connected disability and those with a compensable service-connected disability of more than 10 percent, but less than 30 percent are placed at the top of the highest quality category for all occupational series and grades - with the exception of scientific and professional positions at the GS-9 (or equivalent) grade level or above;
- (c) List all preference eligibles within a category at the top of the list in alphabetical order.
- (d) For scientific and professional positions at the GS-9 (or equivalent) or higher, qualified preference eligibles with a compensable service-connected disability of 10% or more (CPS and CP's) must be placed ahead of non-preference eligibles within the same quality category;
- (e) Human Resource Directors can approve pass over requests of 5 point (TP); 10 point (XP); 10 point compensable disability less than 30 percent disabled (CP); and 10 point other (XP) eligibles following the procedures outlined in Chapter 6 of OPM's Delegated Examining Operations Handbook.
- (f) A request to pass over a 10 point 30 percent compensable disability preference eligible (CPS) must be approved by the Office of Personnel Management (OPM). Any request to pass over a 30 percent disabled veteran (CPS) must be submitted to HC-11 for concurrence and transmittal to OPM as appropriate.

- (g) Veterans' preference points as outlined in 5 U.S.C. 3313 are not applied in category rating and should not be reflected on the certificate of eligibles

Ranking/Referral:

As a reminder, Human Resource Specialists and Subject Matter Experts (SMEs) must clearly group (or validate the grouping of) applicants with similar levels of related competencies or KSAs into one of the predefined quality categories.

For most jobs and grade levels under category rating, the certificates of eligibles should be issued in the following order:

- (1) Career Transition Assistance Program (CTAP) and Interagency Career Transition Assistance Program (ICTAP) eligibles;
- (2) Those who lost consideration due to erroneous certification;
- (3) Category rating eligibles in the highest quality category; and
- (4) Category rating eligibles in the next lower quality categories, as needed.
- (5) Candidates within each Veterans preference group will be listed in alphabetical order at top of the appropriate category list.

Certificates issued under category rating procedures must contain the names of all candidates in the highest quality group in alphabetical order.

When there are fewer than three candidates in the highest quality category, that group may be merged with the next lower quality category. Merging quality categories is optional. Merging categories may take place before issuing a certificate of eligibles or before selecting an eligible. When merging quality categories, preference eligibles from the next lower category are placed above the non-preference eligibles in the newly merged category. Please refer to the Delegated Examining Operations Handbook, chapter 6 for examples on how to merge categories.

Any selection made by the selecting official prior to merging the highest quality category with the next lower category is a valid and legal appointment. However, for reconstruction purposes, it is important that the selecting official or the human resources specialist document any selections made prior to the merge, the date the documents/categories were merged.

The "rule of three" in accordance with 5 U.S.C. 3318 does not apply when using category rating

Selection(s): Agencies must send all eligible candidates in the highest quality category on the certificate of eligibles or equivalent to the Selecting Official with preference eligibles listed first in alphabetical order followed by all non-preference candidates listed in alphabetical order.

Exception: When using OPM's Standing Registers, agencies must follow OPM's established quality categories for each register.

Records Retention and Reporting Requirements

All SHRO's with delegated examining authority must adhere to the documentation and record keeping procedures that are consistent with the requirements of OPM's Delegated Examining Operations Handbook and this policy.

SHRO's must document the entire rating process. This will help explain the rationale for how the rating procedure was derived and provide sufficient information to enable reconstruction in the event of an audit, legal action, or third party review. This documentation should be maintained as part of the official record and be kept in an examination file (for case examining) or as a separate file identified by the occupation and referencing any inventory (register) for which it was used.

The file should include all information related to the position of record, vacancy announcement, applications and any other pertinent information that will be needed in the event of an audit or third party review. Please refer to the Delegated Examining Operations Handbook, Chapter 6, Section C to reference any materials that should be maintained in the documented case file.

All cases containing category rating procedures must be kept for a minimum of 3 years or destroyed after the program has been formally evaluated by the Human Capital Management Accountability team and/or the Office of Personnel Management.

Each SHRO must submit a report to the Human Capital Policy Division (HC-11) on the use of category rating by November 30 of each year. HC-11 will compile and forward the agency's report on the use of category rating to Congress in accordance with 5 U.S.C. 3319(d).

The report will include the following information:

- (1) The number of employees hired under the system;
- (2) The impact the system has had on the hiring of veterans 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) The way in which managers were trained in the administration of category rating.

Since you will be expected to provide input to this report on an annual basis on behalf of your organization, please develop a reporting system (or tracking system) that will assist you with this information.

If you have any questions or need clarification, please contact Vivian Clark at 202-586-2167, e-mail address vivian.clark@hq.doe.gov or Michelle Tyson at 202-586-8512, e-mail address michelle.tyson@hq.doe.gov.