



Department of Energy

Washington, DC 20585

MAY 13 2015

MEMORANDUM FOR HUMAN RESOURCE DIRECTORS

FROM:

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SUBJECT:

POLICY MEMORANDUM #1
POLICY AND OPERATING PROCEDURES FOR SENIOR EXECUTIVE SERVICE (SES)
PERFORMANCE MANAGEMENT SYSTEM

Purpose: This policy memorandum and its attachment address the Department of Energy's (DOE) SES performance management system. The U.S. Office of Personnel Management (OPM), in coordination with the Office of Management and Budget (OMB) issued a government-wide SES performance management system in 2012. DOE adopted this government-wide SES performance management system and customized it to best meet the agency's needs. Fiscal Year (FY) 2013 was the first SES performance management cycle using the new system.

The attached document is intended to provide overarching policy guidance and implementing procedures to ensure consistency, transparency and compliance with law and regulations throughout DOE. This serves as interim guidance until it can be codified more formally through a DOE Order.

Authority: Chapter 43 of Title 5 United States Code, Section 4312, requires that each agency establish one or more SES performance management systems.

Coverage: This policy and operating procedures applies DOE-wide (headquarters and field) for all career, non-career, limited term and limited emergency SES members.

If you have questions, please contact Erin Moore, Acting Director, Office of Executive Resources, at Erin.Moore@hq.doe.gov or 202-586-9558.

Attachment





*Office of Executive Resources
Office of the Chief Human Capital Officer
U.S. Department of Energy*

Senior Executive Service (SES) Performance Management System Policy and Operating Procedures

Executive Summary

The U.S. Office of Personnel Management (OPM), in coordination with the Office of Management and Budget (OMB) issued a government-wide Senior Executive Service (SES) performance management system in 2012. The Department of Energy (DOE) adopted this government-wide SES performance management system and customized it to best meet the agency's needs. Fiscal Year (FY) 2013 was the first SES performance management cycle using the new system.

The SES Performance Management System Policy and Operating Procedures are designed to provide the framework for DOE's performance management system. This performance management system applies to all career, non-career, limited term and limited emergency SES members covered by Subchapter II of Chapter 43 of Title 5, United States Code and is designed to accomplish the following:

- a. Promote excellence in executive performance by establishing a rigorous performance culture in which performance and contribution of SES members are fully recognized and rewarded;
- b. Hold executives accountable for results by linking executive performance to the Executive Core Qualifications (ECQs) showing results-oriented measures, as established through the DOE's strategic planning initiatives and the [Government Performance and Results Modernization Act of 2010](#);
- c. Hold executives accountable for (1) aligning subordinate performance plans with organizational goals, and (2) rigorously completing performance plans and appraisals of subordinates by established dates;
- d. Establish and communicate individual and organizational performance goals, expectations, standards, and accomplishments;
- e. Appraise executive performance using measures that balance organizational results with customer, employee, or other perspectives;
- f. Use performance results as the primary basis for determining SES pay, awards, development, retention, removal, and other employment decisions; and
- g. Recognize executives who demonstrate the highest levels of performance and make the most significant contribution to DOE's organizational performance with the highest rates of pay adjustments and performance awards.

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I. PURPOSE

- a. To establish requirements, assign responsibilities and define procedures for implementing the SES performance management system for SES members throughout DOE.

II. APPLICABILITY

- a. Applies to all DOE and National Nuclear Security Administration (NNSA) career, non-career, limited term and limited emergency SES members covered by subchapter II of chapter 43 of title 5, United States Code, as well as those Presidential appointees who have retained eligibility for SES performance appraisals and awards under 5 U.S.C. 3392(c).
- b. Does not apply to the SES members in the Office of the Inspector General and the Federal Energy Regulatory Commission (FERC).
- c. Does not apply to Senior Level (SL), Scientific and Professional (ST) employees, Presidential appointees with Senate confirmation (PAS), and Excepted Service employees paid at rates within the SES pay schedule (i.e., appointed under Department of Energy Act (EJ), Department of Defense Act (EK), Advanced Research Projects Agency-Energy Act (ER/ET), National Nuclear Security Administration Act (EN) and Exceptionally Well Qualified (EWQ) authorities).

III. RESPONSIBILITIES

- a. **Secretary of Energy or Designee.** The Secretary of Energy or his/her designee exercises overall responsibility and serves as the Appointing Authority or designee for SES employees.
 - (1) Convey performance expectations throughout the year and provide guidelines for performance evaluation;
 - (2) Ensure organizational performance is assessed annually against organizational and strategic goals and performance measures and communicate the results to rating officials, SES and Performance Review Board (PRB) members.
 - (3) Certify that the results of the appraisal process make meaningful distinctions in pay and performance;
 - (4) Approve individual annual summary ratings at the end of the appraisal period after the recommendations are reviewed by the PRB reflecting the official rating of record; and
 - (5) Oversee and assess the SES performance management system annually.
- b. **Heads of Departmental Elements.**
 - (1) Ensure the provisions of DOE's SES performance management system are administered timely and equitably in their respective organizations and hold staff accountable for adhering to DOE's performance management system and the established organizational goals and missions to facilitate performance excellence;

- (2) Communicate the Department's strategic plan to employees and integrate the performance management process into the strategic planning process for the organization;
- (3) Ensure rating officials hold executives accountable for rigorous performance management of subordinates and for aligning subordinate employees' performance plans to organizational goals;
- (4) Assess organizational performance annually against organizational strategic goals and performance measures and use those results and other criteria, as outlined in this document, to recommend pay and award adjustments; and
- (5) Ensure that those SES members who have demonstrated the highest level of performance and/or contribution to DOE's performance receive the highest initial summary ratings (ISR) and the largest corresponding pay adjustments and performance awards.

c. Chief Human Capital Officer (CHCO) and Office of Executive Resources (OER).

- (1) Develop DOE's performance management system policy that is transparent, trusted, creditable, equitable, nondiscriminatory, and non-political;
- (2) Administer the SES performance management system, including issuance of the Secretary's guidance and direction on performance expectations at the beginning and end of the appraisal process and throughout the appraisal cycle, as required;
- (3) Ensure appropriate training is provided on the purpose, procedures and techniques of the performance management system;
- (4) Review the DOE SES performance management system for efficiency and effectiveness, as warranted, and make appropriate adjustments;
- (5) Establish required PRBs, appoint members and chairperson and ensure that PRB membership is published in the Federal Register;
- (6) Provide support and oversight of the PRB and evaluate data and feedback from the PRB and advises senior officials of any changes or corrective actions associated with the performance management system; and
- (7) Communicate aggregate performance rating, pay increase, and bonus results to executives and senior professionals, while maintaining individual confidentiality, to foster understanding of the basis for annual summary ratings and accompanying performance payouts.

d. Rating Officials.

- (1) Develop performance plans in consultation with SES members that include results-driven performance requirements aligned with organizational goals and objectives and support making meaningful distinctions in performance levels;
- (2) Hold SES members accountable for rigorous performance management of subordinates;
- (3) Conduct meaningful progress reviews that address performance progress and developmental opportunities during the performance appraisal period to promote, sustain, and improve performance;
- (4) Address executive performance deficiencies in a timely and constructive manner;
- (5) Appraise SES members realistically and fairly, using the results of organizational performance assessments as a factor in determining the appropriate performance rating;
- (6) Consider the impact of an executive's documented disciplinary issues when assessing performance against the appropriate performance requirements;
- (7) Recommend performance awards and performance based pay adjustments consistent with policy outlined in section IX; and
- (8) Communicate ISRs and annual summary ratings after approval by the Appointing Authority or designee.

e. Reviewing Officials.

- (1) Review and approve all proposed performance plans;
- (2) Ensure consistency in the development of performance objectives and performance requirements within the organization and the equitable appraisal of SES members in line with their established performance plan; and
- (3) Review proposed ISRs with the rating official, consider the impact of documented disciplinary issues when assessing performance and provide feedback as appropriate to support equitable appraisal of SES members in line with organizational results but without changing any executive's proposed initial rating.

f. SES Members.

- (1) Collaborate with the rating official at the beginning of the appraisal cycle to gain a mutual understanding of the performance requirements and expectations established in the performance plan for successful performance during the appraisal period;
- (2) Advise rating officials of changes in circumstances or conditions that may affect performance plans;

- (3) Provide a written Executive Accomplishment Narrative at the end of the cycle documenting the results achieved during the appraisal cycle (optional non-career SES members, but it is strongly recommended);
- (4) Meet with rating officials to discuss progress and proposed ISRs;
- (5) Attend and/or review training materials provided by OER on the requirements and operation of DOE's SES performance management system; and
- (6) Request a higher level review to OER within seven (7) calendar days of receiving the ISR from the rating official if there is a compelling reason to believe it is not an adequate reflection of performance.

g. Higher Level Reviewing Official (HLRO).

- (1) Review and assess the performance appraisal including the performance plan and goals, rating official's narrative/assessment, and the executive's self-assessment, as well as any comments provided by the executive;
- (2) Make a determination (HLRO can sustain or recommend changes in whole or in part) and provide a written justification supporting the determination which will become a part of the official performance appraisal for submission to the PRB and Appointing Authority or designee; and
- (3) Provide the written determination within seven (7) calendar days to OER for dissemination to the employee, rating official, reviewing official, PRB and Appointing Authority or designee.

h. Performance Review Board (PRB).

- (1) Evaluate ISRs from supervisors and written documentation provided by SES members to ensure that only those whose performance merits a "Fully Successful" or higher rating receive them;
- (2) Consider the impact of documented disciplinary issues when assessing performance against the appropriate performance requirements;
- (3) Consider organizational performance and the SES member's individual accomplishments when assessing the ISRs and pay adjustments and award recommendations;
- (4) Ensure performance ratings, pay adjustments and award recommendations are applied consistently within the Departmental Elements and that the highest ratings receive the highest pay and/or award recommendations; and
- (5) Provide written recommendations to the Appointing Authority or designee on all ISRs, pay adjustments and awards.

IV. PERFORMANCE APPRAISAL PERIOD

a. Appraisal Period

DOE's performance appraisal period aligns with the Fiscal Year. It begins annually on October 1 and ends the following September 30 each year. The duration of the performance appraisal period is 12 months, except when:

- (1) An executive fails to achieve expectations;
- (2) A new executive is assigned to a position through appointment, reinstatement, reassignment, or transfer after the beginning of the performance appraisal period; or
- (3) Another situation occurs that may warrant a performance appraisal period of either fewer or more than 12 months (e.g., departure of the rating official before the end of the performance appraisal period).

b. Minimum Rating Period

In accordance with 5 CFR 430.304, the minimum performance appraisal period is 90 days to provide a meaningful evaluation of an individual's performance. The minimum appraisal period is effective from the date the SES member is appointed, transferred, reassigned or detailed to a position. Each SES member must perform for a minimum of 90 days in order to be eligible to receive a performance rating.

SES members who start a new position through appointment, reassignment, reinstatement or transfer in the last 90 days of the rating cycle (i.e., after July 3) will have their appraisal period extended to the end of the following appraisal cycle not to exceed 15 months. For example, an SES member who is reassigned to a new position on August 1, 2014, will have a 14-month performance plan that will end September 30, 2015.

c. ePerformance

ePerformance is a mandated web-based DOE enterprise tool that is used to facilitate the performance process and to aid SES members, rating and reviewing officials with their individual and organizational performance management responsibilities. SES members, rating and reviewing officials will have accounts established in the ePerformance system. ePerformance is used for all phases of the SES performance management cycle from creation of the performance plan to the annual summary rating and final transmittal to an SES member's electronic Official Personnel File (eOPF) when complete.

d. Transition Period

A career SES member's performance may not be appraised or rated within 120 days after the beginning of a new Presidential administration.

e. Details

When an SES member is detailed to another position in DOE for more than 120 days, the gaining organization must set performance goals and requirements and appraise the executive's performance in writing. New performance requirements must be set within 30 days of the detail. This is done outside of the ePerformance system and is considered an Advisory Rating. If the detail is extended past the original 120 days, the performance requirements should be updated to cover the extension. Only one Advisory Rating will be

required at the conclusion of the entire detail or at the end of the performance cycle, whichever occurs first. The SES member's rating official of record must consider the Advisory Rating when determining the ISR at the end of the performance cycle.

When an SES member is detailed away from DOE for 120 days or longer, the rating official of record must make a reasonable effort to obtain appraisal information from the outside organization. A long-term training assignment is treated in the same manner as a detail away from the DOE.

f. Changes in Position During the Performance Appraisal Period

During the performance appraisal cycle, different situations may occur due to the movement of current DOE SES members and/or their rating officials.

- (1) **SES Movements.** When an SES member is reassigned and has been in the former position for at least the minimum 90 day appraisal period, the rating official of the former position must prepare an interim summary rating.

If the reassignment or transfer is effective more than 90 days before the end of the appraisal cycle, the interim summary rating can be documented on the former position's plan in ePerformance before closing it out in the system. The former plan should be provided to the SES member's new rating official. The new rating official must consider it and any other interim ratings received during the appraisal period when determining the ISR at the end of the performance appraisal period.

- (2) **Change in Rating Official.** When a rating official leaves his/her position, the rating official must provide an interim summary rating for all SES members who have been under his/her supervision for the minimum 90 day appraisal period. This interim summary rating must be considered by the new rating official at the end of the performance appraisal period. This interim summary rating is done outside of ePerformance and provided to the incoming rating official for consideration.

g. Changes in the Last 90 Days

In the last 90 days of the performance appraisal cycle (i.e., after July 3), different situations may occur due to the movement of SES members and/or their rating officials.

- (1) **SES Movements within DOE in the Last 90 days.** SES members who have been on a performance plan for at least the minimum rating period of 90 days and are reassigned within the last 90 days of the performance cycle will receive an early ISR from the rating official of record prior to movement to the new position.

The early ISR will be evaluated and considered by the gaining Departmental Element. The SES member will be considered in the gaining Departmental Element's award pool at the end of the performance cycle (i.e., where the SES member is on September 30 of the year). The gaining Departmental Element should recommend a performance pay adjustment and/or award based upon the SES member's performance results prior to movement in the new position.

- (2) **Departure of Rating Official in Last 90 Days.** Rating Officials who change jobs within the last 90 days of the performance cycle must assess and provide an early ISR for all of

their SES members who have been on a performance plan for a minimum of 90 days. This will serve as the ISR of record and be forwarded to the PRB.

The incoming Rating Official may provide an additional narrative in support or opposition to the recommended ISR at the end of the performance appraisal period. The incoming Rating Official cannot change the recommended ISR from the departing Rating Official. If provided, the additional narrative is done outside of ePerformance and must be provided to OER for documentation as part of the official record.

- (3) **SES Transfers into DOE in the Last 90 Days.** An SES member who transfers from outside of DOE in the last 90 days of the performance cycle (e.g., an SES member transfers to DOE in September) will not be eligible for a performance award or pay increase for the current appraisal cycle because he/she did not complete 90 days under a DOE SES performance plan. The SES member will have an extended rating cycle for the next appraisal period not to exceed 15 months.

Pay setting upon the effective date of the transfer should consider the performance from the losing agency as the SES member will be ineligible to receive a performance pay increase for the current appraisal period. The SES member's salary will be considered in the gaining organization's award pool at the end of the performance cycle because he/she is onboard on September 30 when the award pool is calculated.

h. Changes After the End of the Appraisal Period

SES members who transfer from outside of DOE after conclusion of the appraisal period but before the conclusion of the DOE's annual performance appraisal process (e.g., an SES member transfers to DOE in November) will receive their annual performance rating for that period by their losing agency. The SES member will not be included in the current DOE PRB process.

Pay setting upon the effective date of the transfer should consider the performance from the losing agency as the SES member will be ineligible to receive a performance pay increase for the current appraisal period. Any performance award for the appraisal period must be paid by the losing agency to the SES member or transferred to DOE for payment to the employee.

i. Uniformed Services Employment and Reemployment Act (USERRA)

Performance appraisal law and regulations require appraising SES members at least annually and USERRA requires agencies to treat the SES members as if he/she never left the agency. When no current rating is available, agencies must find another method, such as a carryover or modal rating to service as a basis for granting pay adjustments.

V. ESTABLISHING PERFORMANCE EXPECTATIONS

a. Developing Performance Plans

Performance plans must be developed jointly between the SES member and the rating official. The rating official must work with the executive to develop specific results-oriented performance requirements that align with DOE's organizational goals for the Results Driven element to reflect the duties, responsibilities, and expected outcomes.

Performance plans are established annually. Plans must be communicated to SES members on or before the beginning of the appraisal period. Plans must be established within 30 days from the effective date of the date the SES member is appointed, transferred, reassigned or detailed to a position.

Final authority for establishing the performance requirements rests with the rating official. Performance plans must be signed and dated by both the SES member, the rating official and reviewing official as evidenced by the electronic signature on the DOE Executive Performance Agreement in the ePerformance system. A copy is provided in Appendix B. The signatures indicate that the rating official consulted and discussed with the SES member the specific performance requirements applicable to the individual's position and the criteria will be the basis of any rating for the upcoming rating period.

b. Critical Elements (CEs)

All SES members are assessed and rated on each of the five CEs which are based on the Executive Core Qualifications. All CEs, with the exception of Results Driven, will contain one mandatory OPM pre-populated performance requirement that cannot be changed. The mandatory language for all of the elements is provided below:

- (1) **CE 1: Leading Change.** Develops and implements an organizational vision that integrates key organizational and program goals, priorities, values, and other factors. Assesses and adjusts to changing situations, implementing innovative solutions to make organizational improvements, ranging from incremental improvements to major shifts in direction or approach, as appropriate. Balances change and continuity; continually strives to improve service and program performance; creates a work environment that encourages creative thinking, collaboration, and transparency; and maintains program focus, even under adversity.
- (2) **CE 2: Leading People.** Designs and implements strategies that maximize employee potential, connects the organization horizontally and vertically, and fosters high ethical standards in meeting the organization's vision, mission, and goals. Provides an inclusive workplace that fosters the development of others to their full potential; allows for full participation by all employees; facilitates collaboration, cooperation, and teamwork, and supports constructive resolution of conflicts. Ensures employee performance plans are aligned with the organization's mission and goals, that employees receive constructive feedback, and that employees are realistically appraised against clearly defined and communicated performance standards. Holds employees accountable for appropriate levels of performance and conduct. Seeks and considers employee input. Recruits, retains, and develops the talent needed to achieve a high quality, diverse workforce that reflects the nation, with the skills needed to accomplish organizational performance objectives while supporting workforce diversity, workplace inclusion, and equal employment policies and programs.
- (3) **CE 3: Business Acumen.** Assesses, analyzes, acquires, and administers human, financial, material, and information resources in a manner that instills public trust and accomplishes the organization's mission. Uses technology to enhance processes and decision making. Executes the operating budget; prepares budget requests with justifications; and manages resources.

- (4) **CE 4: Building Coalitions.** Solicits and considers feedback from internal and external stakeholders or customers. Coordinates with appropriate parties to maximize input from the widest range of appropriate stakeholders to facilitate an open exchange of opinion from diverse groups and strengthen internal and external support. Explains, advocates, and expresses facts and ideas in a convincing manner and negotiates with individuals and groups internally and externally, as appropriate. Develops a professional network with other organizations and identifies the internal and external politics that affect the work of the organization.
- (5) **CE 5: Results Driven.** This CE is unique to each SES member and includes specific performance requirements expected from the SES member during the appraisal period, focusing on measurable outcomes from the strategic plan or other measurable outputs and outcomes clearly aligned to organizational goals and objectives.

At a minimum, the performance plan will include performance requirements that are measurable with standards (quality/targets/timelines) describing the range of performance at Level 3 for each requirement specified. It is recommended to also establish the threshold measures/targets for Levels 5 and 2.

The Results Driven CE must also identify clear, transparent alignment to relevant agency or organizational goals/objectives, page numbers, from the Strategic Plan, Congressional Budget Justification/Annual Performance Plan, or other organizational planning document in the designated section for each performance requirement specified.

At least three measurable, results-driven performance requirements must be provided for the Results Driven CE with the maximum number of performance requirements being five.

c. Agency Specific Performance Requirements

Agency-specific performance requirements in CEs 1-4 are reserved for any DOE-wide requirements established by the Secretary or designee. If the Secretary or designee requires additional agency-specific requirement in these elements, they will be incorporated in the performance appraisal by OER.

d. Measurable Performance Requirements

When establishing the performance requirements in the Results Driven CE, SES members and rating officials should use the SMART-Q (Specific, Measurable, Aligned, Realistic, Timeframe, Quality) framework to specific measurable results and outcomes required. Performance requirements should not describe general tasks, activities, duties or responsibilities of an ongoing job. They should include measures related to quality, quantity, cost, efficiency and timeliness as appropriate. SMART performance requirements must:

- (1) Apply to the executive's areas of responsibility;
- (2) Be mission-focused, results-oriented and aligned with strategic plans and initiatives of the DOE organization and reflect expected agency or organizational performance;
- (3) Clearly describe performance that is attainable, measurable, verifiable, or apparent;

- (4) Focus on tangible outputs, outcomes, milestones, or other deliverables which will allow the rating official to make meaningful distinctions in performance;
- (5) Reflect the perspectives of distinct groups including customers and employees;
- (6) Demonstrate the complexity and scope of the work and describe the level of performance required to be rated “Fully Successful”; and
- (7) Include a specific reference to an organizational strategic plan, initiative, goal or objective for each one (e.g., Org Goal #4)

e. CE Weighting

Each CE must be assigned a weight value such that the sum of the weights for all of the CEs will be 100 percent. The following weighting scheme must be used:

- (1) At least 40 percent weight for the Results Driven CE and
- (2) Between 5 – 20 percent weight for the other four CEs.

Departmental Elements may choose to set a standard weighting structure for all SES members. Otherwise, an SES member and their rating official should determine the appropriate weighting based upon the duties of the position.

VI. MONITORING AND DEVELOPING PERFORMANCE

a. Monitoring Performance

Rating officials must monitor performance during the performance appraisal period and communicate feedback to the SES member on his or her progress in accomplishing the CEs and performance requirements described in the performance plan.

Relative to the performance plan, the rating official must provide ongoing feedback as necessary to reinforce, acknowledge, anticipate, and remedy performance. Feedback can be provided at any time during the performance appraisal period. Additionally, executives may request feedback on performance.

b. Progress Reviews

Feedback between the rating official and the SES member is a fundamental part of the performance management process. Rating officials must provide advice and assistance to executives on how to develop and improve performance, when needed, and provide encouragement and positive reinforcement, as appropriate.

Progress reviews must be documented in ePerformance and require the signature of both the rating official and the SES member. Two progress reviews are mandatory based on the requirements of the Goals, Engagement, Accountability, and Results (GEAR) effort currently in place.

- (1) The first progress review is scheduled to be completed no later than March 31st as long as the SES member has been on standards for at least 30 days.

- (2) The second progress review must be completed no later than June 30th.
- (3) Depending on the unique situation of an SES member, two progress reviews may not be realistic (e.g., if an SES member was appointed in April). However, in accordance with 5 CFR 430.306(b), at least one progress review must be held between the rating official and executive during the performance appraisal period regardless of the start of the performance plan.

Rating officials must promptly inform the SES member when deficient performance is identified. Any time an SES member is failing to meet performance requirements, steps must be taken to promptly address the unacceptable performance. If progress on a particular CE is less than “Fully Successful”, the rating official must document it in ePerformance and notify OER.

When addressing unacceptable performance, rating officials must identify and communicate to the executive the specific performance deficiency requiring improvement and outline the measure the SES member must take to correct performance deficiencies.

c. Updating Performance Requirements

In addition to providing feedback on current performance, progress reviews are also the time to review the established performance requirements and make changes where needed based on unforeseen shifts in workload, changes in mission or priority levels.

d. Executive Development

Executive development is integrated with the performance management process. Along with meaningful performance-related discussions that assist the executive in reinforcing strengths and correcting weaknesses, employee development opportunities should be discussed.

In accordance with 5 CFR 412.401, all SES members must have an Executive Development Plan (EDP). Performance elements and performance requirements should serve as the basis for assessing and discussing executive developmental needs for inclusion in the EDP. It serves as a detailed guide of developmental experiences to help SES members, through participation in short-term and longer-term experiences, meet organizational needs for leadership, managerial improvement and organizational results. The EDP must also address the enhancement of existing executive competencies to strengthen performance.

Rating officials should discuss and encourage executives to seek development opportunities that promote achievement of the strategic initiatives of DOE. These may include:

- (1) Enhancing individual contributions to DOE and organizational missions and goals.
- (2) Increasing personal understanding of DOE’s operational environment (*e.g., dealing with local communities, operating alongside other internal organizations or external agencies, or working alongside national laboratories, industry and academia to further U. S. and partner interests*).

e. **Career Broadening**

Rating officials should discuss and encourage executives to develop a portfolio of diverse experiences to broaden perspectives and view responsibilities in the context of the larger DOE enterprise, the national energy strategy, and public policy interests of DOE.

VII. APPRAISING PERFORMANCE

Rating officials must provide written appraisals of each SES member who served a minimum of 90 days based upon an assessment of individual and organizational performance against the established critical elements and performance requirements. The performance rating process uses performance rating benchmark descriptors that describes expected performance for each rating level and a formula to determine the ISR or interim performance rating.

a. **Performance Rating Benchmark Descriptions**

The rating level determination for each CE is based on the relationship of the SES member's accomplishment to the performance requirements established in the performance plan. As defined by OPM, the following Benchmark Descriptions must be used by the rating official when assigning ratings to each individual CE:

- (1) **Level 5 (Outstanding)**. The executive demonstrates exceptional top-level performance in fostering a climate that sustains excellence and optimizes results in the executive's organization, agency, department or government-wide.

This represents the highest level of executive performance, as evidenced by the extraordinary impact on the achievement of the organization's mission. The executive is an inspirational leader and is considered a role model by agency leadership, peers, and employees. The executive continually contributes materially to or spearheads agency efforts that address or accomplish important agency goals, consistently achieves expectations at the highest level of quality possible, and consistently handles challenges, exceeds targets, and completes assignments ahead of schedule at every step along the way. Performance may be demonstrated in such ways as the following examples:

- Overcomes unanticipated barriers or intractable problems by developing creative solutions that address program concerns that could adversely affect the organization, agency, or Government.
- Through leadership by example creates a work environment that fosters creative thinking and innovation; fosters core process re-engineering; and accomplishment of established organizational performance targets.
- Takes the initiative to identify new opportunities for program and policy development and implementation or seeks more opportunities to contribute to optimizing results; takes calculated risks to accomplish organizational objectives.
- Accomplishes objectives under demands and time pressure beyond those typically found in the executive environment.
- Achieves results of significant value to the organization, agency, or Government.
- Achieves significant efficiencies or cost-savings in program delivery or in daily operational costs of the organization.

- (2) **Level 4 (Highly Successful).** The executive demonstrates a very high level of performance beyond that required for successful performance in the executive's position and scope of responsibilities.

The executive is a proven, highly effective leader who builds trust and instills confidence in agency leadership, peers, and employees. The executive consistently exceeds established performance expectations, timelines, or targets, as applicable. Performance may be demonstrated in such ways as the following:

- Advances progress significantly toward achieving one or more strategic goals.
- Demonstrates unusual resourcefulness in dealing with program operations or policy challenges.
- Achieves unexpected results that advance the goals and objectives of the organization, agency, or Government.

- (3) **Level 3 (Fully Successful).** The executive demonstrates the high level of performance expected and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results.

The executive is an effective, solid, and dependable leader who delivers high-quality results based on measures of quality, quantity, efficiency, and/or effectiveness within agreed upon timelines. The executive meets and often exceeds challenging performance expectations established for the position. Performance may be demonstrated in such ways as the following:

- Seizes opportunities to address issues and effects change when needed.
- Finds solutions to serious problems and champions their adoption.
- Designs strategies leading to improvements.

- (4) **Level 2 (Minimally Satisfactory).** The executive's contributions to the organization are acceptable in the short term but do not appreciably advance the organization towards achievement of its goals and objectives.

While the executive generally meets established performance expectations, timelines and targets, there are occasional lapses that impair operations and/or cause concern from management. While showing basic ability to accomplish work through others, the executive may demonstrate limited ability to inspire subordinates to give their best efforts or to marshal those efforts effectively to address problems characteristic of the organization and its work.

- (5) **Level 1 (Unsatisfactory).** In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives. The executive generally is viewed as ineffectual by agency leadership, peers, or employees. The executive does not meet established performance expectations/timelines/targets and fails to produce – or produces unacceptable – work products, services, or outcomes.

b. CE Rating Derivation Formula

When any CE contains more than one performance requirement, the rating official must use the rating determination in Table 1.

Table 1: Multiple Performance Requirements in a CE Derivation Formula

Critical Element Rating Levels	Rating Determination
Level 5 Outstanding	All performance requirements are rated Outstanding, as defined by Level 5 above.
Level 4 Highly Successful	A majority of the performance requirements are rated at least Highly Successful, with none below the Fully Successful level, as defined by Level 4 above.
Level 3 Fully Successful	A majority of the performance requirements are rated at least at the Fully Successful level, with none below the Fully Successful level, as defined by Level 3 above.
Level 2 Minimally Satisfactory	One or more of the performance requirements in the element were performed at the Minimally Satisfactory level, as defined by Level 2 above.
Level 1 Unsatisfactory	One or more of the performance requirements in the element were performed at the Unsatisfactory level, as defined by Level 1 above.

c. Overall Performance Rating Derivation Formula

The rating official must assign each CE with a rating (Level 1 – Level 5) based on sections a. and b. above. Each rating is then multiplied by the weight of the CE and then summed to determine the overall point score (maximum of 500 points). This overall point score equates to a final rating level (Level 1 – Level 5). If any CE is rated Level 1, the ISR is Unsatisfactory regardless of the other CE ratings.

An example with the ISR determined to be Level 4 is located below in Table 2.

Table 2: Overall Performance Rating Derivation Formula

*EXAMPLE	Rating Level		Score	Final Rating Level Derivation Formula		
Critical Element	Initial Element Rating	Weight	Initial Point Score			
1. Leading Change	4	20	4 x 20 = 80	475-500	Level 5	Outstanding
2. Leading People	5	10	5 x 10 = 50			
3. Business Acumen	3	20	3 x 20 = 60	400-474	Level 4	Highly Successful
4. Building Coalitions	4	10	4 x 10 = 40	300-399	Level 3	Fully Successful
5. Results Driven	4	40	5 x 40 = 200	200-299	Level 2	Minimally Satisfactory
	Total	100	430	Any CE rated Level 1 = Level 1		Unsatisfactory

d. Assessing Organizational Performance

Rating officials, PRBs and the Appointing Authority or designee must use organizational assessment results to determine individual performance ratings. Rating officials must make meaningful distinctions based on relative performance; these distinctions must take into account assessment of the organization's performance against relevant performance measures. In reviewing each SES member's individual performance, the PRB must also take into account organizational performance based on annual assessments of the Departmental Elements and DOE's performance with respect to achieving its strategic goals.

The Business Quarterly Reports or other appropriate Departmental Element organizational assessments should be used for this purpose. This information must be communicated across the organization for use by officials in the rating chain to determine the extent to which an SES member's performance impacted organizational results and to ensure the performance ratings reflects the impact and progress on DOE's strategic goals.

e. Executive's Accomplishment Narrative

At the end of the performance cycle, all career and limited term SES members who have been on a performance plan for a minimum of 90 days must provide an Executive Accomplishment Narrative that highlights the results achieved as it relates to the performance requirements and organizational results in ePerformance. While the completion of an Executive Accomplishment Narrative is optional for non-career SES members, it is strongly recommended. This narrative is used by the rating official and the PRB to assess results achieved during the performance year in an effort to determine a final performance rating.

f. Initial Summary Rating (ISR)

At the end of the performance cycle, the rating official must prepare an ISR in ePerformance for each SES member who has completed at least 90 days on an established performance plan. Rating officials must take into account the SES member's accomplishments achieved during the performance cycle and its impact to the organization's performance. Additionally, the rating official should consider the impact of documented disciplinary issues when assessing performance against the appropriate performance requirements. If the disciplinary issue affected performance, the CE(s) should reflect an appropriate rating (e.g., Leading People).

The ISR provides the executive a preliminary performance assessment rating pending review and approval by the PRB and the Appointing Authority or designee. It is a numerical score derived from the cumulative assessment of the SES member's demonstrated accomplishment in each of the CEs contained within the performance plan.

The rating official must take into account the Executive Accomplishment Narrative and any interim ratings related to a detail, reassignment or transfer when preparing the ISR at the end of the performance appraisal period.

g. Reviewing Official

All ISRs are reviewed by a reviewing official. Typically, this is an official within the SES member's organization who is at a higher level than rater, if available, and is at least the second level supervisor. However, it is strongly recommended that the reviewing official be the head of the Departmental Element to provide an overarching perspective and to help

ensure equitable appraisal and evaluation of SES performance in conjunction with organizational results within his/her organization.

The reviewing official must review the recommended ISR and performance payouts (i.e., pay adjustments and awards) in ePerformance and must sign the performance appraisal. Recommendations for performance payouts should be reviewed by the reviewing official to ensure equity and fairness of the proposed payout in comparison to the achievements and ratings of other SES members within the organization.

The reviewing official cannot change the rating official's ISR. In instances of non-concurrence, the reviewing official is required to provide a written justification support of his/her determination. This information is documented on the SES performance plan and becomes part of the official SES performance appraisal submitted to the PRB.

h. Communicating the ISR

Rating officials must meet with the executive for a detailed discussion of goals and accomplishments, comments from employees, customers and key stakeholders and the significance of these factors in assessing the SES member's performance during the appraisal cycle.

Although rating officials may be required to recommend a performance award and performance based pay adjustment, the ISR discussion with the SES member does not include information about projected performance awards and pay adjustments, which are subject to the PRB deliberations and decision by the Appointing Authority or designee. The rating official and SES member must sign and date the ISR in ePerformance.

i. Higher Level Review (HLR) Process

If an SES member has a compelling reason to believe his/her ISR is not an adequate reflection of his/her performance, the SES member may request an HLR of his/her performance appraisal as outlined below. Requests for an HLR must be made within seven (7) calendar days of receiving the ISR from the rating official and submitted to OER. The request for an HLR must be documented in ePerformance.

- (1) The review will be conducted by the Higher Level Reviewing Official (HLRO) who will provide an independent review of the performance appraisal. The HLRO will be outside of their Departmental Element and at a higher or equivalent level than the rating official. The HLRO will be assigned by CHCO.
- (2) The HLRO must concur or non-concur with the rating official's ISR in ePerformance. The HLRO must respond within seven (7) calendar days of receiving the request for the HLR.
- (3) The HLRO may not change the rating official's ISR but may recommend a different ISR to the PRB and Appointing Authority or designee. In instances of non-concurrence, a recommended rating and justification must be provided in writing.
- (4) Copies of the HLRO's findings and recommendations must be provided to the SES member, rating official, reviewing official, as appropriate, and the PRB. It will be provided to the Appointing Authority or designee upon request.

The HLR is the final process by which an SES member may request review of the assigned ISR. An SES member may not grieve a performance plan, appraisal and associated performance score, the non-receipt of an adjustment in pay, the amount of an adjustment in pay, the non-receipt of a performance award or the amount of a performance award.

j. PRB

Each agency is required to establish one or more PRBs to make written recommendations to its Appointing Authority or designee. The Department's PRB(s) assesses each Departmental Elements annual SES performance ratings and performance payout recommendations. Quotas and forced ratings distributions are prohibited.

(1) **PRB Structure.** Each PRB must have three or more members, including a Chair, who are appointed by the Secretary or designee consistent with 5 CFR 430.310. At the discretion of the Secretary/designee, the PRB membership and its role in the SES performance management system may be reconstructed or reconstituted. The PRB composition must be established in a manner that precludes conflicts of interest.

(2) **PRB Composition.** More than one-half of the PRB must be career SES members from DOE. The names of PRB members must be published annually in the Federal Register as required by regulation. Members must be appointed in a manner to assure consistency, equity, stability and objectivity in recommending ratings, awards, and pay adjustments.

Members must be eligible to be rated as an SES member for the current performance appraisal cycle and must have a rating of at least "Fully Successful" from the previous performance appraisal cycle. Members must possess a thorough knowledge and understanding of the DOE performance management system gained through experience and/or training.

(3) **PRB Methodology.** The PRB members conduct an objective review for each ISR, the Executive's Accomplishment Narrative and any written recommendations provided by the reviewing official or HLRO, as appropriate, within their purview. PRB members cannot participate in board deliberations involving their own appraisal, pay adjustment or award, or those of their supervisor.

Additionally, PRB members are responsible for:

- i. Eliminating "inflated ratings" by ensuring that ratings do not exceed the actual level of performance when compared to the performance expectations;
- ii. Ensuring ratings adequately reflect both individual performance and the SES member's contribution to achieving DOE's mission;
- iii. Achieving equity and consistency among the rating of SES members as well as the accuracy and fairness of individual ratings;
- iv. Monitoring ratings to ensure they do not exceed the actual level of performance when compared against performance requirements and to ensure the overall ratings distribution aligns with organizational performance;

- v. Ensuring the highest ratings are reserved for top performers who exhibit strong leadership, management skills and personal integrity and achieved exemplary results linked to significantly advancing organizational goals;
- vi. Considering the impact of documented disciplinary issues when assessing performance against the appropriate performance requirements;
- vii. Reviewing ratings and associated performance pay adjustments and awards across the organization to ensure consistency and fairness;
- viii. Identifying any irregularities to ensure those who achieved extraordinary results received the highest performance ratings with commensurate rewards;
- ix. Providing feedback to help improve and strengthen the SES performance management process; and
- x. Making written recommendations concerning ISRs and recommended performance pay adjustments and awards to the Appointing Authority or designee.

k. Annual Summary Rating

Based on the written recommendations of the PRB and any conclusions of an HLR, the Appointing Authority or designee approves the ratings, performance pay adjustments and awards. The Appointing Authority or designee is the final approval authority in DOE and may make changes to the ISR and/or performance payouts. Once approved, the annual summary rating becomes the official rating of record for the performance appraisal cycle.

The Appointing Authority or designee certifies that:

- (1) The SES appraisal process makes meaningful distinctions based on relative performance.
- (2) The results of the SES appraisal process take into account, as appropriate, the agency's assessment of its performance against program performance measures, as well as other relevant considerations.
- (3) Pay adjustments and performance awards are based on the results of the appraisal process and accurately reflect and recognize individual performance and/or contribution to the agency's performance.

VIII. USE OF PERFORMANCE APPRAISALS

The success or failure of the SES in providing effective management for agencies and programs depends on retaining only the highest caliber managers in the SES. DOE uses annual summary ratings as a tool for managing executive performance.

The ratings form the basis for adjusting pay, granting awards, determining training needs, reassigning, retaining or removing employees from the SES. Therefore, the final rating, and the appraisal information upon which it is based, will be used as a basis for taking certain actions in situations as required by law. Performance based removal actions will be effective under 5 CFR Part 359, Subpart D (Probationers) or Subpart E (Post Probationers).

The Departmental Elements must request approval of the Appointing Authority or designee, through the OCHO and OER for a reassignment or removal action based on performance.

a. 120 Day Moratorium

In accordance with 5 CFR 317.901, DOE may not involuntarily reassign an SES career appointee filling either a career reserved or general position within:

- (1) 120 days after an appointment of the head of the agency, or
- (2) 120 after the appointment in the agency of the career appointee's most immediate supervisor who is a non-career appointee and provides the ISR.

A moratorium initiated by the appointment of a non-career supervisor only applies to those career SES appointees for whom the supervisor gives the ISR (i.e., direct supervisor). It does not apply to other career SES appointees, even if the non-career appointee is higher in the supervisory chain or serves as the reviewing official. If a moratorium is initiated by the appointment of a non-career supervisor, an involuntary reassignment action may not be taken by the agency head even if the agency head has been in office more than 120 days.

An appointee may voluntarily waive the moratorium, but the waiver must be in writing and retained as a temporary record in the Official Personnel Folder.

b. Removal of Probationers for Unacceptable Performance

Initial career appointees are required to serve a one (1) calendar year probationary period. During this period, rating officials are required to observe and evaluate the SES member's performance of assigned duties and responsibilities in line with requirements outlined in the performance plan. If it is found that the probationer is not meeting the leadership or professional/technical requirements of his/her assigned position, the rating official should consider whether remedial action, such as specialized training or assignment to other SES duties, or removal action is appropriate.

The removal of a probationer for unacceptable performance does not require that a formal rating of unsatisfactory under the SES appraisal system be assigned. However, if a formal "Unsatisfactory" or a "Minimally Satisfactory" annual summary rating was given to the probationer, it can be used as the basis for the removal action. Further, the granting of a formal rating of "Fully Successful" followed by unacceptable performance later during the probationary period does not preclude removal action of the probationer. In such instances, a new formal rating is not required.

The removal of an SES member during the probationary period is subject to the 120-day moratorium except as follows:

- (1) If the removal is based on a formal "Unsatisfactory" performance rating given before the appointment of the new agency head or non-career supervisor which initiated the moratorium, and
- (2) The moratorium does not extend the probationary period.

It is possible for an SES member to complete the probationary period during a moratorium. In this case, a subsequent removal action for performance could not be processed as a

probationary removal under 5 CFR 359, Subpart D, but would be taken under 5 CFR 359, Subpart E (removal of post-probationary executive).

c. Removal of Post Probationers

An executive may be removed from the SES for performance reasons in accordance with the relevant laws and regulations.

- (1) **“Unsatisfactory” Rating (Level 1).** An SES member who receives a Level 1 annual summary rating must be reassigned within the SES. Rating Level 1 may also serve as grounds for removal.
- (2) **Two “Unsatisfactory” Ratings (Level 1).** An SES member who receives two Level 1 ratings in any five year period must be removed from the SES.
- (3) **Less than “Fully Successful” (Level 1 or Level 2).** An SES member who receives less than a Level 3 annual summary rating twice in any three-year period must be removed from the SES.

An SES member who is removed for performance may not appeal the decision to the Merit Systems Protection Board (MSPB) in accordance with 5 USC 7701. However, under 5 USC 3592(a), a career appointee may request and MSPB must grant an informal hearing before an official designated by MSPB. Conducting an informal hearing does not delay the effective date of removal. MSPB lacks authority to change a performance rating or to order a specific remedy, such as reinstatement to the SES as a result of the hearing. However, it can comment on the SES member’s argument and recommend appropriate action if a serious defect in the personnel action is manifest, such as misapplication of relevant statutory provisions.

The reassignment and/or removal for performance reasons are subject to regulatory provisions on 120-day moratorium except for an action based on a Level 2 or Level 1 annual summary rating that was given before the appointment of a new agency head or non-career supervisory who initiated the action.

d. Ratings Less than “Fully Successful”

SES members with an annual summary rating of Level 2 or Level 1 may have their salary decreased. SES performance related downward pay adjustments are limited to no more than 10 percent of pay. Heads of Departmental Elements may request a decrease in pay through OER for SMRB and the Appointing Authority or designee’s approval.

If the final rating is below the “Fully Successful” level, and the executive is retained in the SES, the executive must be:

- (1) Provided with the assistance required to achieve performance at the “Fully Successful” level, including but not restricted to, formal or on the-job-training, counseling, closer supervision, mentorship and/or development of a Performance Improvement Plan (PIP); and
- (2) Advised of the effect of any personnel action being taken and the effect of another less than “Fully Successful” rating.

e. Guaranteed Placement

Guaranteed placement (i.e., fallback rights) to a position outside of the SES at the GS-15 or above (e.g., Senior Level) applies to a career appointee who has reinstatement rights and is removed from the SES under the following circumstances:

- (1) **During Probationary Period.** Removal is based on reasons other than disciplinary and if at the time of appointment to the SES, the individual held a career or career-conditional appointment or an appointment of equivalent tenure as defined in 5 CFR 359.701(a).
- (2) **After the Probationary Period.** Removal is based on the results of a less than “Fully Successful” annual performance rating or as the result of a reduction in force.

An SES member may elect discontinued service retirement if eligible in lieu of guaranteed placement. SES members who are not entitled to guaranteed placement are separated from Federal service. SES members who are removed for disciplinary reasons or for failing to meet pre-appointment conditions are not entitled to guaranteed placement.

The Departmental Element requesting the removal action is responsible for arranging placement. If eligible for guaranteed placement, the individual must be placed in a civil service position, other than the SES, which is:

- (1) For career appointees:
 - i. At grade 15 or above, or equivalent, even if the executive entered the SES from a position below the grade 15 level that will last at least three (3) months; and
 - ii. A position for which the executive meets the qualification requirements.
- (2) For probationary appointees:
 - i. A position in equivalent in tenure to the appointment held by the executive at the time of entry into the SES.

The placement of an executive for reasons of unacceptable performance shall not cause the separation or reduction in grade of any other employee. If there is not current vacant position for which the executive qualifies, the Department Element must create one. In the rare event that internal placement is not possible; the DOE may arrange a transfer to an appropriate position in another agency. Except when a transfer of function is involved, the transfer must be mutually acceptable to the executive and the gaining agency.

f. Removal Notice Requirements

Written notice is required for removal actions during the probationary period and for removal actions after the probationary period. OER, in conjunction with General Counsel, must be contacted to assist in the development of the removal notice.

- (1) **During Probationary Period.** A written notice must be given to the probationer at least one (1) day before the effective date of removal. The following provisions must be included in the notice:

- i. DOE's conclusions as to the inadequacies of the probationer's performance;
 - ii. Whether the probationer has placement rights to another position outside the SES and if so, the identification of the position to which the individual will be assigned; and
 - iii. The effective date of removal.
- (2) **After Probationary Period.** A written notice must be given to a career SES member at least 30 days before the effective date of removal. At minimum, the following provisions must be included in the notice:

- ii. DOE's conclusions for the reason for removal (i.e., the annual summary rating(s) and the date(s) when given that support the removal action;
- iii. Whether the SES member has placement rights to another position outside the SES and if so, the identification of the position to which the individual will be assigned;
- iv. The right to request an informal hearing before an official designated by MSPB;
- v. The effective date of removal; and
- vi. When applicable, the SES member's eligibility for immediate retirement under 5 USC 8336(h) or 8414(a).

g. Saved Pay

In accordance with 5 USC 3564(c)(1)(B), an SES member placed in a non-SES position under the guaranteed placement provision, is entitled to be paid at the highest of :

- (1) The rate of basic pay for the non-SES position to which assigned;
- (2) The current rate of basic pay for civil service position held immediately before entry into the Senior Executive Service; or
- (3) The rate of basic pay held in SES immediately before removal.

In determining which of the above three alternatives is highest for purposes of establishing the saved pay rate, the "basic rate of pay" for the first two alternatives includes any applicable locality payment under 5 U.S.C 5304, special rate supplement under 5 U.S.C. 5305, or similar payment under other legal authority. However, for an employee placed in a GS position, once the saved pay rate has been established, it is not to be supplemented by a locality payment, a special rate supplement, or a similar payment under other legal authority in accordance with 5 CFR 359.705(c)(1).

h. Rights of the SES Member

By law, an SES member cannot appeal the final annual summary rating and the rating is not covered under the grievance procedures. A career SES member can appeal the ISR in accordance with the HLR procedures identified above in Section VII(i).

An SES member may file a complaint about any aspect of the rating process the executive believes to involve unlawful discrimination with the Equal Employment Opportunity Commission or with the Office of Special Counsel on any aspect of the rating process that the SES member believes to involve a prohibited personnel practice.

i. Removals of Non-Career, Limited Appointees and Reemployed Annuitants

Non-career appointees, limited term appointees, limited emergency appointees and re-employed annuitants can be removed at any time under 5 CFR 359. Appointees do not receive tenure and serve at the pleasure of the Appointing Authority or designee. A reemployed annuitant serves at the pleasure of the Appointing Authority or designee whether holding a career, non-career or limited appointment.

A limited appointment must be terminated when the appointment expires, or when the employee completes the maximum period of service permitted under law. After termination, a limited term or limited emergency appointee is entitled to be placed in his/her former position or a position of like status, tenure and grade if:

- (1) The appointment is made without a break of service in the same agency as the one in which the individual holds a career or career conditional appointment or an appointment of equivalent tenure, as defined in 5 CFR 359.701(a), in a permanent civil service position outside the SES; and
- (2) The appointment is terminated for reasons other than misconduct, neglect of duty, or malfeasance.

Written notice must be provided at least one (1) day prior to the effective date of the removal and the notice must show the effective date of the removal. The notice should be given on a workday for the employee and not be effective on a non-workday unless there is at least one (1) intervening workday following the day on which the notice was given. A reason for removal may be provided, but it is not required.

A removal covered by this section is not subject to the 120-day moratorium.

IX. PERFORMANCE BASED PAYOUTS

a. Annual Closeout Guidance

At the end of the performance appraisal cycle, DOE issues annual closeout guidance for the SES performance management system and compensation guidance to ensure consistency and transparency across the Department. The guidance provides compensation rules for performance-based pay adjustments and awards, awards pool funding subject to availability, and organizational assessment and evaluation procedures. The guidance is distributed for implementation to all Departmental Elements and the PRB.

b. Performance Awards Pool

The designated performance award pool for DOE will be based on the career SES salaries as of September 30. The performance award pool will be distributed amongst each organization. The total amount of performance awards paid during a fiscal year may not exceed the greater of:

- (1) Ten percent of the aggregate career SES rates of pay for DOE as of the end of the fiscal year prior to the fiscal year in which the award payments are made; or
- (2) Twenty percent of the average annual rates of basic pay for career SES appointees of the agency as of the end of the fiscal year prior the fiscal year in which the award payments are made.

c. Performance Award Eligibility

To be eligible for a performance award, a current SES member must be rated at least “Fully Successful” at the end of the performance cycle. New SES appointees must be on a DOE SES performance plan for at least six months to be eligible to receive a performance award (i.e., appointed by April 1 of the performance cycle). New SES appointees with less than six months of tenure are ineligible for a performance award for the applicable cycle.

SES members who transfer during the year will be eligible for a full performance award as long as he/she is on DOE’s rolls as of July 3 of the performance cycle to meet the minimum 90 day requirement to be eligible to receive a performance rating.

At the discretion of the Appointing Authority or designee, the performance award criteria and eligibility may be supplemented to reflect additional criteria as appropriate. Eligible executives include:

- (1) Current career SES appointees; and
- (2) Former SES career appointees who hold a Presidential Appointment with Senate confirmation who elected to retain performance award eligibility under 5 USC 3392(c).

This includes SES members on IPA assignment or detail outside of DOE and SES members who retire or leave the DOE after the performance period ends but before the payout occurs.

By law, performance awards may not be less than five (5) percent or more than 20 percent of an SES member’s pay at the end of the appraisal period (i.e., September 30). Award recognition must be reserved for truly top performances and are discretionary. Recommended performance award amounts must be commensurate with the rating level. The highest ratings should receive the highest award amounts.

d. Restrictions on Performance Awards and Other Incentives

A career SES member may receive a Meritorious or Distinguished Presidential Rank Award (PRA) and a performance award in the same year subject to the aggregate compensation limitations.

Special Act or other monetary awards cannot supplement or substitute for an SES performance award.

e. Performance Pay Increases

The foundation for all DOE SES members’ annual pay increases is tied to its performance management system which is a pay-for-performance system that ensures an SES member’s

pay is tied to the results achieved during the performance year and the accomplishment of DOE's goals. SES members who demonstrate the highest levels of individual performance and make the greatest contributions to DOE's performance receive the highest pay adjustments (i.e., the highest ratings receive the highest pay increases).

All nominations for pay adjustments must be endorsed by the heads of Departmental Element to which the SES member is assigned, and forwarded to OER for consideration by the PRB and approval by the Appointing Authority or designee.

f. Performance Pay Increase Eligibility

An SES member who receives an annual summary rating of "Outstanding" must be considered for an annual pay increase. An SES member who receives an annual summary rating of less than "Fully Successful" may not receive an increase in pay for the appraisal period.

SES members who are paid consistent with their current level of responsibilities and performance and who receive a "Fully Successful" or better annual summary rating should receive a performance-based pay increase. Pay above EX-III of the Executive Schedule should be reserved for an SES member who demonstrates the highest levels of individual performance and/or made the greatest contributions to agency performance.

In accordance with law and regulation, performance pay increases are not authorized for any SES member who received a pay adjustment within the last 12 months on or after the effective date of the pay increase in January. A new 12-month waiting period is defined below in part g.

SES members who transferred or were reassigned during the performance cycle and received an additional pay increase may be considered for an exception to the 12-month rule to get back on the regular performance cycle (5 CFR 534.404(c)(4)(iv). Requests to use this exception to the 12-month rule should be done only in rare circumstances. An additional justification is required from the head of the Departmental Element for the PRB's review. The exception to grant a performance pay increase will be evaluated on a case-by-case basis and can only be approved by the Appointing Authority or designee. This exception to the 12-month rule will not be authorized for new SES appointees.

g. 12-Month Rule

In accordance with 5 CFR 534.404(c), an SES member's rate of pay cannot be adjusted more than once in any 12-month period. A new 12-month waiting period begins upon:

- (1) Setting of pay upon initial appointment, reappointment or reinstatement;
- (2) Transferring to a new agency if the SES member's rate of pay is changed at the time of transfer. Otherwise, the 12-month waiting period begins at the time of the last pay adjustment in the losing agency;
- (3) Receiving a performance pay increases that advance an SES member's position in the SES rate range; and

- (4) Receiving any pay adjustment (increase or reduction) including pay increases resulting from a waiver of the 12-month rule.

h. SES Rate Range

The SES pay ranges are equal to the minimum rate of pay equal to 120 percent of the basic pay rate for grade GS-15, step 1 and the maximum rate of basic pay is equal to the rate for Level III of the Executive Schedule (EX-III). However, for any agency certified under 5 USC 5307(d) as having a performance management system which, as designed and applied, makes meaningful distinctions based on relative performance, the maximum rate of pay is Level II of the Executive Schedule (EX-II).

The minimum rate of basic pay for the SES rate range will increase consistent with any increase in the rate of basic pay for GS 15, step 1. The applicable maximum rate of basic pay for the SES rate range will increase with any increase in the rate for levels EX-II or EX-III under 5 U.S.C. 5318. The adjustment usually occurs at the beginning of the first pay period beginning on or after the first day of the month in which the GS rates are adjusted.

i. Aggregate Limitation on Pay

Aggregate limitation on pay cannot exceed limits established in 5 USC 5307. The aggregate limit applies to pay, awards (e.g., PRA, performance, special act), recruitment and relocation bonuses, retention allowances and other similar payments. Under a certified performance management system, total compensation paid to an SES member during a calendar year may not exceed the Vice President's salary at the end of the calendar. If the performance management system is not certified, the aggregate limit is EX-I in accordance with 5 CFR 530.201(b).

X. OTHER AWARDS

a. PRAs

The PRA is the most prestigious recognition awarded to SES members. It is restricted to only career SES members. PRAs recognize sustained superior performance over multiple annual performance cycles. SES members whose performance is exceptional for at least three years may be nominated for a PRA.

b. Other Awards

A Special Act or Service Award, Time-Off Award may be granted to an SES member in recognition of his/her accomplishments in leading or substantially participating in a one-time, non-recurring assignment or project of major value to the Department. It should recognize a superior accomplishment that is beyond or outside normal job responsibilities as covered by the SES member's position description and/or established in the annual performance plan. Duplicate recognition through a monetary award and a performance award for the same assignment or project is prohibited.

All SES award nominations must be forwarded through the organizational chain to the head of the Departmental Element for approval (e.g., NNSA headquarters and reporting field offices to the Administrator, NNSA). The nominations must be submitted to OER for SMRB review and final approval prior to effecting the action.

Monetary awards up to \$10,000 may be submitted for SMRB approval by the Departmental Elements for SES members during the annual rating cycle. Individual monetary awards exceeding \$10,000, but less than \$25,000, must receive concurrence from the Secretary and approval by OPM.

During Presidential election periods (June 1 of a Presidential election year through January 20 of the following year), non-career SES employees (including Limited-Term and Limited Emergency) are not eligible for cash or time-off awards by law.

XI. MISCELLANEOUS

a. Training

OER provides appropriate information, guidance and training materials to DOE leadership, rating officials and SES members on performance management, including planning, assessing and appraising performance. At a minimum, training materials will be provided to all SES members at the beginning of the performance appraisal cycle and will be provided to all new SES members as soon as possible after their appointment.

Information on the operation of the SES performance management system is conveyed to DOE management and affected SES managers through operational guidance memoranda and other documents issued by OER.

b. Evaluation

OER conducts ongoing review of the operation of the SES appraisal system and recommends changes to policies and implements program improvements as appropriate. In accordance with 5 CFR 430.311(b), DOE must conduct periodic assessments of DOE's SES performance management system to ensure that the performance appraisal process is an effective tool for the agency and that it meets OPM's regulatory requirements. This is typically performed after the PRB's annual review of final ratings and recommendations for pay increases and awards.

The Appointing Authority or designee provides oversight of the SES performance management system and evaluates data and feedback from PRB and implements changes as appropriate.

c. Records Management

DOE's Executive Performance Agreement includes an annual summary rating of record approved by the Appointing Authority or designee. DOE's Executive Performance Agreement is transmitted from ePerformance to eOPF at the conclusion of the rating cycle. Agencies must retain SES annual summary ratings and the performance plans on which they are based for at least 5 years from the date the annual summary rating is issued.

Appendix A – References

- 5 U.S.C. 3393 (Senior Executive Service (SES) Career Appointments, and Probationary Period of SES Members)
- 5 U.S.C. Code 3591 through 3594 (Removal, Reinstatement, Guaranteed Placement in the SES and Saved Pay)
- 5 U.S.C. 4311 through 4315 (Performance Appraisal in the SES)
- 5 U.S.C. 5381 and 5385 (Pay and Performance Awards for the SES)
- 5 U.S.C. 7701 (Appellate Procedures)
- 3 U.S.C. 104 (Salary of the Vice President)
- 5 CFR 293 and 297 (Regulation-Performance Files).
- 5 CFR 317 (Regulation-Appointment, Reassignment, Transfer and Reinstatement in the SES).
- 5 CFR 359.401 through 359.705 (Regulation-Removal and Guaranteed Placement in the SES).
- CFR 430.301 through 430.312, Subpart C, Managing Senior Executive Performance
- 5 CFR 534, Subpart D (Pay and Performance Awards)
- Government Performance and Results Modernization Act (GPRA) of 2010

Department of Energy
SES Performance Management System
Executive Performance Agreement



Part 1. Consultation. *I have reviewed this plan and have been consulted on its development.*

Executive's Name (Last, First, MI):	Appraisal Period -
Executive's Signature:	Date:
Title:	Organization:
Rating Official's Name (Last, First, MI):	CA <input type="checkbox"/> NC <input type="checkbox"/> LT/LE <input type="checkbox"/>
Rating Official's Signature:	Date:

Part 2. Progress Review (See Part 8A)

Executive's Signature:	Date:
Rating Official's Signature:	Date:

Part 3. Summary Rating

Initial Summary Rating	<input type="checkbox"/> Level 5 Outstanding	<input type="checkbox"/> Level 4 Highly Successful	<input type="checkbox"/> Level 3 Fully Successful	<input type="checkbox"/> Level 2 Minimally Satisfactory	<input type="checkbox"/> Level 1 Unsatisfactory
Rating Official's Name (Last, First, MI):					
Rating Official's Signature:				Date:	
Executive's Signature:				Date:	
Reviewing Official's Signature:				Date:	

Higher Level Review (if applicable)

<input type="checkbox"/> I request a higher level review.	<input type="checkbox"/> Comments provided.	Executive's Initials:	Date:
Higher Level Review Completed <input type="checkbox"/>			Date:
Higher Level Reviewer Signature:			

Performance Review Board Recommendation	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1
PRB Signature:	Date:				
Annual Summary Rating	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1
Appointing Authority Signature:	Date:				

Part 4. Derivation Formula and Calculation of Annual Summary Rating

Critical Element	Element Rating		Weight	Score		Summary Level Ranges
	Initial	Final (if changed)		Initial	Final (if changed)	
1. Leading Change						475-500 = Level 5 400-474 = Level 4 300-399 = Level 3 200-299 = Level 2 Any CE rated Level 1 = Level 1
2. Leading People						
3. Business Acumen						
4. Building Coalitions						
5. Results Driven						
Total			100%			

Part 5. Critical Elements

Performance Standards for Critical Elements (The performance standard for each critical element is specified below; examples for the top three performance levels can be found in the system description)

- **Level 5:** The executive demonstrates exceptional performance, fostering a climate that sustains excellence and optimizes results in the executive's organization, agency, department or government-wide. This represents the highest level of executive performance, as evidenced by the extraordinary impact on the achievement of the organization's mission. The executive is an inspirational leader and is considered a role model by agency leadership, peers, and employees. The executive continually contributes materially to or spearheads agency efforts that address or accomplish important agency goals, consistently achieves expectations at the highest level of quality possible, and consistently handles challenges, exceeds targets, and completes assignments ahead of schedule at every step along the way.
- **Level 4:** The executive demonstrates a very high level of performance beyond that required for successful performance in the executive's position and scope of responsibilities. The executive is a proven, highly effective leader who builds trust and instills confidence in agency leadership, peers, and employees. The executive consistently exceeds established performance expectations, timelines, or targets, as applicable.
- **Level 3:** The executive demonstrates the high level of performance expected and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results. The executive is an effective, solid, and dependable leader who delivers high-quality results based on measures of quality, quantity, efficiency, and/or effectiveness within agreed upon timelines. The executive meets and often exceeds challenging performance expectations established for the position.
- **Level 2:** The executive's contributions to the organization are acceptable in the short term but do not appreciably advance the organization towards achievement of its goals and objectives. While the executive generally meets established performance expectations, timelines and targets, there are occasional lapses that impair operations and/or cause concern from management. While showing basic ability to accomplish work through others, the executive may demonstrate limited ability to inspire subordinates to give their best efforts or to marshal those efforts effectively to address problems characteristic of the organization and its work.
- **Level 1:** In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives. The executive generally is viewed as ineffectual by agency leadership, peers, or employees. The executive does not meet established performance expectations/timelines/targets and fails to produce – or produces unacceptable – work products, services, or outcomes.

Element Rating Level Points

Level 5 = 5 points
Level 4 = 4 points
Level 3 = 3 points
Level 2 = 2 points
Level 1 = 0 points

Executive Name and ID:

Appraisal Period:

Critical Element 1. Leading Change		(Minimum weight 5%)			Weight
<p>Develops and implements an organizational vision that integrates key organizational and program goals, priorities, values, and other factors. Assesses and adjusts to changing situations, implementing innovative solutions to make organizational improvements, ranging from incremental improvements to major shifts in direction or approach, as appropriate. Balances change and continuity; continually strives to improve service and program performance; creates a work environment that encourages creative thinking, collaboration, and transparency; and maintains program focus, even under adversity.</p> <p>Agency-Specific Performance Requirements</p>					
<i>Critical Element Rating – Leading Change</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Critical Element 2. Leading People		(Minimum weight 5%)			Weight
<p>Designs and implements strategies that maximize employee potential, connects the organization horizontally and vertically, and fosters high ethical standards in meeting the organization's vision, mission, and goals. Provides an inclusive workplace that fosters the development of others to their full potential; allows for full participation by all employees; facilitates collaboration, cooperation, and teamwork, and supports constructive resolution of conflicts. Ensures employee performance plans are aligned with the organization's mission and goals, that employees receive constructive feedback, and that employees are realistically appraised against clearly defined and communicated performance standards. Holds employees accountable for appropriate levels of performance and conduct. Seeks and considers employee input. Recruits, retains, and develops the talent needed to achieve a high quality, diverse workforce that reflects the nation, with the skills needed to accomplish organizational performance objectives while supporting workforce diversity, workplace inclusion, and equal employment policies and programs.</p> <p>Agency-Specific Performance Requirements</p>					
<i>Critical Element Rating – Leading People</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Critical Element 3. Business Acumen		(Minimum weight 5%)			Weight
<p>Assesses, analyzes, acquires, and administers human, financial, material, and information resources in a manner that instills public trust and accomplishes the organization's mission. Uses technology to enhance processes and decision making. Executes the operating budget; prepares budget requests with justifications; and manages resources.</p> <p>Agency-Specific Performance Requirements</p>					
<i>Critical Element Rating – Business Acumen</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Critical Element 4. Building Coalitions		(Minimum weight 5%)			Weight
<p>Solicits and considers feedback from internal and external stakeholders or customers. Coordinates with appropriate parties to maximize input from the widest range of appropriate stakeholders to facilitate an open exchange of opinion from diverse groups and strengthen internal and external support. Explains, advocates, and expresses facts and ideas in a convincing manner and negotiates with individuals and groups internally and externally, as appropriate. Develops a professional network with other organizations and identifies the internal and external politics that affect the work of the organization.</p> <p>Agency-Specific Performance Requirements</p>					
<i>Critical Element Rating – Building Coalitions</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Executive Name and ID:

Appraisal Period:

Critical Element 5. Results Driven		(Minimum weight 20%)	Weight 40%		
Agency Goals/Objectives for FY: Must have at least 3 (not more than 5) This critical element includes specific performance results expected from the executive during the appraisal period, focusing on measurable outcomes from the strategic plan or other measurable outputs and outcomes clearly aligned to organizational goals and objectives. At a minimum, the performance plan will include performance requirements (including measures, targets, timelines, or quality descriptors, as appropriate) describing the range of performance at Level 3 for each result specified. It is recommended to also establish the threshold measures/targets for Levels 5 and 2. Alignment--cite relevant goals/objectives, page numbers, from the Strategic Plan, Congressional Budget Justification/Annual Performance Plan, or other organizational planning document in the designated section for each performance result specified.					
Result 1:		Strategic Alignment:			
Result 2:		Strategic Alignment:			
Result 3:		Strategic Alignment:			
Result 4:		Strategic Alignment:			
Result 5:		Strategic Alignment:			
Critical Element Rating – Results Driven	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Executive Name and ID:

Appraisal Period:

Part 6: Rating Official Narrative *(Mandatory)*

Part 7: Executive's Accomplishment Narrative

Part 8A: Agency Use**PROGRESS REVIEW 1**

A progress review has been conducted by the Rating Official (a minimum of one review must be conducted annually).

- ☐ Customer feedback was a consideration in my progress review assessment.
☐ Performance will result in at least a "Fully Successful" rating recommendation.
☐ Performance will result in less than a "Fully Successful" rating recommendation (supporting comment required).

Signatures for this progress review are on the first page.

Progress Review 1 Narrative Section (Optional)**PROGRESS REVIEW 2**

A second progress review has been conducted by the Rating Official

- ☐ Customer feedback was a consideration in my progress review assessment.
☐ Performance will result in at least a "Fully Successful" rating recommendation.
☐ Performance will result in less than a "Fully Successful" rating recommendation (supporting comment required).

Executive's Signature:

Date:

Rating Official's Signature:

Date:

Progress Review 2 Narrative Section (Optional)**Part 8B: Agency Use****Performance Award /Pay Adjustment****Initial Recommendation**

Recommended Performance Award:
%

Recommended Pay Adjustment:
%

Performance Review Board Recommendations

- ☐ Concur with Rating Official's Recommendation ☐ Nonconcur with Rating Official's Recommendation

Recommended Performance Award:
%

Recommended Pay Adjustment:
%

Annual Summary Rating

Final Performance Award:
%

Final Pay Adjustment:
%

Additional Performance Comments (Optional)