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IN REPLY REFER TO:

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SEP 12 2012

From: Assistant Director of Intelligence, Headquarters, U.S.
Marine Corps

To: Intelligence Workforce

Subj: PERFORMANCE REVIEW AUTHORITY LETTER TO THE WORKFORCE -
DEFENSE CIVILIAN INTELLIGENCE PERSONNEL SYSTEM (DCIPS)
FY12 PERFORMANCE PERIOD

Encl: (1) U.S. Marine Corps DCIPS 2012 Business Rules
(2) Code of Conduct for Pay Pool Members

1. We remain committed to using the performance management system to record and recognize the breadth of effort our civilian workforce has contributed to our enterprise during the FY12 performance cycle. Our process remains unchanged for FY12. Service guidelines, along with changes in DCIPS policy or guidance, are highlighted below. Based on feedback from our pilot program in FY11, we continue to use the staggered performance cycle; separating the performance cycles of supervisory and non-supervisory employees. In FY12 we will reward the top third of eligible employees with a bonus.

2. Bonus Pool procedures have stabilized. Some bonus pools have been reorganized to address cross-organizational concerns. Pay situations remain unchanged from last year. The Government-wide freeze on pay continued through the 2012 cycle. In addition, the Office of Personnel Management cap for civilian award budgets remains at 1% of aggregate salaries, of which USD(I) mandated the use of .8% for bonuses. The remaining .2% has been allocated throughout the FY for impact and SPOT awards.

3. DCIPS Quality Increases (DQI) and Sustained Quality Increases (SQI) have replaced Quality Step Increases (QSIs) and are available during the upcoming Bonus Pool cycle. DQIs represent a one-step equivalent raise and SQIs represent a two-step increase. SQIs reward three continuous years of superior performance. Although included in our overall performance management process, DQIs and SQIs do not count against our Bonus Pool funds; however, Department of Defense guidance restricts component spending on these awards. Employees in the top ten percent of ratings are eligible for consideration for a DQI or SQI. Component Commanders will review those who are eligible

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for a DQI or SQI and recommend awardees. Bonus pools will be provided the Performance Review Authority (PRA) approved DQI and SQI recommendations for use during their deliberations. The final determination on award of DQIs lies with the PRA based on available funds. Within the Marine Corps, employees receiving a DQI or SQI are not eligible for a bonus.

4. Our intelligence workforce continues to provide outstanding support to our Marines, while crafting innovative approaches to meet future challenges. We must conduct meaningful performance measurement conversations with each employee and recognize those whose performance sets the highest standard.

A handwritten signature in black ink, appearing to read 'P. C. Chudoba', with a stylized, cursive script.

P. C. CHUDоба

USMC DCIPS Bonus Pool Business Rules Cycle 2012

Sep 2012

1. **DIRINT's Intent:** To maximize the impact of bonuses by providing more meaningful awards to the top performers while adhering to OPM and OUSDI guidance. It is imperative that supervisors remain mindful of the full range of awards and recognition available to acknowledge employee accomplishments.

2. **General Bonus Pool Process**

a. All decisions made by the Bonus Pool will be performance-based to support the Total Rewards concept whereby the USMC will use all the tools at its disposal to attract, motivate and retain employees. Under current DCIPS guidelines, only bonuses will be determined by Bonus Pools.

b. Bonus Pools may temporarily bring in outside experts to consult. This may include an attorney, or an Equal Employment Opportunity or Freedom of Information Act specialist.

c. Once the Bonus Pool begins, all decisions must be made with the data present. Late additions will not be accepted.

d. All documentation of the Bonus Pool will be maintained for the record.

e. There will be no forced distribution on ratings per DCIPS Volume 2011.

f. Special circumstances, such as New Employees will be reviewed on a case-by-case basis to determine whether bonuses will be awarded. (See prorating directions, paragraph 3e)

(1) Joint Duty personnel or detailees from other organizations require special handling and should be clarified before the Bonus Pool deliberates. For example, Joint Duty personnel assigned to your organization need to be added to your Compensation Workbench (CWB) for bonus calculations. Their records may have to be removed after a recommended bonus is determined, but before the Bonus Pool is finalized. This process calculates a bonus recommendation commensurate with your Bonus Pool rules that may be recommended to the parent organization for pay out.

(2) DCIPS employees coming from other DCIPS components during the performance cycle that are eligible for bonuses

(rating of record from the losing organization) will have their time credited and will not be subject to prorating for time spent outside of Marine Corps Intelligence.

g. Except in cases involving special circumstances, considerations granted for one must be applied to all.

h. Special circumstances will be briefed up front.

i. All variations from initial CWB bonus recommendations will be justified and documented within the CWB. Bonus Pool justification statements will be required to support the rater's conversation with the employee in the feedback sheet.

j. No CWB files will be unlocked without the expressed approval of the Marine Corps Intelligence Performance Review Authority (PRA).

k. Guidance from higher levels, i.e. PRA or Component Head will be applied consistently by all Bonus Pools.

l. Quorum requires that a majority of Bonus Pool members must be present in order for decisions to be made.

m. The Hold Back policy will be in effect for special recognition or reconsideration cases. The Hold Back policy allows a Bonus Pool Manager in accordance with Bonus Pool PRA guidance to put aside an amount for special recognition or to cover reconsiderations.

n. Each panel member will receive a formal documentation folder containing business rules and personnel sheets for review and deliberation.

o. All performance bonus decisions will be under the purview of the Bonus Pool. Off-booking or performance bonus decisions outside of this process will not be allowed.

p. Time-Off Awards are not the purview of the Bonus Pools. They are not administered through Bonus Pools nor are they a factor in consideration of compensation under the Bonus Pools.

q. Discussions must focus on current year performance only. Information or comparisons made from a previous year's accomplishments is not allowed. The only exception is consideration of previous years' rating for purposes of Sustained Quality Increases per paragraph 3.c.(4)

3. Performance Bonuses and Pay Adjustments

a. Recruitment or retention incentives, tuition reimbursement, and Within Grade Increases are not performance awards and should not be decremented from bonuses.

b. 33% of eligible Marine Corps employees receiving a bonus is the desired outcome. Slight variations to this target can be accommodated and will be reviewed by the Bonus Pool Performance Review Authority based on the performance rating cutoff in the CWB. Variation +/-3% from the target is acceptable for an individual bonus pool. The range above the target (>33%-36%) can only be used if the alternative would be a percentage below the lower range limit (<30%). Following DIRINT intent, solutions outside the range should favor larger awards.

c. DCIPS Quality Increase (DQI):

(1) Employees with an evaluation of record in the top 10% of ratings given in the cycle are eligible to receive a DQI. DQIs will be in the form of a base pay increase equivalent to a one step increase. Under no circumstances may an employee's base pay increase be above the equivalent of the virtual step 12 rate nor exceed the rate of pay equal to Level IV of the Executive Schedule (\$155,500). Only one DQI can be awarded to an employee in a 52 week period.

(2) DQIs are available during the Bonus Pool deliberations this cycle, however, they may be awarded outside the bonus pool process as determined by the PRA. Although included in the process, DQIs do not count against Bonus Pool funds. Department of Defense guidance restricts component spending on DQIs to prior year levels. DQI recommendations will be accomplished by the employee's Component Commander prior to pay pools convening. Bonus pools will be provided the list of recommended DQI awardees at the beginning of deliberations. The Bonus Pool can provide recommendations on the DQI list. The final determination on award of DQIs lies with the PRA based on available funds.

(3) Employees who receive a DQI are excluded by Marine Corps Intelligence policy from consideration for a performance bonus but not other awards granted under guidance provided in DCIPS Volume 2008. Bonus Pools may include additional employees for bonuses based on ratings, but not to exceed the number of people who received DSI's or within the guidance put forth in paragraph 3b whichever is greater.

(4) Employees who have been documented as being the top 10% of ratings for the previous three years are eligible for a Sustained Quality Increase (SQI). SQIs will be in the form of a base pay increase equivalent to a two step increase. Under no circumstances may an employee's base pay increase be above the equivalent of the virtual step 12 rate nor exceed the rate of pay equal to Level IV of the Executive Schedule (\$155,500). Employees to be awarded an SQI must have been under the DCIPS Performance Management system and in the same DCIPS grade for the last 3 years. Time spent under DCIPS bands may be considered if the employee's current grade was encompassed in the prior band in the same work category. An employee may not receive more than one SQI during any 3-year period.

d. Bonuses calculated by the CWB can be adjusted based on partial year performance, promotions, or professional development advancements received during the rating cycle. Following is guidance for offsetting performance based bonuses.

(1) Bonus Pools may reduce the amount of bonuses for employees with ratings of Successful by no more than the amount of a promotion increase.

(2) Bonus Pools may reduce the amount of bonuses of employees with ratings of Excellent by no more than the amount of a promotion increase or 50% of the CWB recommended amount whichever is the lesser amount.

(3) Bonus Pools may reduce the amount of bonuses of employees with ratings of Outstanding by no more than the amount of a promotion increase or 25% of the CWB recommended amount whichever is the lesser amount.

(4) Any prorating of bonuses other than for promotions, i.e. partial year performance, or professional development advances, will be done in one month increments.

Code of Conduct for Bonus Pool Members

1 Aug 2012

1. To help facilitate and make the Bonus Pool processes reflect a consistent application of standards, all participants will agree to abide by the following code of conduct.

- a. Sign an accountability/confidentiality statement.
- b. Comply with local Bonus Pool policies and procedures, performance management directives and any other applicable regulations and policies.
- c. Treat all employees under their cognizance consistently and equitably.
- d. Clearly communicate the Bonus Pool guiding principles and policy to the workforce.
- e. Complete prep work prior to the Bonus Pool process to make the time as productive and focused as possible.
- f. Commit to arriving on time and staying for the duration of the Bonus Pool process.
- g. Provide constructive, fair, and professional input to the Bonus Pool process.
- h. Allow each participant to speak at least once when discussing an employee before providing additional feedback.
- i. Discuss every employee and make sure that each employee receives written feedback.
- j. Remove all PDA's and cell phones from the deliberation areas. Outside disturbances should be kept to an absolute minimum.
- k. Practice e-mail discipline during Bonus Pool preparation and deliberations. If others have access to your inbox, turn it off during Bonus Pool time.

2. Bonus Pool Managers will identify alternates for the Bonus Pool panel before deliberations.

- a. Alternates must have completed DCIPS Performance Management and Bonus Pool training.

b. Alternates must attend all deliberations as non-voting members.

c. If an alternate is selected, he/she must remain on the panel for the remainder of the process.