ARTICLE 4
RIGHTS AND OBLIGATIONS OF THE PARTIES

Section 4.01 - Governing Authorities. In the administration of all matters covered by this Agreement, the parties are governed by existing and future laws, existing Government-wide regulations, and existing and future decisions of outside authorities binding on the Department. The parties also recognize the importance of pre-decisional involvement to the fullest extent practical without regard to whether those matters are negotiable subjects.

Section 4.02 - Rights of Union Recognition. The Union is the exclusive representative of the employees in the unit and is entitled to act and contract for all employees in the unit.

Section 4.03 - Union Presence at Formal Discussions.

(1) The Civil Service Reform Act of 1978 provides that the Union shall be informed of and entitled to at least one representative or more by mutual agreement, at all formal discussions between one (1) or more representatives of Management and one (1) or more unit employees, or their representatives, concerning any grievance, personnel policy and/or practice, and other general conditions of employment. The Union has the exclusive right to name its representative and may participate and ask questions, as appropriate. (2) Meetings held for the purpose of making a statement or announcement and not to engender a dialogue, if they meet the Federal Labor Relations Authority (FLRA) criteria, are formal discussions. It is not necessary that a meeting propose or result in a change in working conditions or personnel policies or practices to be considered a formal meeting. Direct communication is defined by prevailing FLRA case law.

(2) In a number of case decisions, the FLRA has noted several factors relevant to a determination of whether discussions are formal. **In most cases, several of these factors must be present for a meeting to rise to the level of a formal discussion.**

(a) Whether the individual who held the discussions is a first-level supervisor or is higher in the management hierarchy;
(b) Whether any other Management representatives attended;
(c) Where the individual meetings took place, i.e., the supervisor's office, at each employee's desk, or elsewhere;
(d) How long the meetings lasted;
(e) How the meetings were called, i.e., with formal advance written notice or more spontaneously and informally;
(f) Whether a formal agenda was established for the meetings;
(g) Whether each employee's attendance was mandatory; and
(h) The manner in which the meetings were conducted, i.e., whether the employee's identity and comments were noted or transcribed.

(3) Examples of discussions which would be formal, if the above described factors are present, are meetings between bargaining unit employees and Management representatives to discuss such topics as reorganizations, reductions-in-force, employee orientation, exit interviews, and office relocations. A discussion that begins as an informal meeting may evolve into a formal discussion if the above criteria

are met. In that circumstance, the Union would be given the opportunity to be present. These examples are not intended to be exhaustive.

Examples of discussions that are not formal are:

1. Meetings between a supervisor and an employee that involves the employee's performance;
2. Performance evaluations and appraisals; and
3. Supervisory discussions to a group of employees that merely involves the assignment of work;
4. The delivery of a proposed disciplinary action or the final decision.

These examples are not intended to be exhaustive.

Section 4.04 - Proper Notice. Notice to the Union of a formal meeting shall be provided to the designated Union representative at least 2 days in advance unless extenuating circumstances exist.

The notice shall include:

(1) The general nature of the meeting;
(2) Copies of any handouts that will be distributed, if available; and
(3) The general identification of who will be expected to attend.

Section 4.05 - Union Delegations of Authority. The Union may delegate its authority as exclusive representative to whatever agent it deems appropriate. Upon written receipt, Management shall recognize such agents and conduct appropriate labor relations business with them. If the designated union representative or agent is unavailable, an alternate representative will be made available within a reasonable period of time.

Section 4.06 - Management Rights. Nothing in this Agreement shall affect the statutory authority of Management under the Labor-Management Relations Statute, Section 7106.

Section 4.07 - Management Delegations of Authority. Should a Union representative be uncertain of which Management official has the authority to represent the Department on a matter of concern, the Union official may request clarification from Management. Management shall promptly provide clarification.

Section 4.08 - HUD and Other Surveys. The parties recognize the importance of conducting surveys and/or data collection initiatives in order to ascertain employee morale and workplace concerns. Management will provide the Union with an advance copy of all HUD surveys and other non-HUD surveys on personnel practices, policies and working conditions, if Management receives them in advance. Results, analyses, and recommendations produced by these surveys will be shared with the Union before it is communicated to Bargaining Unit employees. Jointly developed surveys shall include a statement of the Union's concurrence.

Section 4.09 - Conduct of Labor-Management Relations.
Representatives of the parties shall conduct themselves in a professional, respectful manner that reflects their duties and responsibilities irrespective of their grade level or pay.

Section 4.10 - Agency Regulations. Management will furnish the Council with an advance copy of any proposed change in agency regulations referred to in this Agreement governing personnel policies and practices, and general conditions of employment. This Section shall not be construed to require Management to issue, change, or retain a regulation.

ARTICLE 30
PERFORMANCE APPRAISAL

Section 30.01 - Performance Appraisal System. The Department shall implement a performance appraisal system which conforms to Chapter 43 of Title 5, United States Code and Part 430 of the Code of Federal Regulations. The purpose of performance appraisal is to establish and apply objective, reasonable, and relevant standards of work performance. A performance appraisal system works best when senior management, supervisors, and employees contribute to standards, communicate regularly on the status and quality of actual performance against the standards, and collaborate on the means to improve and achieve excellence in performance. The Department recognizes that employees possess particular technical knowledge about their positions and annual performance goals. The Union recognizes that it is the Department's responsibility to appraise employee performance. The Department will notify the Union of OPM approval of changes in the performance appraisal system or certify that OPM approval is not needed for the changes.

Section 30.02 - Definitions.

(1) For this article, the following terms are defined in 5 CFR 430.203:

(a) Appraisal means the process under which performance is reviewed and evaluated.

(b) Appraisal period means the established period of time for which performance will be reviewed and a rating of record will be prepared.

(c) Appraisal system means a framework of policies and parameters established by an Agency as defined at 5 USC 4301 (1) for the administration of performance appraisal programs under subchapter (i) of Chapter 43 of Title 5 USC in this subpart.

(d) Critical Element means a work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that an employee's overall performance is unacceptable. Such elements shall be used to measure performance only at the individual level.

(e) Non-critical Element means a dimension or aspect of individual, team, or organizational performance, exclusive of a critical element, that is used in assigning a summary level. Such elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing expected performance.

(f) Performance means accomplishment of work assignments or responsibilities.

(g) Performance Plan means all of the written or otherwise recorded, performance. Elements that set forth expected performance. A plan must include all critical and non-critical elements and their performance standards.

(h) Performance Rating means the written, or otherwise recorded, appraisal of performance compared to the performance standard(s) for each critical and noncritical element on which there has been an opportunity to perform for the minimum period. A performance rating may include the assignment of a summary level within a pattern (as specified in 5 CFR § 430.208(d)).

(i) Performance Standard means the management-approved expression of the performance threshold(s), requirement(s), or expectation(s) that must be met to be appraised at a particular level of performance. A performance standard may include, but is not limited to, quality, quantity, timeliness, and manner of performance. Performance Review means communicating with the employee about performance compared to the performance standards of critical and non-critical elements.

(j) Rating of Record means the performance rating prepared at the end of an appraisal period for performance of agency-assigned duties over the entire period and the assignment of a summary level within a pattern (as specified in 5 CFR §430.208(d)), or (2) in accordance with 5 CFR §531.404(a)(1). These constitute official ratings of record.

(2) **Rating Official:** The Rating Official is usually the immediate supervisor.

(3) **Reviewing Official:** The Reviewing Official is normally one (1) level above the Rating Official.

(4) **Performance Improvement Plan/Opportunity To Improve:** A PIP or OIP is outlined in the Unacceptable Performance Article in this Agreement.

Section 30.03 - Function of the Appraisal System. The appraisal system shall:

(1) Provide for periodic appraisals of job performance of employees to achieve accountability at all levels;

(2) Encourage and/or involve employee participation in establishing performance standards including the performance planning process that develops critical elements and standards tailored to the individual employee's role in accomplishing actual job performance which addresses the Department's goals;

(3) Assess employee contributions to the achievement of Departmental requirements, goals, and priorities;

(4) Strengthen communication between employees and supervisors;

(5) Communicate and integrate Departmental goals, priorities and strategies to all levels of employees; and

(6) Use the results of performance appraisals as a basis for training, rewarding, reassigning, promoting, reducing in grade, retaining, and removing employees.

Section 30.04 - Components of the Appraisal System. The appraisal system shall require that each employee be covered by an appropriate written and recorded performance plan based on work assignments, responsibilities, and standards as defined below. The performance appraisal system shall consist of:

(1) Critical Elements: Consistent with HUD Handbook 430, Chapter 2-12, the Department agrees that only critical elements will be used in performance plans. To the maximum extent practicable, the Department shall have no less than three (3) and no more than seven (7) critical elements. Critical elements will be based on major duties in an employee's position description.

(2) Performance Plans: To the maximum extent feasible, performance plans shall permit the accurate evaluation of job performance on the basis of objective criteria (which may include the extent of courtesy demonstrated to the public) related to the job in question for each employee or position under the system. Employee behavior may be appropriate in performance plans provided that it is consistent with an employee's position description. Performance plans are specific descriptions of relevant work activities, assignments, and responsibilities. In the application of elements and standards, the qualitative and quantitative goals and objectives and deadlines must be achievable in the determination of the employee's final performance rating.

(3) Communication of Plans: Performance plans will be communicated to each employee at the beginning of the appraisal period. Barring exceptional circumstances, performance plans will be finalized within thirty (30) days of each appraisal period.

(4) Continual Feedback: In order to achieve optimal performance, the Department recognizes that continual feedback is necessary. Upon request, employees may receive informal feedback on their performance at other times during the performance year. Therefore, supervisors are encouraged to provide informal feedback at any time during the performance period. The Department agrees feedback shall occur more often than the mid-year and final performance ratings.

(5) Evaluation: Each employee will be evaluated during the appraisal period on performance elements and standards. An employee shall be evaluated based on work assigned during the appraisal period.

(6) Recognition and Reward: The performance system will provide for recognition and rewarding employees whose performance so warrants.

(7) Assistance: Employees will be offered assistance in improving unacceptable performance.

(8) Reassignment, reduction in grade, or removal: Employees who continue to have unacceptable performance may be reassigned, reduced in grade, or removed from service, but only after an opportunity to demonstrate acceptable performance.

(9) Written justification: The rating of each element rated other than Level 3 (fully successful) on the annual rating of record will include written justification.

(10) In-Service days: It is understood that managers will exercise consideration in scheduling meetings with their employees by providing adequate notice and not designating telework days or scheduled leave days as meeting dates as much as possible. Meetings with employees do not have to take place on in-service days.

Section 30.05 - Appraisal Period.

(1) Generally, the appraisal period begins October 1 and ends the following September 30. The minimum appraisal period is ninety (90) days.

(2) The Department reserves the right to change the dates of the appraisal period. Any change shall maintain uniform appraisal periods Department-wide. The adverse impact of changes in dates is subject to bargaining.

Section 30.06 - Performance Planning Process.

(1) **Development of SMART Standards and Elements:**

(a) Supervisors/managers or employees may develop draft standards, or supervisors/managers may secure examples of draft standards prepared by Headquarters, Hubs, or field offices, which may be modified.

(b) Prior to the communication of performance plans, supervisors/managers shall:

i. hold performance planning meetings with employees either in groups of similarly situated employees, or individually. (Participation is voluntary but highly recommended);

ii. provide information necessary to determine performance parameters and necessary to enable the Union to engage in full and proper discussions; and

iii. notify the Union of performance planning meetings in accordance with Section 4.04 and provide a meaningful opportunity to participate. To the maximum extent possible, management and union officials will coordinate and plan the meetings in advance to maximize union participation in performance planning meetings. When the Department directs a substantive change in the performance appraisal elements and standards, it will provide additional official time to local union representatives who do not have sufficient official time to attend the performance planning meetings.

(c) With consideration given to input from the performance planning meeting, supervisors/managers shall enter the critical elements and standards into the performance management system for each employee supervised.

(d) Once the elements and standards have been entered into the performance management system, employees will then be provided seven (7) days to review and comment on the elements and standards based upon their unique circumstances (i.e. collateral duties, particular workload, etc.).

(e) After consideration of individual employees' input, the supervisor will finalize the elements and standards, and communicate them to employees. Where possible, communication will be done face-to-face; however, at a minimum, communication will be done over the phone, except in extenuating circumstances. Supervisors are responsible for communicating and clarifying:

i. Specific tasks and projects to be accomplished;

ii. Performance expectations;

iii. Critical elements;

iv. Performance standards; and

v. How their plan is linked to the organization's goals and objectives and the Department's strategic plan.

(2) **Applicability of SMART Standards at All Rating Levels.** Standards that are written to SMART methodology must include SMART criteria for each defined rating level, i.e., 5, 3, and 1.

(3) **SMART Standards Methodology:** Critical elements and standards in ePerformance shall be applied in a fair and equitable manner. Supervisors shall comply with the SMART Standards methodology when developing employee performance plans. The Department agrees to implement the SMART standards methodology, as defined below:

(a) **Specific:** The elements in the employee's performance plan need to clearly identify what needs to be accomplished - that is, the results that the employee is aiming towards should be the central focus of each critical element (i.e., if the goal is to complete reports, the standard should specify what milestones need to be achieved to count the report as complete).

(b) **Measurable:** Elements should have clearly defined measures (quality, quantity, timeliness or cost-effectiveness), which will allow both the employee and the supervisor to know that the requirement has been achieved. The supervisor will communicate to the employee how the results will be determined. To maximize the value of performance measures, they must reflect accomplishments that are meaningful and important.

(c) **Attainable:** All elements and standards must be achievable. The employee and the supervisor will discuss the work relating to the critical elements to establish a clear expectation of what must be done to achieve the results expected. In the discussion, consideration will be given to the time, tools, training, support or other resources and control factors that are necessary for the employee to perform at the required level. The supervisor should create a situation where the employee has a reasonable expectation of achieving his/her goal given the necessary resources (training, time, support) to perform at the required level.

(d) **Relevant:** Critical elements and performance standards are to be aligned with the goals of the Department and the mission of the employee's organization. Critical elements must be based on major duties in an employee's position description and the employee's organization's Management Plan/Annual Performance Plan. Supervisors will communicate to employees how their role contributes to the success of the organization and how their critical elements support that contribution. If the employee does not have a position description, the Department shall prepare one within sixty (60) days of the establishment of the employee's performance plan, and the employee will have five (5) work days to review the new position description and recommend further revisions to the performance standards consistent with major duties in the position description.

(e) **Time-bound:** The employee will be made aware of when the expected result is to be achieved. Critical elements should include milestones, or a schedule, and all dates should be clearly communicated so that the employee will have an understanding of what is expected and by when it is expected.

(f) **Prohibition of Absolute Standards:** Performance standards should avoid the appearance of requiring perfection rather than excellence. Standards should not be absolute, allowing no room for error.

(4) **Equitable Goals:** The goals of an individual or group of employees will not be inflated in order to allow another individual or group to receive a higher rating.

(5) **Performance Plan Disputes:** Employees may bring disputes concerning their Performance Plans to the attention of the Reviewing Official. The Reviewing Official may exercise authority to change the disputed portion of the Performance Plan after discussion with the Rating Official.

(6) **Supervisory Notice:** The Department will notify employees of the names of their rating and reviewing officials at the beginning of each performance period. Generally the reviewing official will be the employee's second line supervisor.

Section 30.07 - Appraisal Process.

(1) The Department agrees not to adversely affect employees in their performance appraisal ratings for the period when they were working without finalized, written elements and standards. The rating period for new or modified elements will begin at the time they are issued. Any modified or additional elements shall not be applied retroactively in an adverse manner. Standards implemented after the beginning of the rating period shall be achievable by the end of the rating period.

(2) Performance on each critical element shall be appraised according to performance standards.

(3) Provided the employee has been working under a performance plan for ninety (90) days, the employee shall have one (1) progress review meeting by the midpoint, barring exceptional circumstances. If the appraisal period begins on October 1, then the midpoint shall be April. The supervisor will provide at least three (3) work days' notice for scheduling the meeting. Any performance appraisal of less than fully successful must be accompanied by written feedback from the employee's rating and/or reviewing officials. The meeting shall be face to face if the employee and supervisor are located in the same office, otherwise the meeting will be conducted telephonically.

(4) The employee may submit self-assessments to the supervisor at any time during the performance period (e.g. monthly, quarterly, mid-year, etc.). The employee's self-assessment shall be voluntary. The Department shall provide guidance or training to the employee on preparing self-assessments and using the system. The Department shall not alter an employee's self-assessment. The Department shall provide employees no less than seven (7) days to insert their self-assessment for mid-year and final approvals. Employees who submit a self-assessment should expect that it will be seriously considered and, upon request, may meet with their supervisor prior to proposing the initial rating. The self-assessment does not relieve the rating official of the responsibility for preparing a fair and thorough performance assessment. The rating official should be aware of the accomplishments of the employee throughout the performance period.

(5) In applying performance element(s) and standards, an employee's performance appraisal shall take into account all of the job functions the employee is expected to perform and the actual amount of time available (or not available) to perform those functions. Factors beyond an employee's control may include, but are not limited to, unusual or extenuating circumstances such as availability of resources, delays attributable to others, unanticipated additional work assignments, changing priorities or high volume workloads. Deadlines and quantitative goals should be extended or adjusted by management as conditions warrant.

(6) The Department will communicate the rating to the employee within 45 days following the end of the rating period, barring exceptional circumstances.

(7) Throughout the year, supervisors will inform employees of performance errors prior to providing a rating.

(8) The rating official shall give the employee an opportunity to comment in writing through a self-assessment, prepare a proposed appraisal, and then discuss the appraisal with the rating and/or reviewing official. Employees shall have access to the rating and reviewing official's written comments, assessments, and ratings in HIHRTS or successor system. There shall be no quota system or predetermined percentages regarding how many employees within a program office can receive Level 5, Level 4, or Level 3 rating. If any management official changes, influences or advises a rating or reviewing official to lower or raise an employee's rating for any element, that management official shall base his or her assessment on a review and analysis of documentation on the employee's performance.

(9) At the employee's request, the reviewing official will meet with the employee to discuss the rating.

(10) If during the performance cycle, the employee's summary rating is rated at Level 2, a written Performance Improvement Plan (PIP) shall be prepared.

(11) If an employee is put on a Performance Improvement Plan (PIP), supervisors shall identify the critical elements that are at Level 2 and ways the employee may improve performance. Supervisors also are encouraged to provide continual feedback, technical assistance or training to assist the employee in improving performance. The supervisor shall meet with an employee and explain and document performance deficiencies once the employee's performance is at Level 2; the employee will be provided with summary and illustrative examples of the performance deficiencies and ways to improve. The employee will be placed on a PIP as soon as possible after the explanatory meeting. The supervisor will regularly meet with the employee to provide assistance, which may include training (formal, on-the-job, etc.), and/or technical assistance during the PIP period to assist the employee to achieve fully successful/Level 3 performance. The mere assignment of outstanding, pending or new work shall not be construed as constituting training or technical assistance in a Performance Improvement Plan (PIP). A PIP must provide at least thirty (30) days to improve performance prior to the end of the appraisal year. The purpose of the PIP is to improve performance and not to be a predetermined step to impose a performance-based adverse action.

(12) Upon written request from the employee, the supervisor shall provide in writing the employee's current status on the performance improvement plan as well as the employee's current level of performance.

(13) The rating is considered official when it is:

(a) Signed by the Rating Official and the Reviewing Official;

(b) Signed by the employee or held by the employee for the five (5) workdays comment period without being signed (the employee may request additional time); and

(c) Placed in the Employee's Performance File System of Records.

(14) After supervisors communicate the final rating, employees have five (5) work days to comment on their final performance ratings. Supervisors shall consider the availability of the employee when communicating the rating. If the employee is not afforded five (5) work days to comment prior to approved leave, then upon the employee's return, they will be given five (5) work days to comment, unless the employee agrees to waive the comment time. If an employee is not available during the five (5) work day comment period or is on approved leave, supervisors shall not acknowledge or approve performance ratings in the automated performance rating system until the five (5) work days have passed.

(15) The performance plan expires at the end of the appraisal period, unless the rating is delayed in accordance with the Agreement.

(16) Performance appraisals superseded through an administrative or judicial proceeding, or pursuant to a mutual agreement and/or settlement, will be changed or destroyed.

Section 30.08 - Changes Occurring During the Appraisal Cycle

(1) Reassessment of SMART Elements and Standards During the Rating Year: At any time during the appraisal period, employees may raise any issues concerning the critical elements and standards in the performance plan to the supervisor. Employees may bring disputes concerning their Performance Plan to the attention of the Reviewing Official. The Reviewing Official may exercise authority to change the disputed portion of the Performance Plan after discussion with the Rating Official. If a substantive adjustment is made which adversely impacts the employee, the employee must have at least ninety (90) days to perform under the revised critical element and standards in the revised plan.

(2) Employees who occupy more than one (1) position during an entire rating period due to reassignment, promotion, temporary promotion, or demotion, and that were under elements and standards for at least ninety (90) days, will be rated based on the interim rating(s) and the current position of record to arrive at the final (combined) summary rating. Specifically:

(a) Upon leaving a position of record the employee will receive an interim rating within thirty (30) days and in writing.

(b) The interim rating will be forwarded to the new supervisor of rating.

(c) All interim ratings will be combined (scored, as stipulated in this agreement) to arrive at the final summary rating.

An interim rating will be clearly identified as an interim rating.

An interim rating is not considered an official rating of record, unless the interim rating is the only rating given during the performance period. Further, if the employee separates from the Department before the end of the rating period, the interim rating will become the rating of record.

(3) Employees who are detailed within the Department for ninety (90) days or longer must have written performance plans communicated within the first thirty (30) days of the detail or as soon as possible after the beginning of the detail.

(a) If the employee returns to the permanent position of record at the end of the rating period, the temporary supervisor will communicate all element ratings to the supervisor of record and if the employee has spent at least ninety (90) days in the permanent position, the supervisor of record will combine the ratings of the temporary and permanent positions.

(b) If, however, the employee is still on the detail at the end of the rating period, the permanent supervisor will prepare an interim rating, and it is the responsibility of the temporary supervisor to prepare the combined rating if applicable (meaning the employee worked at least ninety (90) days in the permanent position).

(4) All ratings for non-supervisory positions issued during the official rating period shall be combined to arrive at the annual rating of record, regardless of bargaining unit status.

(5) If an employee is demoted or reassigned due to Level 1 performance (unacceptable) prior to the completion of the end of the appraisal period, the rating of record is unacceptable. The employee will be rated again after the employee has worked at least ninety (90) days under new performance standards. If less than ninety (90) days remain in the performance period, the rating will be delayed. The new rating of record will be based on the performance plan of the new position.

Section 30.09 - Rating Levels.

(l) Each critical element shall be rated according to one of the following five performance levels: Level 5 (Outstanding), Level 4 (Excellent/Highly Successful), Level 3 (Fully Successful), Level 2 (Marginally Successful), and Level **1** (Unacceptable). Performance standards shall be written for the Level 5 (Outstanding), Level 3 (Fully Successful) and Level 1 (Unacceptable) levels. The definitions for each rating level are as follows:

(a) Level 5 (Outstanding): Job performance meets the performance standards established for the Level 5 (Outstanding) level.

(b) Level 4 (Excellent/Highly Successful): Job performance exceeds the performance standards established for the Level 3 (Fully Successful) performance level, but does not meet the performance standards for the Level 5 (Outstanding) level.

(c) Level 3 (Fully Successful): Job performance meets the performance standards established for the Level 3 (Fully Successful) level.

(d) Level 2 (Marginally Successful): Job performance exceeds the performance standards established for the Level 1 (Unacceptable) level, but does not meet the performance standards for the Level 3(Fully Successful) level.

(e) Level 1 (Unacceptable): Job performance meets the performance standards established for the Level 1 (Unacceptable) level.

Section 30.10 - Rating Delays.

The reason for a delay of performance ratings is limited to one or more of the following five (5) reasons:

(1) The employee has not worked under elements and standards for at least ninety (90) days.

(2) Sufficient performance information does not exist for a new supervisor who has not supervised an employee for at least ninety (90) days or for a Reviewing Official to make a rating. In this case, the rating is delayed for ninety (90) days.

(3) If the employee is working under an Opportunity to Improve Plan (OIP). The rating is given after a decision is made on the OIP.

(4) The employee's overall performance is temporarily Level 1 or Level 2 because of illness, alcoholism, drug abuse, or another similar reason when the supervisor expects the performance to become fully successful in the near future because the employee is expected to recover, has entered a rehabilitation program, or gives other indications of resolving the problem which led to the Level 1 or Level 2 performance.

(5) The employee has been performing at the Level 1 or Level 2 and has been reassigned or demoted to another position within ninety (90) days of the end of the appraisal period. The employee shall receive a delayed rating in his/her current position.

Section 30.11 - Summary Ratings. The procedures for converting individual element ratings to an overall (summary) rating are as follows:

(1) If one or more critical elements are rated Level 1 (Unacceptable), the summary rating shall be Level 1 (Unacceptable).

(2) If no critical elements are rated Level 1 (Unacceptable), and two or more critical elements are rated Level 2 (Marginally Successful), the summary rating shall be Level 2 (Marginally Successful).

(3) If one critical element is rated Level 2 (Marginally Successful) and all remaining elements are rated Level 3 (Fully Successful) or above, the summary rating shall be Level 3 (Fully Successful).

(4) If no critical element is rated Level 1 or Level 2 (Unacceptable or Marginally Successful), the summary rating shall be computed using the following procedure:

3 points for each critical element rated Level 5 (Outstanding)

2 points for each critical element rated Level 4 (Excellent)

1 point for each critical element rated Level 3 (Fully Successful)

The total points are divided by the number of Critical Elements to yield an average. The average is computed to two decimal places and should always be rounded up.

(5) Summary ratings are as follows:

2.75 or higher -Level 5 (Outstanding)

1.80 to 2.74 -Level 4 (Excellent)

1.79 or lower -Level 3 (Fully Successful)

(6) If work has not been assigned under a Critical Element, then there will be no rating under that Critical Element and that Critical Element will not be considered in the computation of the summary rating. If work has not been assigned under a particular performance standard, the rating will be based on the remaining performance standards under the Critical Element. If a fully successful performance rating is based on a given number of completed items, and less than that number of items has been assigned, the performance standard will be adjusted downward accordingly.

Section 30.12 - Constructed Performance Ratings for Reduction-In-Force Purposes. (See section 33.24 of the Article on RIF in this Agreement.) In addition, grievances on performance appraisals prior to the RIF must be resolved (and on an expedited basis) and, if applicable, the revised rating will be used in the RIF process.

Section 30.13 - Analysis of the Aggregate Rating Data. Upon request, the Union shall be provided with summary rating data for each appraisal period.

Section 30.14 - Training. The Department will provide formal training and guidance to all employees on the performance appraisal system, as required by 5 CFR 430.209.

Section 30.15 - Policy and Guidance. Any differences between Departmental policy and guidance and this Agreement on the subject of performance appraisal will be resolved in favor of this Agreement.

Section 30.16 - Performance Appraisal System Evaluation. When the Department begins any evaluation or other assessment of the performance appraisal system, the Union will be given a fifteen (15) days' notice and provided a copy of the proposed assessment and methodology. When the Department compiles the results, the Union will be given a copy of the report.

ARTICLE 31
INCENTIVE AWARDS PROGRAM

Section 31.01 - General. The parties agree that substantial benefits and enhanced productivity accrue to the Department when an Incentive Awards Program is developed and maintained to recognize the achievements of Departmental employees. The Department shall conduct an Incentive Awards Program, in accordance with this Agreement and HUD Handbook 2195.1, dated May, 2007. The purpose of the program is to recognize those employees whose performance or contribution is in excess of normal expectations for the positions that they occupy. Where the provisions of the Handbook conflict with this Agreement, this Agreement shall prevail.

Section 31.02 - Incentive Awards. Performance awards (that are monetary awards earned as a result of an employee's annual performance rating); Quality Step Increases (QSI); Time Off Awards; Special Act Awards, Spot (monetary and informal)Awards, Honorary Awards; and Peer to Peer Awards are granted by the Department on the basis of merit, and within applicable budget limitations, to individuals or groups.

(1) Each year the Department establishes budgets for employee awards, it will allocate the determined amount for bargaining unit employees. The Department will notify the Union once a decision is made on the budgets and the amounts to be allocated.

(2) The Department will proactively seek to recognize achievements of bargaining unit employees throughout the year using all available means.

Section 31.03 - Awards for Overall Performance.

(1) Each year Management shall determine whether said awards including time off awards shall be granted and the amount thereof. The Parties agree that performance awards are a valuable tool toward building morale. Following this stated philosophy, it is agreed that when the Department determines the award amounts for non-bargaining unit employees, the Department will provide the Union with this information. Then, the Department and the Union shall meet to discuss the award amounts for bargaining unit employees. The Union can use the non-bargaining unit award determinations as a basis for discussion. The Department shall formulate the annual performance awards for employees fairly. Fairly does not guarantee, nor does it preclude, equality of awards among employees.

(2) Management shall process the award granted within three (3) pay periods of the date of the decision to make the awards or the appraisal, whichever is later.

(3) All employees who have received a summary Level 5/Outstanding performance rating for the year shall be eligible for the following. Management shall consider employee preference in selecting the award method. Final determination of the award type is made by Management.

(a) A quality step increase; or a cash award as referenced in 31.02 above.

(b) A time off award may be granted in lieu of (a) above. The time off award does not have to be equivalent to the amount of cash award that would have been received.

(c) The Department shall identify the number of hours of the time off award or the amount of the proposed cash award.

(4) All employees who have received a summary Level 4/Excellent performance rating for the year may be eligible for:

(a) A cash award as referenced in 31.02 above.

(b) A time off award may be granted in lieu of (a) above. The time off award does not have to be equivalent to the amount of cash award that would have been received.

(c) The Department shall identify the number of hours of the time off award and the amount of the proposed cash award.

(5) All employees who have received a summary Level 3/Fully Satisfactory performance rating for the year may be eligible for (no critical element marginal ratings):

(a) A cash award as referenced in 31.02 above.

Section 31.04 - Awards of an Honorary Nature. Honorary Awards are non-monetary awards intended to recognize contributions of lesser scope or significance that might otherwise go unrecognized. A specific contribution must form the basis for the recognition. The award may be given to recognize an individual team or group accomplishment. The value of the award shall be commensurate with the contribution being recognized. The award should also symbolize the employer/employee relationship (e.g. by affixing the agency seal to the award).

Section 31.05 - Time Off Awards. Time off awards are excused absence from the office, in recognition of an employee's superior accomplishment or other personal efforts that contribute to the quality, efficiency, or economy of government operations.

(1) The minimum time off award is one workday based on the work schedule of the employee when the award is made.

(2) Time off awards shall be used within 12 months of posting the award in the employee's WebTA page.

(3) With appropriate justification on a case-by-case basis, the Department agrees to extend the one-year restriction on the use of Time Off awards for a period not to exceed six (6) months.

(4) Time off awards that are granted for group activities, e.g. safety, CFC, shall be granted across program lines.

(5) Time off awards may be used in quarter hour increments.

(6) Time off awards may not exceed 80 hours in a calendar year.

Section 31.06 - Special Acts or Service Awards.

(1) The Special Acts or Service Award is intended to recognize an individual or group accomplishment in the form of a suggestion, invention or special act or service which contributes to the efficiency, economy, or other improvement to the Departments operation. This includes a special project, assignment, act or task, or who have done a superior job with regard to the quality or quantity of the work performed, may be considered by Management for an award for special acts of service.

(2) Each award shall be a minimum of $250.00.

Section 31.07 - Monetary - Spot Awards ("Spot Awards").

(1) Spot awards provide immediate feedback and special recognition of employees who make an extra effort to perform their duties in an exemplary manner. (Spot Awards are not a substitute for performance awards.)

(2) An employee or group may be recognized with a Spot Award within two (2) weeks of the achievement

(3) Individual employees and group awards may be granted ranging from $50.00 to $300.00 per employee,

(4) An employee may not receive more than three (3) spot awards in the same fiscal year.

Section 31.08 - Awards for Employees with Bilingual Skills. Employees may receive an on-the-spot, special act or time off award for utilizing bilingual skills on a regular basis or for a special project. In lieu of issuing an on-the-spot, special act or time off award, management may utilize other methods of recognition such as emails, certificates, etc.

Section 31.09 - Peer-To-Peer Awards. Peer to Peer awards are intended to recognize employees for outstanding short-term achievements related to the Department's goals. The award may be given for fostering teamwork between or within the Department, and for promoting or demonstrating exemplary customer service. The awards may be honorary in nature, time off awards, or range from $100.00 to $500.00. The nominations shall be submitted to the immediate supervisor of the nominated employee.

Section 31.10 - Employee of the Month Award. Employee of the Month Awards may be made at the Local or National level to recognize excellence or extraordinary achievements that are key to the Department's goals. The awards may be honorary in nature, time off awards or range from $100.00 to $500.00.

Section 31.11 - Methodology for Granting Awards. The methodology used by Management to establish and give awards under this Article shall be developed and applied in a fair and equitable manner. The Department's Awards Policies will be published on HUD's internal webpage. Use of annual or sick leave shall not be a consideration in assessing employee qualifications for an award.

Section 31.12 - Prompt Presentation of Award. Recognizing that awards are most effective when presented as promptly as possible after the performance or act that is being recognized, the Department agrees to make awards as promptly as possible after the decision is made by the Department to grant an award. The Department does not use gift cards or gift certificates as part of the awards process.

Section 31.13 - Information.

(1) Upon request, the Union shall be provided with statistical data and budget information that management routinely prepares and maintains concerning the awards program and additional information that is reasonably available and the disclosure of which is not prohibited by law. Such information shall include data on awards made to bargaining unit employees, other non-supervisory employees, and supervisory employees.

(2) Union officials at the local level shall be notified when employee recognition events occur.

Section 31.14 - Publicity. In order to recognize the value and importance of the awards, offices are encouraged to hold annual special recognition events at which awards shall be distributed.

An SF-50 or certificate of award shall document the award. Management agrees to publicize the recipients of Departmental awards in each local office by posting on bulletin boards and/or through Management memoranda or notices to all employees. Employees who do not want their awards posted on the bulletin boards or the electronic equivalent must notify their supervisor of their choice on an annual basis. The notification shall be done not less than semiannually and shall include the names of the award recipients and a description of each award.

Section 31.15 - Awards Committee. If the Secretary appoints a Departmental Awards Committee for the review of award recommendations for bargaining unit employees, Management agrees to include a member of AFGE Council of HUD Locals 222 on that committee.

(1) If an Awards Committee is appointed, the Awards Committee will be responsible for evaluating and voting on nominees for incentive awards and will serve the interests of both the Department and the employees by functioning as a continuing link regarding matters involving incentive awards.

(2) The roles and responsibilities of the Committee may include but are not limited to:

(a) identifying and bringing to the Department's attention any trends, problems, issues or circumstances regarding the incentive awards program;

(b) focusing the Department's attention on any management practices or problems with the incentive awards program that could produce dissension and dissatisfaction among employees; and

(c) promoting and communicating the efforts of the Department to achieve and maintain an effective incentive awards program.

Section 31.16 - Consistent Criteria for Awards.

(1) The Department will make a good faith effort to ensure consistent criteria for approval of all awards.

(2) The fact that an employee is the subject of a conduct investigation or has been the subject of a disciplinary action during the rating period will not preclude a performance award that would otherwise be granted unless such preclusion is necessary to protect the integrity of the Federal service.