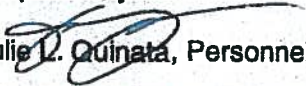

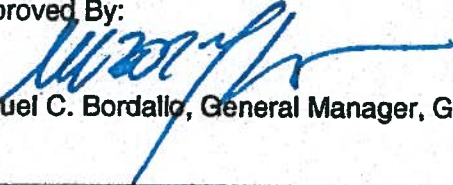


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| <b>GUAM POWER AUTHORITY<br/>GUAM WATERWORKS AUTHORITY</b><br><br><b>AUTHORITY POLICY</b>  | No. <b>AP-085</b>   Issued: <b>3/30/16</b>   |
|   | Prepared By:<br><br>Julie L. Quinata, Personnel Services Administrator |
|   | Approved By:<br><br>John M. Benavente, P.E., General Manager, GPA      |
| Title:<br><b>PAY FOR PERFORMANCE and PAY<br/>ADJUSTMENT POLICY FOR EMPLOYEES<br/>IN CERTIFIED, TECHNICAL AND<br/>PROFESSIONAL (CTP) POSITIONS<br/>(REVISED)</b> | Approved By:<br><br>Miguel C. Bordallo, General Manager, GWA           |
| Effective Date: October 1, 2015   | Supersedes: SP No. 140 /Page 1 of 7  |

**I. PURPOSE:**

To adjust the pay-for-performance compensation (CTP) employees receive based on an overall performance evaluation rating. Pay-for-Performance is essential in rewarding employees for satisfactory job performance. This pay-for-performance policy adjustment is necessary in response to economic factors affecting revenues and the Authority's objective to continue awarding CTP employees for their performance.

**II. LEGAL AUTHORITY:**

- A. CCU/GPA Resolution No. 2015-50/GWA Resolution No. 52-FY2015. Relative to the reallocation of the Pay-for-Performance pay adjustment for certified, technical and professional (CTP) employees.
- B. CCU Resolution No. 01-FY2008. Relative to the adoption of a new compensation policy for the Guam Power Authority and the Guam Waterworks Authority.
- C. CCU Resolution No. 2009-27. Relative to the adoption of a new performance management system for employees in certified, technical and professional positions.

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| <b>CODES:</b> | <b>* REVISED</b> | <b># ADDED</b> |
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**III. COVERAGE:**

This policy applies to all employees in certified, technical and professional positions. It may also cover employees in the unclassified service whose positions are listed under certified, technical and professional positions.

**IV. DEFINITIONS:**

- A. *Performance rating period:* The performance rating period for CTP employees is conducted annually at the Guam Power Authority (GPA) and the Guam Waterworks Authority (GWA).
- B. *Mid-year performance evaluation review*-is a means for evaluators/supervisors to check in with their employees to discuss their progress on goals and performance. It is also used to provide positive and constructive feedback and to discover and eliminate possible roadblocks that may hinder employee performance or prevent the employee from achieving the set goals. The mid-year review shall be conducted.
- C. *Performance Evaluation Form:* a standardized form used to review and accomplish ratings of an employee's job performance. It can also be used to establish a developmental plan between the rater and the employee. There are three (3) separate performance evaluation forms for the following categories of employees:
  - 1. Performance Evaluation Form – Non-Supervisory
  - 2. Performance Evaluation Form – Supervisor/Leader
  - 3. Performance Evaluation Form - Manager
- D. *Detail Appointment/Assignment* – a temporary assignment to meet management needs of an employee to another position or to a group of specific duties and responsibilities for a specified period with the employee returning to his/her regular duties at the end of the detail. A position is not filled by a detail as the employee continues to be the incumbent of the position from which he/she is detailed, and his/her salary during which the detail does not change.
- E. *Performance improvement plan (PIP):* is a document which may be used at any time during an employee's evaluation period to supplement the employee's performance evaluation form. A PIP may include, and is not limited to, identifying the levels of performance that must be achieved to obtain a successful rating, performance

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deficiencies, and implementing corrective measures for improvement, including time allotment for improvement.

- F. *Rating Responsibility:* The person doing the rating shall be the supervisor immediately responsible for the employee's work. The evaluator should be the individual who oversees, reviews, checks the daily work performance of the employees being rated, or is the supervisor who is closely acquainted with the employee's daily work performance.

V. Performance Evaluation Review Period for Employees in CTP positions:

- A. The effective date of this policy is October 1, 2015. The start dates of the performance evaluation periods at:
1. GWA is on October 1, 2015 through September 30, 2016, and each fiscal year thereafter.
  2. GPA is on January 6, 2016 through January 5, 2017, and each calendar year thereafter.
- B. Performance evaluation reviews are conducted annually at:
1. GPA from January 6<sup>th</sup> the current year through January 5<sup>th</sup>, the following year;
  2. GWA from October 1<sup>st</sup> the current year through September 30<sup>th</sup> the following year.
- C. A midyear review of an employee's performance must be conducted at:
1. GPA between June 1<sup>st</sup> and July 31<sup>st</sup> of a performance evaluation year
  2. GWA between March 1<sup>st</sup> and April 30<sup>th</sup> of a performance evaluation year.
- D. A performance evaluation must be conducted by each evaluator under whom the employee has worked for ninety (90) calendar days during any single rating period.
- E. In the event, an employee is serving a detail appointment to another position and/or a position in a higher pay grade/implementation range, the rater must use the performance evaluation form designated for the category where the employee's actual permanent position is identified.

VI. PAY-FOR-PERFORMANCE PAY ADJUSTMENT (S): employees may receive a pay-for-performance pay adjustment increase based upon satisfactory or better performance review as follows:

2% = the average increase overall;

3% = is limited to 10% of the total FTE(s) per division, and 10% of that 10% FTE cap of exceptional performers may receive a 4% increase [3% limited to 10% of FTE(s) per division; and 4% limited to 1% of FTE(s) per division].

0 = unsatisfactory performance results.

A. CAP

1. The number of employees who can receive a three percent (3%) pay adjustment is capped at ten percent (10%) of the total number of full-time employees (FTEs) per division on or before :

- a. January 5<sup>th</sup> of GPA's performance evaluation year and
- b. September 30<sup>th</sup> of GWA's performance evaluation year.

2. When there is a fraction of a number resulting from the allocation of the percentage cap per division, the number will then round up to the next whole number.

3. Each division manager is responsible for selecting and recommending employees who are eligible to receive a three percent (3%) pay adjustment. A written justification must be submitted to the General Manager for approval. In no instance is the division manager allowed to exceed the established 10% cap.

4. Of the 10% cap mentioned item VI.A.1 and 3, a division manager may elect no more than 10% of that 10% cap in which these employees' performance significantly exceeded expectations and whose performance was exceptional in the performance year. A written justification of these qualifications warranting a 4% pay adjustment must be submitted to the General Manager for approval.

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B. Performance Ratings:

The rating scale from 1 through 5, 5 being the highest describes the level of expectation achieved by an employee during a performance period. The rater must select a numerical rating that best describes an employee's performance. The total performance score will determine the overall performance rating.

Rating Scale

|   |   |
|---|---|
| 5 | <b>Significantly Exceeds Expectations / Outstanding</b>   |
|   | Performance significantly exceeds expectations in all essential areas of responsibility. An outstanding result qualified by an exceptional or unique contribution in support of the section, department or division or the successful completion of a major goal or project. This rating is achievable by any employee although given infrequently. Note: a rating of 5 requires qualification.   |
| 4 | <b>Exceeds Expectations / Above Satisfactory</b>  |
|   | Above standard performance with results exceeding expectations in all essential areas of responsibility. Note: A rating of 4 requires qualification.  |
| 3 | <b>Meets Expectations / Satisfactory</b>  |
|   | Performance consistently meets expectations in all essential areas of responsibility.   |
| 2 | <b>Inconsistently Meets Expectations / Marginal</b>   |
|   | Performance inconsistently meets expectations in one or more essential areas of responsibility. A less than satisfactory result requiring improvement(s) to come up to standard. Note: A rating of 2 requires a performance improvement plan (PIP).   |
| 1 | <b>Fails To Meet Expectations / Unsatisfactory</b>  |
|   | Performance consistently below expectations. Significant improvement is needed in one or more essential areas. Results may also reflect / demonstrate counter-productive behaviors that have negative outcomes or consequences. A plan to correct performance, including timelines, must be developed and monitored to improve and measure progress. Note: a rating of 1 requires qualification and a performance improvement plan (PIP). |



C. **Overall Performance Rating Criteria:** The overall rating score determines the performance category and an employee's eligibility to receive a 3% pay adjustment as follows:

| Overall Rating Criteria                |   |                                 |   |
|--|---|---------------------------------|---|
| Overall Performance Evaluation Summary | Exceeds Expectations/Above Satisfactory | Meets Expectations/Satisfactory | Fails to Meet Expectations/Unsatisfactory |
| Performance Scale                      | 500 - 367                               | 366-234                         | 233-100                                   |
| Sub-Step Increase                      | Eligible - 3                            | 2                               | 0   |

1. An employee who receives an Exceeds Expectations/Above Satisfactory evaluation result as determined by the overall rating score between 367 – 500 points and receives an overall average rating score as low as two (2) in any KPI or job factor is ineligible for a 3 sub-step increase or 3% pay adjustment increase (terms used interchangeably). A copy of the calculating forms for the managerial, supervisory/leader performance evaluation and the non-supervisory performance evaluation forms are in the attachment as appendices #1, #2 and #3, respectively.
  2. A Meets Expectations/Satisfactory evaluation result is determined by an overall rating score between 234 – 366 points.
  3. An Unsatisfactory evaluation result is determined by an overall rating score between 100 – 233 points.
- D. **Approval of Performance Evaluation Reports:** The General Manager shall make the final approval of all performance evaluations/appraisals, upon recommendation of the immediate supervisor, middle management (where applicable) and *department head*.
- VII. **FUNDING AVAILABILITY:** Pay-for- Performance pay adjustments are subject to the availability of funds and can be amended based on budgetary requirements

**IX. Promotion:**

Employees who receive a promotion during a performance evaluation period must serve at least 3 months in the position he/she was promoted to receive a pay-for-performance pay adjustment.

**X. Demotion:**

- i. Employees who are demoted either voluntarily or involuntarily during a performance evaluation period are ineligible for a pay-for-performance pay adjustment. Eligibility will resume in the next performance evaluation period.
- ii. An employee whose position was reclassified to a lower position/implementation range and/or pay grade during a performance evaluation period is ineligible for a pay-for-performance pay adjustment. Eligibility will resume in the next performance evaluation period. In accordance with Personnel Rules and Regulations, an employee's salary will not be decreased until two years from the effective date of downgrade.

**XI. RETENTION AND MAINTENANCE OF FORMS:**

Upon completion of an employee's performance evaluation and upon certification and approval from the General Manager, the original performance evaluation form shall be returned to the employee and the HR office will maintain a copy and/or an electronic copy of the form.

Distribution A, B, C, & D