

DRAFT RECLAMATION MANUAL RELEASE

Comments on this draft release must be submitted to Megan Harkins mharkins@usbr.gov by 10/13/2024.

Background and Purpose of the Following Draft HRM 07-03 Supervisors of Negotiated Rate Employees (XE Supervisors) Directive and Standard (D&S)

The goal of preparing this new D&S document and providing stakeholders with the opportunity to comment on it in draft form is to enhance common understanding of how the special wage schedules for supervisors of negotiated rate employees are determined and to enhance working relationships with our project partners. This will make the program more responsive to project sponsors, and more consistent Reclamation-wide and thus more effective.

This release was developed in coordination with the Servicing Human Resources Offices (SHROs) that are responsible for completing wage surveys and pay adjustments of XE Supervisors. SHROs have provided input and collaborated in the development of this D&S.

The Reclamation Manual is used to clarify program responsibility and authority and to document internal Reclamation-wide methods of doing business. All requirements in the Reclamation Manual are mandatory.

See the following pages for the draft D&S.

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Directives and Standards

Subject:	Supervisors of Negotiated Rate Employees (XE Supervisors)
Purpose:	This Directive and Standard (D&S) provides Bureau of Reclamation (Reclamation) requirements for issuing special wage schedules for supervisors of negotiated rate employees (known as XE Supervisors), for determining and paying group retention incentives for XE Supervisors. This D&S also outlines the waiver request requirements from the Office of Personnel Management (OPM)'s provision that pay increases for certain prevailing rate employees may not exceed a certain rate of pay.
Authority:	Pub. L. 108-411 Section 101 of the Federal Workforce Flexibility Act of 2004; Consolidated Appropriations Act (issued each fiscal year); Title 5 CFR Parts 536, 532.285, 532.801, and 532.251 (b); Federal Wage System (FWS) Job Grading Standard for Supervisors; Department of the Interior Personnel Bulletin Number 06-01; Reclamation Manual Directive and Standards HRM 04-06.
Approving Official:	Deputy Commissioner – Policy, Administration and Budget (PAB)
Contact:	Human Resources Division, Human Resources Policy Office (84-12000)

1. Introduction.

5 CFR § 532.285 requires Reclamation to establish and issue special wage schedules for XE Supervisors. These schedules shall be based on annual wage surveys conducted by Reclamation in each special wage area. Reclamation positions surveyed will be matched to private industry jobs in each special wage area. Special wage schedule rates for each position surveyed will be based on prevailing rates for that particular job in the private industry.

2. Applicability.

This policy applies to all employees responsible for conducting special wage surveys of XE Supervisors, employees responsible for issuing special wage schedules of XE Supervisors, and XE Supervisors paid from the special wage schedules.

3. Requirements and Responsibilities.

A. The Deputy Commissioner, Policy, Administration and Budget.

The Deputy Commissioner, Policy, Administration and Budget is responsible for authorizing this D&S.

B. Human Capital Officer (HCO).

The HCO is responsible for:

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- (1) personnel management consistent with the limitations in 205 DM 8.2 and 8.3; however, this D&S delegates authority to set XE Supervisor pay to the RD. The authority of the RD can only be re-delegated to the SHROs;
- (2) monitoring and evaluating compliance with the requirements established in this D&S; and
- (3) reviewing and concurring with OPM pay waivers prior to submitting to OPM.

C. Human Resources Policy Office (HRPO).

The HRPO is responsible for:

- (1) ensuring special wage surveys of XE Supervisors and pay adjustments are completed in accordance with applicable laws, policies, and instructions; and
- (2) reviewing OPM pay waiver requests prior to forwarding to HCO for concurrence.

D. Regional Directors (RD).

The RD is responsible for:

- (1) approving special wage schedules for XE Supervisors for their region;
- (2) reviewing and concurring with OPM pay waivers prior to forwarding to HRPO; and
- (3) approving retention incentives, in accordance with paragraph 6 of this D&S, up to 10 percent of the employee's annual rate of basic pay, which cannot be re-delegated.

E. Servicing Human Resources Offices (SHROs).

Reclamation's SHROs are responsible for:

- (1) establishing and issuing special wage schedules for XE Supervisors;
- (2) designating and appointing special wage survey committees;
- (3) determining whether the employee meets the statutory requirements for receiving an incentive prior to approval and ensuring payments are consistent with all applicable regulations and policy, to include HRM 04-06; and
- (4) preparing OPM pay waivers to forward to HRPO for concurrence and routing to the RD.

F. Local Wage Survey Committee.

Local wage survey committees are responsible for:

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- (1) determining the prevailing rate for each surveyed position as a weighted average;
- (2) compiling lists of all companies in the [survey area](#) known to have potential position matches;
- (3) removing companies from the survey list if they prove not to have position matches, and adding new companies with position matches;
- (4) sharing with other local wage survey committees within Reclamation when the data from any one company is applicable to more than one special wage area; and
- (5) safeguarding information provided by private sector companies by limiting use to Reclamation wage survey needs.

G. **XE Supervisors.**

XE Supervisors are responsible for:

- (1) participating in local wage survey committees; and
- (2) continually monitoring leave and earnings statements for accuracy upon receipt of annual pay adjustment and/or receipt of any pay retention incentive.

4. **Position Classification and Advancement.**

A. Special wage schedule positions will be identified by pay plan code XE, grade 00, and the Federal Wage System occupational codes will be used.

B. Each special schedule position shall have three step rates on the wage schedule. Step 2 is the prevailing rate as determined by the survey (i.e., 100%); step 1 is 96 percent of the prevailing rate; and step 3 is 104 percent of the prevailing rate.

- (1) For newly established wage schedules (see definition in 10.H):
 - (a) New employees shall be hired at step 1 of the position.
 - (b) Current employees shall be placed in step 2 of the newly established wage schedule, or, if their current rate of pay exceeds the rate for step 2, they shall be placed in step 3.
 - (c) Employees whose rate of basic pay would otherwise be reduced as a result of placement in these new wage schedules may be entitled to pay retention if covered by 5 CFR 536.102.
- (2) For previously established wage schedules, FWS pay setting rules and regulations shall apply to new appointments and all other entries (e.g., transfer, promotion) into existing special wage schedules for XE Supervisors.

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- (3) With fully successful or higher performance, advancement between steps shall be automatic after 52 weeks of service. The waiting period for within-grade increases shall begin on the employee's first day under the new special schedule.

5. Prevailing Rate Determination Procedures.

A. Establishing Local Wage Survey Committee.

For each special wage area, a local wage survey committee (survey committee) shall be established prior to the beginning month of the survey. The survey committee includes a chairperson and two other members (at least one of whom shall be a supervisor paid from the special wage schedule), and one or more two-person data collection teams (each of which shall include at least one supervisor paid from the special wage schedule).

B. Determining Position Matches.

Once the survey month commences, the data collection team will compile a list of companies that are known to have potential position matches in the special wage survey area.

- (1) Special wage survey area boundaries shall be identical to the [survey areas](#) covered by the special wage surveys. The areas of application in which the special schedules will be paid are generally smaller than the [survey areas](#), reflecting actual Reclamation worksites and the often scattered location of surveyable private sector jobs. Special wage schedules survey areas and areas of application are established for each Region in 5 CFR 532.285(d).
- (2) Position matches will be made by reviewing a current list of duties and/or position description of the XE Supervisors in the special wage area of application and contacting private industry companies, with no minimum employment size requirement for establishments, in the following North American Industry Classification System code subsectors: Oil and gas extraction, mining (except oil and gas), support activities for mining, utilities, machinery manufacturing, computer and electronic product manufacturing, electrical equipment, appliance, and component manufacturing, truck transportation, couriers and messengers, warehousing and storage, broadcasting and content providers, telecommunications, waste management and remediation services, repair, and maintenance.
- (3) In the first year of implementation, all special areas will have full-scale surveys and all companies on the list will be surveyed. Even though the preferred method continues to be personal visits for full-scale surveys, technological advances now provide new tools for data collection that were not available when the pay system was established. There are now electronic tools, systems, devices, and resources that assist in gathering information in cost effective and reliable ways.

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- (4) For subsequent surveys, companies shall be removed from the survey list if they prove not to have position matches, and new companies will be added if they are expected to have position matches.
- (5) A Wage Survey Collection Form (Appendix A), a list of duties and/or a current position description of the surveyed XE Supervisor position, will be sent to each company on the list with a request to provide a comparable position match and wage data of the matched position. Despite difficulty in data collection, survey committees must attempt to collect as much data as possible.
- (6) Survey committees will request from companies with anticipated comparable position matches the following information:
 - (a) the title of the position;
 - (b) an organizational chart to show where the position is placed in the organization;
 - (c) any applicable salary tables;
 - (d) the total number of incumbents in the position that are physically located in the wage survey area;
 - (e) The current hourly rate of pay of each incumbent. If the company declines to provide the hourly rate of each incumbent, the average pay of all incumbents in the position will be requested and used in the weighted average.
 - (f) the date of the last increase;
 - (g) the percent of the last increase;
 - (h) whether the position supervises other employees and if so, how many;
 - (i) the list of trades the position supervises;
 - (j) whether the position is exempt or nonexempt from FLSA;
 - (k) if the position may earn overtime;
 - (l) whether bonuses are paid and if so, whether they are paid one time or are hourly rate adjusted;
 - (m) any other fringe benefits the position receives; and
 - (n) whether the position is covered by a labor agreement.

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- (7) If the surveyed company fails to respond, the survey committee will attempt to contact the company a second time. If the company fails to respond after the second attempt, the data from the surveyed company will be omitted in the calculation for the current survey year. The survey committee will attempt to collect the data again the following year if it is still expected they may have a comparable position match.
- (8) The survey committee will review the position match, if provided, and determine if the match is comparable.
 - (a) Factors to consider in determining a comparable match may include but are not limited to similar: job duties, organizational placement (e.g., second-level supervisor), number of subordinates, number of trades supervised, industry subsector, FLSA exemption, of the XE position being surveyed. A matched position requires the incumbent(s) to be physically located in the wage survey area, which may differ from the area of application.
 - (b) The survey committee may request the position directly above and directly below the provided position to determine if another position in the company is a more comparable match.
 - (c) If the survey committee cannot agree on a position match, the committee chair will make the final determination regarding which position will be used in the weighted average or, whether the company will be omitted from the survey entirely.

C. Calculating Prevailing Rate.

The survey committee will determine the prevailing rate for each survey position in the application area as a weighted average.

- (1) To calculate the prevailing rate, each position match will be assigned a weight based on the number of incumbents in that position in the survey year. An example of a weighted average calculation is included in Appendix B.
 - (a) The hourly rate will be used in the weighted average calculation for each position match. If the surveyed company fails to provide the hourly rate and provides an annual salary, the annual salary will be divided by 2087 (number of full-time annual working hours) to determine the hourly rate.
 - (b) Hourly adjusted fringe benefits or bonuses shall not be included in the hourly rate.
- (2) If the surveyed company responds but indicates there are currently no incumbents in the position and/or survey area, the data will be omitted in the calculation for the current survey year.

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- (3) The hourly rates will be totaled (accounting for multiple incumbents) and divided by the total number of incumbents for all position matches in the annual survey to provide the calculated weighted average.
- (4) The calculated weighted average will provide the prevailing rate for XE Supervisors at step 2 (100%). The prevailing rate will not be applied until maximum and minimum adjustments are considered.
- (5) The prevailing rate for XE Supervisors at step 2 (100%) will be divided by the previous year's 100% rate to express the difference as a percentage (e.g., $\$55.00/\$54.00= 1.9\%$ increase). This will provide the tentative wage rate adjustment for use in determining the appropriate annual pay adjustment percentage.

D. Pay Adjustments.

Once the prevailing rate and tentative wage rate adjustment have been determined, the annual pay adjustment percentage will be calculated and processed for XE Supervisors in the wage area of application.

- (1) Annual pay adjustments for XE Supervisors are subject to the limitations and minimums set forth by the Fiscal Year Prevailing Rate Pay Adjustment Memorandum for Heads of Executive Departments and Agencies (annual OPM memorandum), issued each fiscal year by the Office of Personnel Management, typically in December. SHROs must follow instructions in the OPM memorandum. In the event of a contradiction between this D&S and the provisions in the annual OPM memorandum, the provisions of the OPM memorandum shall prevail.
 - (a) The maximum wage rate percentage is set forth by the annual OPM memorandum.
 - (b) The minimum wage rate percentage will not be less than the percentage adjustments under 5 U.S.C. 5303 and 5304 received by GS employees in the same location in January of that calendar year. The minimum wage rate percentage is tied to the GS employees in a certain location; therefore, some prevailing rate wage areas will have more than one wage schedule in effect during each fiscal year.
 - (c) If the calculated weighted average percentage is higher than the maximum and minimum wage rate percentage, the maximum wage rate percentage will be applied to the previous year's 100% wage rate. In some wage areas, wage schedule adjustments under the minimum increase provisions will be higher than under the maximum increase provisions and the minimum wage rate increase percentage will be applied to the previous year's 100% rate.

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- (d) If the calculated weighted average percentage is higher than the minimum wage rate percentage, but lower than the maximum wage rate percentage, the prevailing rate will become the new 100% wage rate.
 - (e) If the calculated weighted average percentage is lower than the minimum wage rate percentage, the minimum wage rate percentage will be applied to the previous year's 100% rate. In some surveys, the prevailing rate may be lower than the previous year. In this case, the minimum wage rate percentage will be applied to the previous year's 100% rate.
 - (f) Once the 100% rate is determined for each position in the survey area by adjusting to the prevailing rate or applying the appropriate adjustment percentage, the step 1 will be set at 96% of the 100% rate and the step 3 will be set at 104% of the 100% rate.
- (2) The SHRO determines the annual recurring effective date of the pay adjustments (based on historical effective date of first wage schedule in that survey area) and shall process the pay adjustment no more than once every 52 weeks.
- (a) The wage rates on certain wage schedules are effective retroactively to the normal effective date. For example, if a wage schedule for the ABC Wage Area has a normal effective date in FY 2025 of October 6, 2024, and the Prevailing Rate Pay Adjustments Memorandum for FY 2025 is issued in December 2024, the employees paid from this wage schedule are entitled to pay adjustments retroactive to October 6, 2024.
 - (b) For wage areas with effective dates later in the fiscal year, retroactive adjustments will not be required. For example, wage schedules for the XYZ Wage Area that have an effective date of July 28, 2024, will use the FY 2024 memorandum, and see their wage schedule adjusted prospectively.

6. XE Supervisor Group Retention Incentives.

To mitigate the potential risk of XE Supervisors leaving federal service, SHROs may submit a request for a group retention incentive for the wage application area experiencing retention and recruitment difficulties for approval by the RD.

- A. In addition to the requirements outlined in HRM 04-06, the following eligibility criteria applies:
 - (1) An XE supervisor's pay must be inverted or compressed to the point that they make less than 3% above the base rate of the highest paid employee supervised.
 - (2) The retention amount paid is the minimum amount required to set the XE Supervisor rate at 3% above the highest paid employee supervised.

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- (a) Example A: If the XE Supervisor is compressed and makes 1% above their highest paid subordinate, they may be paid enough incentive to increase their rate to 3% above.
 - (b) Example B: If the XE Supervisor is inverted and makes 2% below their highest paid subordinate, they may be paid enough incentive to increase their rate to 3% above.
 - (3) The amount of the incentive must not exceed 10% of the base rate of pay of the XE Supervisor receiving the retention incentive. For example, if the XE Supervisor makes 14% below their highest paid subordinate, they may be paid a maximum of 10%, even though the XE Supervisor will remain inverted.
 - (4) XE Supervisors shall only be paid retention incentives when the employee's most recent rating of record is at least fully successful 1.
- B. Retention incentives will be paid in biweekly installments only.
- C. The incentive can be terminated or reduced after notifying XE Supervisors in writing of the intent to terminate or reduce the retention incentive.
- (1) Decisions to approve, continue, reduce, or terminate a retention incentive cannot be appealed or grieved.
 - (2) SHROs must promptly notify XE Supervisors in writing of a change or termination of their retention incentive as soon as practicable after the triggering event. The effective date of the change or termination shall be the beginning of the pay period following the written notification or upon the XE Supervisor's separation (whichever is earlier), but no later than 30 days from the triggering event.
 - (3) To prevent retroactive reduction or termination of retention incentives, which would result in a debt to XE Supervisors receiving retention incentives, the SHRO must audit group retention incentives when the following occurs:
 - (a) annual pay adjustments are processed for XE Supervisors receiving a retention incentive;
 - (b) annual pay adjustments are processed for negotiated rate employees in the XE Supervisors reporting chain;
 - (c) an XE Supervisor receiving a retention incentive receives a step increase; or

1 HRM 04-06 currently states, "the employee's most recent official performance rating of record is at least "superior" or the equivalent"; however, a memorandum requesting deviation from this requirement was approved on September 3, 2015.

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- (d) the highest paid position supervised, of which the retention incentive was based, becomes vacant. Vacant positions will not be used to determine retention incentives.

7. OPM Pay Waivers.

- A. Reclamation has established baseline criterion for eligibility to submit a pay waiver package (template in Appendix C) to OPM to request to waive the annual pay limitation. The request is a one-time “reset” and can only be submitted once per year if all other eligibility requirements are met.
- B. To be eligible to submit a pay waiver package for approval, the XE Supervisors in a specific wage area of application must be experiencing both subordinate and prevailing rate inversion/compression, and either retention or recruitment issues.
 - (1) **Subordinate Pay Inversion/Compression.**

The XE Supervisors in the wage area must be receiving less than 3% above their highest paid subordinate. The subordinate position used in the calculation must be incumbered, as the pay is based on the actual incumbent’s hourly rate, not a vacant position.
 - (2) **Prevailing Rate Inversion/Compression.**

The XE Supervisors in the wage area must be receiving less than 3% above the current prevailing rate calculation. The pay gap will be assessed on the calculated weighted average in the current fiscal year; therefore, the survey must be conducted for that year, prior to submission of the pay waiver package.
 - (3) **Retention Issues.**

Documentation must show one or more XE Supervisors vacated their positions because of issues related to pay inversion or pay compression.

 - (a) XE Supervisors who leave their position because of pay-related issues must document their reasoning on their departure SF-50 and/or provide a signed statement to the SHRO prior to their separation. Statements received after the separation date will not be used as documentation in the waiver package.
 - (b) XE Supervisors who retire from federal service or vacate their position for a lower-paying position will not be permitted to be included in supporting documentation.
 - (c) Retention documentation may be collected and provided in the pay waiver package for the previous three years.

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(4) **Recruitment Issues.**

Documentation must show unsuccessful recruitment efforts for vacant XE Supervisor positions.

(a) Recruitment issues will be demonstrated by position declinations, multiple job advertisements with no selections made, and/or extended position vacancies.

(b) Recruitment documentation may be collected and provided in the pay waiver package for the previous three years.

C. Once eligibility has been determined, the SHRO will prepare the pay waiver package and submit to the RD for concurrence and routing to the HCO.

(1) If the RD and HCO concur with the request, the HCO will submit the package to the DOI.

(2) If DOI concurs with the request, the request will be submitted through the appropriate routing chain to OPM for final approval.

D. If the annual recurring effective date passes during the OPM pay waiver approval process, wage schedules must be implemented with the limitations imposed. If OPM subsequently approves the pay waiver package after the regular effective date, the SHRO will replace the existing salary table with the new salary table and adjust the wages retroactively to the date the adjustment would normally occur (i.e., the annual recurring effective date).

E. If OPM approves the pay waiver package, the SHRO will adjust the wages without consideration of the maximum and minimum wage rate percentages.

(1) The prevailing rate will become the 100% rate of pay (step 2) for all positions in the approved wage application area.

(2) The step 1 will be 96% of the calculated weighted average and the step 3 will be 104% of the calculated weighted average.

8. References.

A. [5 CFR Part 532.285](#). Special wage schedules for supervisors of negotiated rate Bureau of Reclamation employees.

B. [Chief Human Capital Officers Council Transmittals](#). This transmittal page allows users to search for various OPM memorandums, including the annual Prevailing Rate Pay Adjustments memorandum.

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9. Appendices.

- A. Wage Survey Collection Form
- B. Calculated Weighted Average Example
- C. OPM Pay Waiver Template

10. Definitions.

A. **Calculated Weighed Average.**

The average of all comparable position matches in a wage survey area, considering the number of incumbents in each position. The calculated weighted average becomes the prevailing rate for the surveyed position.

B. **Calculated Weighted Average Percentage.**

The new weighted average hourly rate of pay divided by the previous year's 100% rate, expressed as a percentage.

C. **Comparable Position Match.**

Private industry jobs that are similar in job duties, organizational placement, number of subordinates, number of trades supervised, industry subsector, and/or FLSA exemption, of the surveyed position.

D. **Full-Scale Wage Survey.**

A survey conducted at least every 2 years in which data is collected from a current sampling of establishments in the private sector by personal visit of data collectors. With the unanimous consent of the members of a Local Wage Survey Committee, data may also be obtained from a private sector establishment or establishments during a full-scale wage survey by telephone, mail, or electronic means.

E. **Local Wage Survey Committee.**

A data collection team responsible for determining the prevailing rate for each survey position as a weighted average.

F. **Maximum Pay Increase.**

The limitation which provides that pay increases for XE Supervisors may not exceed the sum of the annual General Schedule (GS) across-the-board percentage adjustment and the difference between the overall average percentage locality payments for GS employees in the present and prior year.

G. **Minimum Pay Increase.**

The floor pay adjustment amount equal to the percentage pay adjustments received by GS employees where they work.

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- H. **Newly Established Wage Schedules.**
The first wage schedule implemented for new positions or significantly restructured roles that did not previously exist in the organization for supervisors of negotiated rate wage [employees](#).
- I. **OPM Pay Waiver Package.**
A request made by the SHRO to the Office of Personnel Management to deviate from the annual pay limitations which seeks to adjust the 100% rate of pay to match the weighted average.
- J. **Prevailing Rate.**
The rate for a particular job in private industry, as determined by a calculated weighted average of comparable positions the special wage survey area.
- K. **Previously Established Wage Schedules.**
Wages schedules for existing positions/supervisors of negotiated rate wage [employees](#).
- L. **Special Wage Area of Application.**
Geographic area within which a single set of regular wage schedules is applied uniformly by federal installations to covered occupations.
- M. **Special Wage Schedules.**
Schedules based on annual special wage surveys conducted by the Bureau of Reclamation in each special wage area.
- N. **Special Wage Survey Area.**
The part of the wage area where the private enterprise establishments included in the wage survey are located.
- O. **Wage Area.**
Geographic area within which a single set of regular wage schedules is applied uniformly by Federal installations to covered occupations.
- P. **XE Supervisors.**
Wage supervisors of negotiated rate wage employees in Reclamation.
11. **Review Period.**
The originating office will review this release every 4 years.

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Wage Survey Collection Form



— BUREAU OF —
RECLAMATION

Wage Survey

The Bureau of Reclamation (Reclamation) is required by 5 CFR § 532.285 to establish and issue special wage schedules for wage supervisors of negotiated rate wage employees in Reclamation. These schedules shall be based on annual special wage surveys conducted by Reclamation in each special wage area. Survey jobs representing Reclamation positions will be matched to private industry jobs in each special wage area. Special schedule rates for each position will be based on prevailing rates for that particular job in private industry. To accomplish our annual special wage survey, we are kindly requesting position data from your company.

Reclamation Position: _____

Wage Area* _____

Please review the attached position description to determine if you have a comparable position within your company.

Do you have a comparable position? Yes No

Title of position: _____
(Please provide a position description, if available.)

Organizational placement: _____
(Please provide organizational chart, if available.)

Total number of incumbents in position who are physically located in the Wage Area*: _____

What is the current hourly rate of pay? _____
(Please provide any applicable salary tables, if available.)

Date of last increase: _____ Percent of last increase: _____

If the incumbents are set at different salaries, please provide how many individuals are at each rate:

Salary: _____	# of incumbents: _____	Salary: _____	# of incumbents: _____
Salary: _____	# of incumbents: _____	Salary: _____	# of incumbents: _____
Salary: _____	# of incumbents: _____	Salary: _____	# of incumbents: _____

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Does this position supervise other employees? Yes No

How many other employees? _____

What trades does this position supervise (e.g., electricians, mechanics)?

Is this position Exempt or Nonexempt (FLSA)? Yes No

Does the incumbent earn overtime? Yes No

Is this position subject to any bonuses? Yes No

If so, are the bonuses paid one time or is the hourly rate adjusted?

Please list all other fringe benefits this position receives:

Is this position covered by a labor agreement? Yes No
(If so, please provide a copy of the agreement)

Other Information:

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Calculated Weighted Average Example

Hourly Rate	Position Title	Survey Company	# of Positions
\$54.07	Supervisory Maintenance Fossil	Company A	3
\$54.07	Supervisory Maintenance Fossil	Company A	
\$54.07	Supervisory Maintenance Fossil	Company A	
\$57.08	Plant Supervisor	Company B	11
\$57.08	Plant Supervisor	Company B	
\$59.00*	Plant Supervisor	Company B	
\$59.00	Plant Supervisor	Company B	
\$59.00	Plant Supervisor	Company B	
\$59.00	Plant Supervisor	Company B	
\$59.00	Plant Supervisor	Company B	
\$60.45	Plant Supervisor	Company B	
\$60.45	Plant Supervisor	Company B	
\$60.45	Plant Supervisor	Company B	
\$60.45	Plant Supervisor	Company B	
\$60.45	Plant Supervisor	Company B	
\$60.33	Construction and Maintenance Supervisor	Company C	1
\$51.00	Supervisory Facility	Company D	2
\$51.00	Supervisory Facility	Company D	
\$0.00	Pump Plant Team Manager	Company E	0

**Some companies may provide different hourly rates for incumbents in the same position.*

Total Hourly Rate: \$976.95
Divided by Total # of Positions: 17

Calculated Weighted Average = **\$57.47**

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OPM Pay Waiver Template

[REGIONAL LETTERHEAD]

XX-XXXX
1.2.04

VIA ELECTRONIC MAIL ONLY

Memorandum

To: **First Last**
Deputy Assistant Secretary – Human Capital and Diversity
Chief Human Capital Officer

Through: **First Last**
Deputy Commissioner – Policy,
Administration & Budget

Through: **First Last**
Human Capital Officer

Through: **First Last**
Regional Director

From: **First Last**
Human Resources Officer, Region

Subject: Request for Exception to CPM 20XX-XX for XE Supervisors in [wage area]

In September 2015, the Department of the Interior advised the Bureau of Reclamation (Reclamation) regarding 5 CFR 532.801, *Payment of Unrestricted Rates for Recruitment or Retention Purposes*, and 5 CFR 532.253, *Special Rates*, which requires Office of Personnel Management (OPM) approval to grant an annual relief to pay limitations that meet the criteria outlined in 5 CFR 532.251(b).

The [region] is requesting a one-time exception to the pay limitation for [wage area, region] for fiscal year 20XX. Currently, the [wage area] is unable to offer these positions the prevailing rate, which is significantly impacting their ability to fulfill Reclamation's mission. In addition, this wage area is experiencing *retention/recruitment* issues, as demonstrated by the supporting documentation in the attached request package.

We are asking the Department to review and forward this request to OPM for a decision to grant an exception to the pay limitation set forth by the Office of Personnel Management (OPM) through CPM 20XX-XX.

If you have any questions regarding this request please contact, HCO **First Last** at email@usbr.gov.

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BUREAU OF RECLAMATION Exception to the Pay Limitation for [Wage Area, Region] Fiscal Year 20XX

PURPOSE:

The provisions limit pay increases for Supervisors of Negotiated Rate Bureau of Reclamation Employees (hereinafter "XE Supervisors") to the sum of the annual General Schedule (GS) across-the-board percentage adjustment and the difference between the overall average percentage locality payments for GS employees in the present and prior year. The Bureau of Reclamation (Reclamation) is requesting a one-time exception to the pay limitation for [wage area, region] for fiscal year (FY) 20XX.

BACKGROUND:

Reclamation is the second largest producer of hydropower in the United States and operates 53 hydroelectric powerplants that annually produced, on average, 40 billion kilowatt-hours for the last 10 years. Fifteen percent of the nation's hydropower is produced by Bureau of Reclamation facilities.

5 CFR § 532.285 requires the Reclamation to establish and issue special wage schedules for XE Supervisors. These schedules are based on annual wage surveys conducted by Reclamation in each special wage area. Reclamation positions surveyed are matched to private industry jobs in each special wage area. Special wage schedule rates for each position surveyed are based on prevailing rates for that particular job in the private industry.

JUSTIFICATION:

[Compression/Inversion] from Private Industry. While 5 CFR 532.285 requires Reclamation's special schedule rates for each position to be based on prevailing rates for that particular job in private industry, the pay limitations set forth by CPM 20XX-XX (FYXX Prevailing Rate Pay Adjustment Memorandum) prevent Reclamation from setting wages at the prevailing rate. Historically, private industry jobs have provided higher increases than the limitations allow, leading to pay compression and inversion of XE Supervisors compared to their private industry counterparts.

After the maximum pay adjustment (XX.X%) was applied in fiscal year 20XX, [position title] in the [wage area] are currently paid \$XX.XX per hour at the Step 2 (100%) rate (*see attachment I*). According to the special wage survey conducted in FYXX, the prevailing rate for that particular job in the private industry is \$XX.XX per hour. Counterparts in the private industry are making XX% more than XE Supervisors in the [wage area].

[Compression/Inversion] from Subordinate Employees. XE Supervisors supervise Bargaining Board (BB) and Bargaining Leader (BL) negotiated rate positions. These BB/BL employees work to maintain, repair, and replace the components that make power generation and other mission critical work possible. The XE Supervisors are directly responsible for overseeing this mission critical work to ensure it is done in a safe, efficient, and technically sound manner to

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continue uninterrupted delivery of water and hydroelectric power crucial to the Western United States. BB/BL positions are covered by section 9(b) under Public Law 92-392 and permitted to negotiate pay and pay practices without regard to Title 5 limitations. The BB/BL positions are not "capped" and are based on the prevailing rates of separate salary surveys. Essentially, supervisors are subject to limitations and their subordinates are not. This has led to the [compression/inversion] of XE Supervisors from their highest paid subordinates.

Currently, the highest paid subordinate, [BB/BL position title], which the [position title] in the [wage area] are supervising, are paid \$XX.XX per hour (*see attachment 2*). The highest paid subordinate is currently making XX% more the [position title] in the [wage area].

Retention and/or Recruitment Issues. There have been documented cases of XE Supervisors vacating their positions due to pay inversion/compression issues. Documentation includes departure SF-50 forms indicating pay-related issues and/or signed statements from departing XE Supervisors submitted to the Human Resources Office prior to their separation (*attachment 3*).

Recruitment efforts for vacant XE Supervisor positions have been unsuccessful, as demonstrated by position declinations, multiple job advertisements with no selections made, and/or extended position vacancies. Retention documentation has been collected and provided for the past three years as part of this waiver package (*attachment 4*).

5 CFR 532.251(b). Below are our responses to the nine OPM considerations used to evaluate our request for approval of a pay limitation exception for the XE Supervisor positions. In addition, OPM's Appendix M Worksheet for Federal Wage Systems Special Rates is included (*attachment 5*).

1. The number of existing or likely vacant positions and the length of time they have been vacant, including evidence to support the likelihood that a recruitment problem will develop if one does not already exist.

[]

2. The number of employees who have or are likely to quit, including the number quitting for higher pay positions and evidence to support the likelihood that employees will quit.

[]

3. The number of vacancies employing agencies tried to fill and the number of hires and offers made.

[]

4. The nature of the existing labor market.

[]

5. The degree to which employing agencies have considered or used increased minimum rates for hard-to-fill positions.

[]

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6. The degree to which employing agencies have considered relevant non-pay solutions to the staffing problem, such as conducting an aggressive recruiting program, using appropriate appointment authorities, redesigning jobs, establishing training programs, and improving working conditions.

[]

7. The impact of the staffing problem on employers' missions.

[]

8. The level of private sector rates paid for comparable positions.

[]

9. As appropriate, the extent to which the use of unrestricted rates authorized under § 532.801 of this part was considered.

[]

CONCLUSION:

Given the critical nature of these pay inversion/compression and retention/recruitment issues, we respectfully request that OPM grants an exception to the pay limitation for XE Supervisors in the [specific wage area] for FYXX. The pay adjustment reflecting the new rates would be effective DATE. This adjustment is essential to maintaining the effectiveness and efficiency of our operations. Thank you for your consideration of this request.

ATTACHMENTS:

1. Wage Schedule for XE Supervisors in [Wage Area]
2. Wage Schedule for BB/BL Employees in [Wage Area]
3. Retention Documentation
4. Recruitment Documentation
5. OPM's Appendix M Worksheet for Federal Wage Systems Special Rates
6. Additional Supporting Documents