



OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

SEP 12 2019

ACQUISITION
AND SUSTAINMENT

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Fiscal Year 2019 Rating Cycle Pay Pool Funding Guidance for the Department of Defense Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo)

References: (a) Federal Register Notice (FRN), 82 FR 52104, November 9, 2017 as amended, Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo); Department of Defense (DoD)

The purpose of this memorandum is to provide annual Department of Defense (DoD) Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo) Pay Pool funding guidance for use during the pay pool reviews of the FY19 AcqDemo contribution period, with payout to occur in January 2020. The AcqDemo Program Manager had informal discussions with the Defense Civilian Personnel Advisory Service (DCPAS) concerning the award funding guidance for FY20. Based on these discussions, we anticipate the USD (Personnel and Readiness) memorandum will be released sometime around the beginning of October. In the event there are revisions to this funding guidance as understood to date, the AcqDemo Program Manager will send revised guidance. This memorandum provides guidance within the following areas:

Contribution Rating Increase (CRI) Pay Pool Funding. Subject to any subsequent guidance issued by the Office of Personnel Management (OPM) and/or DoD, minimum funding of the CRI portion of all pay pools will be set at no less than 2.0 percent, and maximum funding will be set at no more than 2.26 percent of the sum of the [base] salaries of all eligible employees in the pay pool. The range of 2.0 to 2.26 percent funding will be available in the Compensation Management Spreadsheet (CMS), for consideration and applicable Personnel Policy Board decision for those organizations undergoing their second or greater AcqDemo pay pool assessments. Organizations undergoing their first AcqDemo payout may use a range of 2.0 to 2.4 percent of basic (base) salaries.

Contribution Award (CA) Pay Pool Funding. Organizations may fund Contribution Awards up to 1.5 percent of the sum of total [aggregate] salaries of all eligible employees in the pay pool on 30 September 2019. Therefore, in accordance with this guidance, calculation of CA funding in the CMS will be no more than 1.5 percent for the FY 2019 Pay Pool Cycle, unless another limit has been identified through the collective bargaining process. The CMS will set aside 10% of the budgeted amount to be distributed during FY 2020 as on-the-spot, group, or other awards.

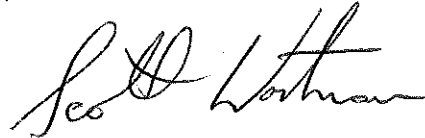
Contribution Carry Over Award Funding. When a performance-based continuing pay increase cannot be fully applied due to pay band limitations, the excess amount is generally paid as a lump sum from the funding available for continuing pay increases. Payments of this nature are not considered performance awards under Chapter 45 of title

5 U.S.C., and are not counted against the budgetary limit imposed by the Office of Management and Budget (OMB)/OPM. Therefore, the practice of rolling over individually-identified CRI, that cannot be paid as a salary increase, into a lump sum Carry Over Award (Nature of Action 885), may be followed in accordance with guidance provided in the organization's Pay Pool Business Rules.

These spending levels remain in effect, pending additional OMB/OPM or DoD guidance, until rescinded or amended.

Compensating employees for their contribution to the organization's mission is a fundamental principle of AcqDemo. Therefore, providing pay pools and managers with the ability to execute their programs in accordance with the provisions of AcqDemo is essential to conducting a thorough evaluation of the program's impacts on the performance of the acquisition workforce.

We appreciate your support in this endeavor.

A handwritten signature in black ink, appearing to read "Scott Wortman". The signature is fluid and cursive, with the first name "Scott" and last name "Wortman" clearly distinguishable.

Scott Wortman
Program Manager, AcqDemo
Human Capital Initiatives

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