

2006 - 2007

Performance Pay System

Implementation Plan

“Linking the Department’s Mission with Individual and Team Performance”

Colorado Department of Agriculture

October 2006 -- revised

“Linking the Department’s Mission with Individual and Team Performance”

Overview

This document describes the elements of the Department’s plan to implement Colorado's Pay for Performance System [hereinafter, 'P4P'] as required by SB 00-211, Colorado Revised Statutes 24-50-104(1)(c) & (c.5) and 24-50-125 and as modified by Director’s rules and procedures effective July 1, 2005. Plan elements are consistent with design criteria specified by Department of Personnel and Administration ['DPA'] and recent rule-making in the state's Pay for Performance System.

The purpose of this plan is to link the Department’s mission with individual and team performance. In particular, the Department’s plan is based upon clear consensus measures of performance that reflect the most important functions and activities of the employee’s work unit.

The Colorado Department of Agriculture ['Department' or 'CDA'] currently has approximately 300 employees in many locations across the state. The Department has eight operating divisions, including the State Fair, plus the Commissioner’s Office and Administrative Services. A Department organization chart is displayed as Exhibit 1.

Plan elements described in this report include:

1. Annual Timetable
2. Performance Planning and Evaluation
3. Performance-based Pay: Allocation
4. Dispute Resolution
5. Training and Communication
6. Plan Review, Modification, and Annual Report

Details of the plan are included in three exhibits found in the Appendix:

- Exhibit 1: Department Organizational Chart
- Exhibit 2: Department P4P Performance Agreement Form and Instructions
- Exhibit 3: Department P4P Dispute Resolution Process

1. Annual Timetable

Per Board/Director’s Rules & Procedures 6-4 (D) the Department's 12-month performance cycle will remain April 1-March 31. Performance reviews and planning for each new cycle is done during April. Preliminary payouts are computed during May and disputes, if any, are resolved during May and June. Monthly payouts for base building awards begin in July and lump sum non-base building payouts are made in July. CDA’s HR Department reviews the effectiveness of the plan and its implementation in the fall of each year, and makes recommendations as necessary to senior management.

2. Performance Planning and Evaluation (6-4 (A))

The Department's P4P plan is guided by the following fundamental principles:

- A training plan for employees and raters (6-4(A))
- Statewide Uniform Core Competencies (6-4(B))
- A performance plan (6-4(C))
- Individual and team performance linked to the Department's mission
- Performance that is measurable
- Uniform performance cycle April 1 through March 31
- A planning session at the beginning of each performance cycle (6-4(E))
- Coaching and feedback provided throughout the year and at least one documented review (6-1(F))
- Three rating levels: 1. Needs Improvement, 2. Meets Expectations 3. Exceeds Expectations (6-4(G))
- No quotas shall be established for levels of performance rating (6-4(H))
- An accountability component to ensure compliance with the performance pay system (6-4(I))

and,

- Minimum common criteria for distinguishing performance awards (6-4(J))
- Description of review process (6-4(K))

The CDA's Performance Agreement form and detailed instructions are included in Exhibit 2; forms for specific job classes are available upon request. Important characteristics of form include:

- a. The statewide uniform core competencies as required by 6-4(B) are in an employee's performance plan and final rating for each employee. The core competencies are:
 - Communication
 - Interpersonal skills
 - Customer service
 - Accountability
 - Job knowledge
- b. The Performance Agreement form explicitly relates performance evaluation to the employee's job description and to measures—both qualitative and quantitative. All three elements—job description, performance measures, and performance evaluation—are closely connected.

- c. The form uses three categories of performance factors:

Categories of Performance Factors	Principal Types of Measures Used
Job Class Performance Factors	Qualitative
Individual Performance Factors	Qualitative & Quantitative
Team Performance Factors (optional)	Quantitative

Quantitative measures use numerical units; *qualitative* measures are non-numerical and, as required under 6-4(G), they should be uniform throughout the Department.

Job class factors were developed by teams representing each major job class within the Department during 1999-2000. These job class factors were derived primarily from the class descriptions developed by DPA for the job class and the old PACE form. For example, a team of Program Assistants developed a list of eight job class factors suitable for evaluating performance; these factors are regarded as universal for this job class across the Department. Similar lists of job class factors were developed for each of the following working titles: program assistants, general professionals, brand inspectors, fruit and vegetable inspectors, and plant industry inspectors, accountants, and budget analysts.

Job class factors are evaluated using qualitative measures listed on page 7 of the Performance Agreement Form (Exhibit 2). These qualitative measures were developed by DPA and will be used for qualitative evaluation of all job class factors across the Department.

Individual job factors contain elements specific to the employee's position. These factors may include individual performance objectives (IPOs) and specific activities with targets for 'peak performance' ratings. These factors may be quantitative or qualitative, or both.

Each supervisor is required to have an individual job factor that measures and evaluates his or her effectiveness as a supervisor.

Team performance factors are optional. Each employee is part of a very important team—the section or organizational unit to which the employee belongs. The employee may also belong to other teams within—and beyond—the Department.

- d. Each employee's performance score is a number between 100 and 300. During the performance planning process, the employee and supervisor mutually agree on assigning a weight, or percent, to each category; the sum of the three weights must equal 100%. The only restriction is that the job class factor weight must be at least 25%. A weight of 0% for team performance is permitted. Each category has a maximum total of 300 points before weighting. Within each category—job class, individual, and team—performance factors are weighted; the sum of these weights within each category must equal 100. Total point ranges for four categories of job performance are shown below.

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Performance Evaluation Score	Performance Evaluation Category
100 – 180	Needs Improvement – Not Eligible for P4P Awards
181 – 260	Meets Expectations – Eligible for P4P Awards
260 – 300	Exceeds Expectations – Eligible for P4P Awards

- e. The rating of 'Exceeds Expectations' is unique and difficult to achieve because it represents consistently exceptional performance or achievement beyond the regular assignment and requires additional documentation for validation. **Due to the great variation in duties and activities across the Department, there are no plans to establish common Department wide criteria for documenting Exceeds Expectations performance.**
- f. After the employee and supervisor have reached agreement on the plan within 30 days of hire and/or 30 days from evaluation end cycle (April 30 of each year), the plan shall be forwarded to a second level supervisor for final approval. If a supervisor and reviewer fail to plan and/or evaluate, the responsibility goes up the chain of command until the plan and/or evaluation is completed, as required by law.

The employee's final evaluation shall be prepared by the supervisor and reviewed by the second-level supervisor. The Deputy Commissioner **may** review all evaluations to assure the quality and consistency of performance ratings within the Department **before** final overall ratings are provided to employees. The Deputy Commissioner may, at his or her discretion, appoint a review panel consisting of the Human Resources Administrator and two division directors selected randomly to review the evaluations.

- g. If a supervisor fails to give an employee a final evaluation, the employee's rating is deemed to be Meets Expectations until such time that a final performance evaluation is completed. (6-5)
- h. Quotas or forced distribution processes for determining the number of ratings in any of the three performance levels shall not be established. (6-4(H))
- i. Multi-assessment processes, where feasible, shall be considered for evaluating employees. (Note: More training and informational materials will be made available for interested supervisors and employees.)
- j. For transfers, evaluations from former and current positions within the Department or other state agencies shall be weighted according to the time spent in each. For example, an employee with 3 months in the Department of Revenue (DOR) and 9 months in the Department (CDA), and with an evaluation from each department, should have a combined rating of 25% times the DOR score plus 75% times the CDA score. If no evaluation is received from the other agency employee is deemed Meets Expectations for time spent at other agency for calculation purposes.
- k. For employees transferring from another state agency into the Department, policies and rules affecting P4P adopted by the Colorado Department of Agriculture shall apply--not those policies and rules of the employee's previous state agency employer.

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- l. If an employee fails a core competency, the employee is not eligible for any monetary award from P4P. In such cases, a formal performance improvement plan or a corrective action must be issued with the employee's final evaluation. There should be 'no surprises' at the time of the final evaluation. (6-6)
- m. Supervisors shall meet with each employee at least once during the evaluation year for a progress review. (6-4(F)) This meeting should be held mid-evaluation cycle (October or November) and be documented on the Performance Agreement Form. Additional progress reviews are recommended, and are required if an employee has performance problems. Progress reviews are documented on page 1 of the Performance Agreement Form. Performance issues are to be documented, so the employee will be aware of problems throughout the evaluation year. There will be no "surprises" at the final evaluation.
- n. Absent extraordinary circumstances, failure by any supervisor, including supervisors in the Senior Executive Service (SES), to provide timely plans and evaluations in accordance with established timelines will result in a corrective action and their ineligibility for a performance award. However, this does not require that a supervisor's overall performance rating be "needs improvement." All supervisors who fail to complete evaluations within 30 days of the corrective action are subject to CRS 24-50-118 (current statutory requirement for increments of 5-day suspensions for all supervisors failing to provide timely evaluations). These supervisors shall receive a 5-day suspension if all evaluations have not been completed by the end of the 30-day corrective action. (6-5)

The Human Resources Office is responsible for tracking supervisory compliance and the reviewer (division director or deputy commissioner) is responsible for imposing corrective action and/or sanction on offending supervisors.

Addendum

- Effective July 1, 2006, the statewide uniform performance cycle shall be April 1 to March 31.
- Effective July 1, 2006, the term “annual salary adjustment” has been replaced with “annual performance award”.
- Effective July 1, 2006, designated raters failing to complete a plan or evaluation within 30 days of the established deadline may receive disciplinary suspensions in increments of one workday.
- Effective with the April 1, 2007 performance cycle, three rating levels will be used for final evaluations for performance awards that are payable on July 1, 2008. The three rating level definitions will be as follows:

Definition of Level 3

This rating represents consistently exceptional and documented performance or consistently superior achievement beyond the regular assignment. Employees make exceptional contribution(s) that have a significant and positive impact on the performance of the unit or the organization and may materially advance the mission of the organization. The employee provides a model for excellence and helps others to do their jobs better. Peers, immediate supervision, higher-level management and others can readily recognize such a level of performance.

Definition of Level 2

This rating level encompasses a range of expected performance. It includes employees who are successfully developing in the job, employees who exhibit competency in work behaviors, skills, and assignments, and accomplished performers who consistently exhibit the desired competencies effectively and independently. These employees are meeting all the expectations, standards, requirements, and objectives on their performance plan and, on occasion, exceed them. This is the employee who reliably performs the job assigned and may even have a documented impact beyond the regular assignments and performance objectives that directly supports the mission of the organization.

Definition of Level 1

This rating level encompasses those employees whose performance does not consistently and independently meet expectations set forth in the performance plan as well as those employees whose performance is clearly unsatisfactory and consistently fails to meet requirements and expectations.

Marginal performance requires substantial monitoring and close supervision to ensure progression toward a level of performance that meets expectations. Although these employees are not currently meeting expectations, they may be progressing satisfactorily toward a level 2 rating and need coaching/direction in order to satisfy the core expectations of the position.

3. Performance-based Pay: Allocation

Department P4P funding is allocated into three categories:

- Meets Expectations
- Exceeds Expectations

All funds will be reduced proportionately in the event of under funding.

Minimum award: As determined and allocated by the Commissioner, Deputy Commissioner and the Chief Financial Officer.

Maximum award: As determined by State Personnel Director.

1. Pay decisions will be based on FY performance evaluations completed and budget allocations as determined by the general assembly.
2. Money allocated in total compensation survey guidelines for performance based pay will be allocated specifically for the purpose of performance based pay.
3. Annual performance awards (base building for those below the maximum of the range and non-base for those above the maximum of the range) will be a percentage of employee's salary (after salary survey adjustments have been made) that is effective on July 1 and will be payable in part (1/12 annual base-building) or full (100% non-base-building) beginning with the July 31, 2006 payroll.
4. Only those employees hired on or after March 31 of each performance cycle or who receive a "needs improvement" rating will not receive an increase as specified.
5. All performance awards are subject to available funding and no award will be guaranteed.
6. The State Personnel Director will establish the statewide maximum award percentage for the Exceeds Expectations level and will publish it annually, in conjunction with the Total Compensation Survey and the annual compensation plan.
7. The Commissioner, Deputy Commissioner and the Chief Financial Officer in conjunction with State Personnel Director's maximum award percentage will specify the percentage award for each level commensurate with the maximum. Each successive level will be higher than the next lower level but will vary in total year to year based on allocations provided. However, all monies allocated will be kept within the total compensation requirements.
8. Only those increases above range maximum will be allocated in a single lump sum. All other increase will be considered base building and will be allocated over the full fiscal year cycle.
9. Performance awards for employees (full-time or part-time) transferring into the Department from another state agency shall be paid entirely under the Department's P4P plan, using the weighted evaluation scores as described in section 2-j of this plan (see page 4).
10. Employees hired by the Department after January 1 and before March 31 of a performance cycle (that have not transferred in from another state agency) will need to be evaluated. However for purposes of pay increase they will be compensated at the Meets Expectations rating percentages for purposes of performance pay allocation.

11. Performance awards above the pay range maximum that are non-base building can be no more than the percentage maximum as established by the State Personnel Director.
12. An employee is ineligible for a performance award if the final overall evaluation is 'Needs Improvement' or if they fail a core competency.

4. Dispute Resolution Process (DRP)

- Please see CDA's dispute resolution process as outlined in exhibit 3

5. Training and Communication

Each performance year cycle supervisors and employees will be provided with access to performance evaluation training through a variety of resources including departmental training by the HR staff on the performance process, plan, and compensation recommendations.

In addition CDA will continue to:

- maintain the Department's full P4P on our employee-accessible website and in public folders,
- provide updates about P4P in The Roundup (CDA's monthly newsletter provided to all employees with their paycheck or advice) if and when changes are pending,
- provide training sessions for supervisors at least annually,
- face-to-face training and information sessions for all employees in each division, as warranted by further significant changes in P4P rules and Department plans,
- feedback from employees in each performance cycle, and,
- annual release of P4P document to all employees via inter/intranet.

6. Plan Management, Review, Modification

Changes have been made to the Department's previous plan as required by statute, rule and procedure change. We continue to expect that ongoing adjustments will be made from time to time, throughout the life of P4P.

CDA's HR Director and Senior Management team will continue to monitor and manage the plan annually, with oversight by the Deputy Commissioner.

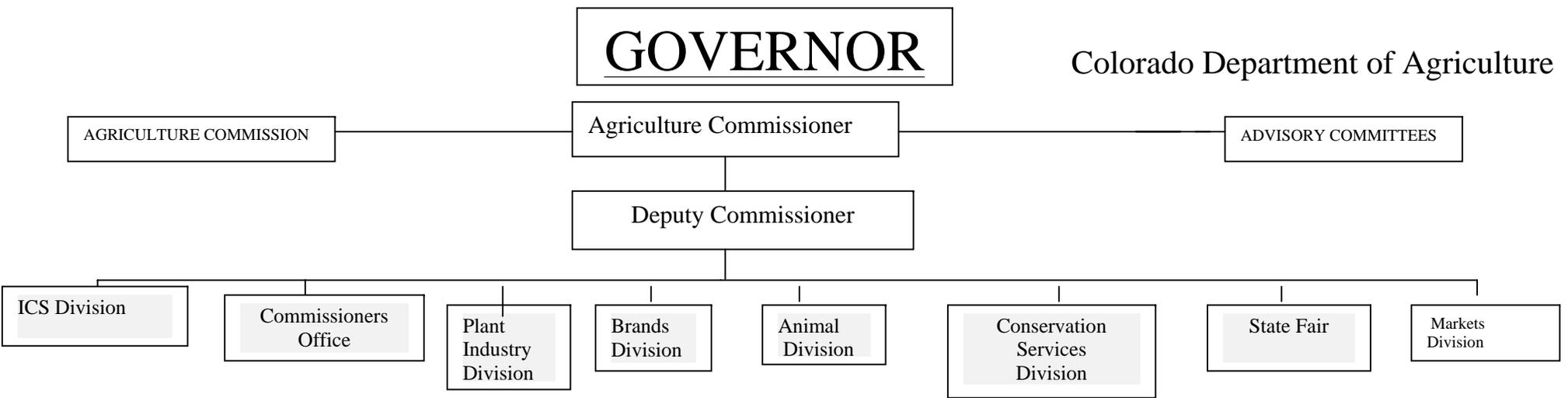
Reporting on results will be provided to DPA as required and requested on an annual basis through the annual Human Resource survey and other tools DPA uses to gather this information.

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Exhibit 1

GOVERNOR

Colorado Department of Agriculture



06/3/2005

Exhibit 2

October 2006

Colorado Department of Agriculture
Performance Agreement
LINKING THE DEPARTMENT'S MISSION TO INDIVIDUAL AND TEAM PERFORMANCE

I. IDENTIFICATION APPRAISAL PERIOD FROM _____ TO _____ TYPE OF APPRAISAL Annual Interim

Employee's Name _____ Soc. Sec. No. _____ Position No. _____

Working Title _____ Class Code _____ State Class Title _____

Division _____ Section/Org Unit Name _____ Org Unit No. _____

II. PLANNING SECTION

- The employee and direct supervisor have reviewed organizational unit goals and performance measures.
 We have worked together to develop this performance evaluation plan for this appraisal period.

I, _____, () agree () disagree* with this performance & evaluation plan. _____
Direct Supervisor's signature Date

I, _____, () agree () disagree* with this performance & evaluation plan. _____
Second-level Reviewer's signature Date

I, _____, () agree () disagree* with this performance & evaluation plan. _____
Employee's signature Date

PROGRESS (1st) _____ (2nd) _____ (3rd) _____
REVIEWS Direct Sup. Employee Date Direct Sup. Employee Date Direct Sup. Employee Date

* Please explain disagreement with the plan in the narrative section and initial (Section X, page 6).

III. PERFORMANCE APPRAISAL SECTION

The Deputy Commissioner is the department's decision-maker in the internal dispute resolution process. At the request of the employee and/or the discretion of the Deputy, the dispute may be referred to a neutral third party review panel for review.

- The employee has met the Department's minimum professional standards and elements for this appraisal period.

THE OVERALL PERFORMANCE RATING FOR THIS EMPLOYEE FOR THIS APPRAISAL PERIOD IS: _____ points

- Needs Improvement (100-180 pts) Meets Expectations (181-260 pts) Exceeds Expectations (261-300 pts)

Below Pay Range Maximum Employees are eligible for cash payments from P4P funds with scores of 201 or above.

I, _____, () agree () disagree* with this performance evaluation. _____
Direct Supervisor's signature Date

I, _____, () agree () disagree* with this performance evaluation. _____
Second-level Reviewer's signature Date

I, _____, () agree () disagree* with this performance evaluation. _____
Employee's signature Date

Please attach a written narrative explanation of this Needs Improvement rating, and either of the following: (a) a formal performance improvement plan, or (b) a corrective action.

^ The rating of 'Exceeds Expectations' is unique and difficult to achieve because it represents consistently exceptional performance or achievement beyond the regular assignment and requires additional documentation for validation.

- Please explain disagreement with the evaluation in the narrative section and initial (Section X, page 6).

Check here if you would like a copy of the department's internal dispute resolution process.

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IV. MISSION STATEMENTS, GOALS AND KEY MEASURES

Planning: Please review the mission statement of the Department (stated below) and the mission, goals, and key measures of the employee's division and section or unit. Also review the division's strategic plan, if it has one. You may wish to attach a copy of this information as part of the performance plan.

Department Mission Statement: To strengthen agriculture's future; provide consumer protection; promote environmental quality and animal health; and ensure equity and integrity in business and government.

V. UNIFORM STATEWIDE CORE COMPETENCIES

It is expected that each CDA employee will comply with the core competencies listed below—regardless of his or her specific job duties. Each employee is to be evaluated for each standard on a pass/fail basis. No “point value” is given for this portion of the evaluation. However, any employee that does not pass all of these standards will not be eligible for any performance awards, regardless of the points received on the remainder of this evaluation. The supervisor also has the option of developing a specific Core Competency for the employee if needed. **Planning:** Review standards and elements. **Evaluation:** Indicate pass/fail for each standard in the box provided. If employee passes all standards, check box in Section III. **Otherwise, the supervisor must attach a written narrative explanation if the employee fails any standard.**

STATEWIDE CORE COMPETENCIES AND ELEMENTS FOR ALL DEPARTMENT EMPLOYEES (PASS/FAIL)	
<p><u>JOB KNOWLEDGE – Possesses knowledge of and complies with established policies and procedures.</u></p> <ul style="list-style-type: none"> • Keeps informed of practices, rules and regulations applicable to the job. • Maintains currency on level of professional/technical knowledge. • Asks questions to clarify policies and procedures when needed. • Completes assignments accurately and in a timely and efficient manner. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>	<p><u>CUSTOMER SERVICE - Conveys a positive and professional image of the Department to others.</u></p> <ul style="list-style-type: none"> • Identifies and shows positive attitude toward all customers (internal and external). • Follows through on commitments in a timely manner. • Does not engage in negative or derogatory conversation about other Department employees. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>
<p><u>INTERPERSONAL SKILLS – Maintains smooth working relationships, support and respect for others.</u></p> <ul style="list-style-type: none"> • Works harmoniously and effectively with others. • Handles conflict constructively. • Is polite, courteous and respects the opinions of others. • Considers the impacts of decisions on others. • Values and promotes diversity. • Does not participate in discriminatory behavior. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>	<p><u>COMMUNICATION - Communicates to provide or exchange information; keeps others informed.</u></p> <ul style="list-style-type: none"> • Expresses ideas and information clearly and effectively through the appropriate medium. • Shares information with those who need to know. • Recognizes what information needs to be shared and with whom. • Listen and respond appropriately to others. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>
<p><u>ACCOUNTABILITY – Demonstrates responsible personal and professional conduct contributing to goals and objectives</u></p> <ul style="list-style-type: none"> • Takes personal responsibility for complying with policies and procedures. • Takes personal responsibility for words and actions. • As a manager or supervisor, has completed performance evaluations correctly and within the time required. • Displays a high degree of honesty and integrity. <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>	<p><u>Employee-specific Core Competency (optional)</u></p> <p><input type="checkbox"/> PASS <input type="checkbox"/> FAIL</p>

Addendum

Definition of Level 3

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Definition of Level 2

This rating level encompasses a range of expected performance. It includes employees who are successfully developing in the job, employees who exhibit competency in work behaviors, skills, and assignments, and accomplished performers who consistently exhibit the desired competencies effectively and independently. These employees are meeting all the expectations, standards, requirements, and objectives on their performance plan and, on occasion, exceed them. This is the employee who reliably performs the job assigned and may even have a documented impact beyond the regular assignments and performance objectives that directly supports the mission of the organization.

Definition of Level 1

This rating level encompasses those employees whose performance does not consistently and independently meet expectations set forth in the performance plan as well as those employees whose performance is clearly unsatisfactory and consistently fails to meet requirements and expectations.

Marginal performance requires substantial monitoring and close supervision to ensure progression toward a level of performance that meets expectations. Although these employees are not currently meeting expectations, they may be progressing satisfactorily toward a level 2 rating and need coaching/direction in order to satisfy the core expectations of the position.

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VI. JOB CLASS PERFORMANCE FACTORS

Category Weight _____%

Planning: Determine the importance, or weight, of each factor below. Factor weights must total 100. **Evaluation:** For each factor, review the elements listed and use the qualitative measures in the Rating Level Characteristics Chart (page 7) to give the employee a single rating for that factor—Needs Improvement (1), Meets Expectations (2), or Exceeds Expectations (3). Decimals are permitted to evaluate performance more precisely. For each factor, multiply the Factor Weight times the Factor Rating to calculate Factor Points. Add up the Factor Points and list the total in line 1 of Section IX (page 6).

FACTORS and Elements	Factor Weights	Factor Ratings			Factor Points
		NI =1	ME =2	EE =3	
MANAGEMENT <ul style="list-style-type: none"> • Maintained quality and quantity service standards • Met schedules and deadlines, developed methods and procedures for employees to complete work. 					
OCCUPATIONAL/PROFESSIONAL COMPETENCE <ul style="list-style-type: none"> • Exhibited professional technical knowledge • Stayed current with changes, updates and industry changes • Applied professional/technical standards to the job 					
PROBLEM ANALYSIS AND DECISION MAKING <ul style="list-style-type: none"> • Addressed and/or resolved day-to-day problems • Took responsibility for and made decisions within assigned authority • Obtained facts before making a decision • Sought input from others when making decisions • Assured decisions were made at, or referred to, appropriate level. 					
PLANNING, ORGANIZING AND COORDINATING <ul style="list-style-type: none"> • Developed objectives, plans and procedures • Controlled project time, personnel and the design of projects. • Set priorities, schedules and deadlines to avert crisis. • Maintained records, forms and/or documents. • Prepared project cost estimates and justified budget requirements. 					
ORGANIZATIONAL COMMITMENT AND ADAPTABILITY <ul style="list-style-type: none"> • Conveyed a positive and professional image of the agency to others. • Put forth extra effort when the need arose and agreed to schedule changes. • Participated in the decision-making process in area of responsibility, and modified or adapted plans and programs as needed. 					
COMMUNICATIONS <ul style="list-style-type: none"> • Spoke and responded effectively and courteously. • Kept others informed; sought and considered their ideas on issues affecting them. • Prepared written documents which were complete, clear and understandable. • Communicated orally in a well-organized and effective manner. • Communicated to provide or exchange information as needed. 					
INTERPERSONAL RELATIONS <ul style="list-style-type: none"> • Maintained smooth working relationships, support and respect for others. • Demonstrated tact and diplomacy in negotiations or confrontations with others. • Maintained sensitivity to the feelings and efforts of others. • Contributed to maintaining the level of employee morale and motivation. • Recognized work well done by others. • Gained cooperation from others when necessary. • Was accessible to others and responsive to their questions, needs, concerns. 					
<i>Enter the total number of factor points in line 1 of Section IX (page 6).</i>	weights must add to 100	total of all factor points must lie between 100 and 300 → →			

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VII. INDIVIDUAL PERFORMANCE FACTORS

Category Weight _____%

This section includes performance and evaluation factors that are specific to the employee's position. These factors may include individual performance objectives (IPOs), factors particularly related to peak performance, and other factors related to key functions or responsibilities of the position. Planning: As in Part VI, weight the importance of each factor below; weights must total 100. Each factor must contain one or more measures for evaluation. Evaluation: For each factor, review the elements listed and use the measures to give the employee a single rating—Needs Improvement (1), Meets Expectations (2), or Exceeds Expectations (3). Decimals are permitted to evaluate performance more precisely. For each factor, multiply the Factor Weight times the Factor Rating to calculate Factor Points. Add up the Factor Points and list the total in line 2 of Section IX (page 6).

FACTORS, Elements, and Key Measures	Factor Weights	NI =1	ME =2	EE =3	Factor Points
<p>SUPERVISION (IF APPLICABLE)</p> <ul style="list-style-type: none"> • resolved routine personnel issues or problems • Adhered to agency affirmative action principles and policies • Developed goals, objectives, and deadlines and communicated them to employees • Utilized employee skills and abilities <p>Key Measure(s): USE THE RATING LEVEL CHARACTERISTICS CHART</p>					
<p>FACTOR: _____</p> <p>Elements:</p> <ul style="list-style-type: none"> • • <p>Key Measure(s)</p> <ul style="list-style-type: none"> • • 					
<p>FACTOR: _____</p> <p>Elements:</p> <ul style="list-style-type: none"> • • <p>Key Measure(s)</p> <ul style="list-style-type: none"> • • 					
<p>FACTOR: _____</p> <p>Elements:</p> <ul style="list-style-type: none"> • • <p>Key Measure(s)</p> <ul style="list-style-type: none"> • • 					
<p>FACTOR: _____</p> <p>Elements:</p> <ul style="list-style-type: none"> • • <p>Key Measure(s)</p> <ul style="list-style-type: none"> • • 					
<p>Enter the total number of factor points in line 2 of Section IX (page 6).</p>	<p>weights must add to 100</p>	<p>total of all factor points must lie between 100 and 300 →</p>			

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VIII. TEAM OR ORGANIZATIONAL UNIT PERFORMANCE FACTORS (OPTIONAL) Category Weight _____%

Complete this section if the employee and supervisor agree that a portion of the employee’s performance evaluation can be linked meaningfully to the performance of the organizational unit (or other teams) to which the employee belongs. **Planning:** As in Parts VI and VII, weight the importance of each factor below in evaluating this employee; weights must total 100. Each factor must contain one or more team or unit measures for evaluation. **Evaluation:** For each factor, review the elements listed and use the measures to give the employee a single rating—Needs Improvement (1), Meets Expectations (2), or Exceeds Expectations (3). Decimals are permitted to evaluate performance more precisely. For each factor, multiply the Factor Weight times the Factor Rating to calculate Factor Points. Add up the Factor Points and list the total in line 3 of Section IX (page 6).

FACTORS, Elements, and Key Measures	Factor Weights	Factor Ratings			Factor Points
		NI =1	ME =2	EE =3	
NAME OF TEAM OR ORGANIZATIONAL UNIT (LIST TEAM/UNIT MEMBERS)					
FACTOR: _____ Elements: • • Key Measure(s) • •					
NAME OF TEAM OR ORGANIZATIONAL UNIT (LIST TEAM/UNIT MEMBERS)					
FACTOR: _____ Elements: • • Key Measure(s) • •					
NAME OF TEAM OR ORGANIZATIONAL UNIT (LIST TEAM/UNIT MEMBERS)					
FACTOR: _____ Elements: • • Key Measure(s) • •					
NAME OF TEAM OR ORGANIZATIONAL UNIT (LIST TEAM/UNIT MEMBERS)					
FACTOR: _____ Elements: • • Key Measure(s) • •					
Enter the total number of factor points in line 3 of Section IX (page 6).					
		weights must add to 100	total of all factor points must lie between 100 and 300 → →		

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IX. PERFORMANCE EVALUATION SUMMARY

Planning: Weight the importance of each category of job performance for this individual employee. Use percents for weights; weights must total 100%. The Job Class Performance Category must have a weight between 25% and 75%. **Evaluation:** Copy the total factor points for each category in sections VI, VII, and VIII and enter them in the CATEGORY POINTS column below. Then multiply entries in each line: CATEGORY WEIGHT X CATEGORY POINTS = CATEGORY SCORE. Finally, add the CATEGORY SCORES to obtain the employee's OVERALL PERFORMANCE RATING. This rating should be between 100 and 400 points; list it on page 1.

CATEGORIES	SECTION OF THIS PLAN	CATEGORY WEIGHTS	CATEGORY POINTS (total factor points)	CATEGORY SCORES (weights x points)
1. Job Class Performance	section VI	% *		
2. Individual Performance	section VII	%		
3. Team/Unit Performance	section VIII	% **		
* must be between 25% and 75%		must total 100%	OVERALL PERFORMANCE RATING # → →	
** may be 0% (this category is optional)				

If the employee's Overall Performance Rating is 100-180 (Needs Improvement), the supervisor must attach a written narrative explanation of the rating and document prior notification to the employee of substandard performance, and either of the following: (a) a formal performance improvement plan, or (b) a corrective action.

X. NARRATIVE SECTION (ATTACH ADDITIONAL SHEETS AS NECESSARY)

1. Disagreement with the <u>plan</u> ? Please explain and initial.	
2. Disagreement with the <u>evaluation</u> ? Please explain and initial.	
3. List employee strengths	4. List areas for development
5. Describe career planning	6. Describe training plans

RATING LEVEL CHARACTERISTICS CHART

SUGGESTED QUALITATIVE MEASURES FOR EVALUATING JOB CLASS PERFORMANCE FACTORS **

Needs Improvement	Meets Expectations	Exceeds Expectations
<p>Fails to meet the minimum expectations for the job.</p> <p><u>Characteristics may include:</u> minimum analysis; avoids risks; not engaged; impeded; late; or over budget.</p>	<p>Fulfills the requirements of the job; works in a competent and diligent manner to achieve the goal. Performance can be described as basic and acceptable at one end of the spectrum to fully engaged and skillful at the other end of the spectrum.</p> <p><u>Characteristics may include:</u> consistent; reliable; thorough; responsible; willing; and competent.</p>	<p>A truly exceptional performer whose actual performance consistently exceeds expectations. The employee will "stretch" to achieve new heights and competencies beyond the expected level of performance.</p> <p>Characteristics may include: creativity; a leader; a risk taker. This employee may be considered a "role model" by others or recognized by peers for consistently high performance, exceptional talent, or focus on the future.</p>

CHARACTERISTIC (MEASUREMENT STANDARD)	Needs Improvement	Meets Expectations	Exceeds Expectations
TIMELINESS	Late	On time	Ahead of schedule
QUALITY	<ul style="list-style-type: none"> - Failed or below expectations - No analysis or minimum analysis - "Rubber stamped" - Focus on the past, a "copy job" 	<ul style="list-style-type: none"> - Meet expectations - Add analysis - Due diligence - Focus on present, the here and now 	<ul style="list-style-type: none"> - Beyond expectations - Add value - Process improvement - Focus on the future, a vision and strategic direction
QUANTITY	Incomplete objective and "over or under" performance target	Complete objective and "on" performance target	Complete objective and "under or over" performance target
LEADERSHIP	Impeded	Followed	Lead
INNOVATION	Neglected	Maintained	Substantially improved
CREATIVITY	Copied	Modeled	Created
ENGAGEMENT	Minimally engaged	Engaged	Engaged with partners
PARTICIPATION	Minimal contribution	Contributed	Initiative
RISK	Avoid risks	Identify risks	Takes appropriate risks
CUSTOMER SERVICE	Minimally committed	Committed	Create positive customer perceptions
KNOWLEDGE	Lower than required to perform job tasks	Maintains sufficient knowledge, applies appropriately	Shares and expands knowledge, mentors others

** A rating of 'Meets Expectations' may be given for any Characteristic above, if the individual meets the 'Exceeds Expectations' standard frequently, but not consistently.

Exhibit 3

**DEPARTMENT OF AGRICULTURE
Dispute Resolution Process (DRP)
(Revised 01/01/2006)**

Mission Statement

Director's Rule 8-94 states that the pay for performance dispute resolution process should be an open and impartial process that is not considered a grievance or appeal. No party will have an absolute right to legal representation but may have an advisor present. The parties in a dispute resolution process are expected to represent and speak for themselves. The following are the guiding principles and recommendations for a Colorado Department of Agriculture (CDA) dispute resolution process for employees and their supervisors. These guidelines are established to ensure a fair, consistent, understandable, and timely dispute resolution under the Performance Pay System (PPS) as set forth in State Personnel Board Rules and Director's Administrative Procedures, Chapter 8. (Director's Rules & Procedures 8-94 through 8-100)

I. Definition of Terms

- A. DRP as referred to in this guidance is CDA's 'Dispute Resolution Process'.
- B. "Employee" is the person requesting the DRP review.
- C. "Responding party" is the person responding to the employee. In cases regarding the application of the department's performance pay program/policies/processes, or in cases regarding the full payment of the award (as so noted in Section II, C and D, below), the responding party may not necessarily be a supervisor.
- D. "Supervisor" is the person who evaluates the employee or determines the Pay for Performance (P4P) rating and/or award. "Reviewer" is the division director who is the second-level reviewer of the employee's evaluation or the Deputy Commissioner.
- E. "Appointing Authority" is the Deputy Commissioner who is the decision-maker for CDA's dispute resolution process. At the discretion of the appointing authority a neutral third party review committee (committee) may be selected to review the dispute. The appointing authority or the committee may serve as process facilitator (mediator), fact-finder and limited decision-maker (quasi-arbitrator), or both during the course of a review. Neither the appointing authority nor the committee will review cases of alleged discrimination.
- F. "Neutral" means that the third party review committee has no personal stake in the outcome of the review; is not signatory to the performance plan or

evaluation; and has no knowledge of or relationship with either of the parties that would lead a reasonable person to conclude that the review committee would either be biased or lack objectivity.

II. Matters That Can Be Reviewed Via the DRP

Authority: State Personnel Rules and Procedures, Chapter 8, 8-95

Matters resulting from performance management and evaluation for employees under the P4P are subject to this dispute resolution process. A copy of this DRP including timelines and name of appointing authority shall be **made available** to employees annually at the time of their evaluation.

- A. **The individual performance plan, including lack of a plan during the planning cycle.
- B. **The individual final overall performance evaluation, including lack of a final overall evaluation.
- C. The application of a department's performance pay program to the individual employee's plan and/or final overall evaluation.
- D. Full payment of the performance salary adjustment.

Note: Employees "...may, after internal review, request a review by the State Personnel Director for matters relating to application of the agency's plan or full payment of an award. The request must be made within five working days of the agency's final decision and must include a copy of the original issues and final agency decision."

("Colorado Peak Performance," *Stateline*, June 1998, p. 3). See Attachment C.
**Final resolution of these issues shall occur at the internal level. Employees have no further recourse for resolution of these disputes.

III. Matters That Cannot Be Reviewed Via the DRP Process

Authority: State Personnel Rules and Procedures, Chapter 8, 8-96.

- A. The content of a department's performance pay program.
- B. Matters related to the funds appropriated.
- C. The performance evaluations and performance salary adjustments of other employees.
- D. The amount of a performance salary adjustment, unless the issue involves the application of the department's performance pay program.

IV. Other Types of Actions That Are Reviewable Outside of P4P

- A. Civil Rights (discrimination) cases
- B. Whistle blower retaliation cases

- C. Other matters deemed by State Personnel Rules and Procedures to be grievable or appealable (see Note, Section II above).

V. Informal Review Process

Disputes should be resolved at the lowest possible level before initiating a formal review process. If the dispute cannot be resolved between the employee and the supervisor, the employee has several actions available. (8-97) Some examples of informal actions are:

- employee may mark “disagree” on the Performance Agreement form and attach a narrative illustrating reasons for the disagreement, including extenuating circumstances
- the employee may mark “disagree” on the Performance Agreement form and request a meeting with the reviewer, to explain why s/he disagrees, and to request reconsideration of the rating

VI. Formal Internal DRP Procedures and Time Lines (see Attachment A) (8-98(A))

Decision Maker:

- A. The Deputy Commissioner of Agriculture is the appointing authority (decision-maker) in the internal DRP. At the request of the employee and/or at the discretion of the Deputy Commissioner, a neutral third party review committee may be selected to review the dispute.
- B. Selection of a neutral third party review committee.
 - 1. Five standing members and three alternates will be randomly selected annually from a list of employees nominated for membership. The names of the five standing members and three alternates will be randomly drawn from the list of nominated employees.
 - 2. The chair will be selected by the committee members.
 - 3. Training will be provided to committee members by HR staff.

Time Limits:

- C. Filing Notice of Intent to Dispute (see Attachment B). Only issues summarized in the Notice of Intent to Dispute shall be considered throughout the review process.
 - 1. **The individual performance plan, including lack of a plan during the planning cycle.** Notice of Intent to Dispute must be filed within 5 working days from the date the plan is put in place, or

- within 5 working days from the date the plan should have been in place (if lack of a plan is the basis for the request).
2. **The individual final overall performance evaluation or lack of final overall evaluation.** Notice of Intent to Dispute must be filed within 5 working days from the date the final evaluation is presented to the employee for his/her signature, or within 5 working days from the date the final evaluation should have been completed (if lack of performance evaluation is the basis for the request).
 3. **The application of a department's performance pay program to the individual employee's plan and/or final overall evaluation.** Notice of Intent to Dispute must be filed within 5 working days after the agency's announced distribution date.
 4. **Full payment of the award.** Notice of Intent to Dispute must be filed within 5 working days after the final agreed upon distribution date.

Documentation of Dispute:

D. Only the issue(s) as originally presented in writing shall be considered throughout the DRP. After the Notice of Intent to Dispute has been filed; the following deadlines apply:

1. The employee must file detailed documentation of the dispute within 5 working days of the date of filing the Notice of Intent to Dispute with the division director or designee, copy to supervisor and human resources office within the department. If the employee fails to timely file this documentation, the dispute shall be considered as abandoned and the case will be closed. The human resources office will send notice of the case closure to the employee and all other persons noticed originally in the Notice of Intent to Dispute. The employee will have 3 working days from the date of the closure notice to make a written request that the case be re-opened. The human resources office will only re-open a case upon good cause shown by the employee.
2. The supervisor may file a response to the employee's detailed documentation of the dispute within 5 working days of receipt of same. A copy of the supervisor's response will be sent to the employee, the division director or designee, and the human resources office within the department. If the supervisor decides not to file a response, s/he will send written notification to the employee, the division director, and the human resources office within the department indicating that there will be no response. The supervisor may not introduce such responsive documentation after the stated deadline unless allowed to do so by the reviewer for good cause shown by the supervisor.

Meeting Timeframes:

1. The Deputy Commissioner or third party review committee shall issue a notice of meeting within 3 days after the supervisor's response is received or was due.
2. The DRP meeting shall be held within 10 working days of the notice of meeting.

Meeting Format:

The meeting is intended to take no longer than 2 hours. The dispute resolution process will be open and impartial and will allow all parties an opportunity to have their issues heard.

1. The first portion of the meeting will involve clarification of the facts in dispute.
2. The next portion of the meeting will offer an opportunity for the employee and supervisor to reach a mutually agreeable resolution. If the resolution is declined by either party or the review committee deems it impractical (i.e., an impasse is reached), the meeting moves directly into the final portion. No party has an absolute right to legal representation, but may have an advisor present. However, the parties are expected to represent and speak for themselves.
3. The final portion of the meeting involves more detailed fact-finding by the Deputy Commissioner or the review committee. If an agreement has been reached, the Deputy Commissioner or the review committee will have the employee and supervisor initial the written notes detailing the agreement and a written report shall be forthcoming. If no agreement is reached, the meeting is adjourned and the Deputy Commissioner's or the review committee's decision will be forthcoming.

Written Decision/Report:

1. The Deputy Commissioner or the committee shall issue a written decision within 7 working days of the meeting.
 - a. The written decision/report should be brief, concise and should minimally contain a summary of the dispute, what was reviewed, and (if applicable) the agreement reached. If no agreement is reached, the written report will make a finding of fact as to the process review and recommendations, if any.
 - b. The Deputy Commissioner or the committee is limited to finding facts as to whether the process was applied correctly, but shall not substitute his/its judgment for that of the rater or reviewer. The appointing authority will have the ability to "instruct the rater to follow the agency's own plan or process,

to correct an error, to reconsider a rating or plan, or to suggest other resolution processes such as mediation”. The determination made by the appointing authority is in addition to the supervisor’s judgment, not in substitution of it.

However, the appointing authority’s determination cannot be altered by anyone other than the appointing authority.

- c. The decision-maker in the dispute resolution process cannot render a decision that would alter the department’s performance pay program.

If the Parties Reach Resolution:

The resolution reached between the employee and the supervisor, in respect to the process at issue, *may* include recommendations, which themselves are within the appointing authority’s discretion to accept or not. Full payment of an award made under this process is subject to review by the State Personnel Director.

If the Parties Do Not Reach Resolution:

1. The appointing authority or committee report, in respect to the process at issue, *may* include recommendations, which themselves are within the appointing authority’s discretion to accept or not. The decision-maker’s determination cannot be altered.
2. The decision-maker’s report, if any, shall be read by the supervisor and/or responding party. The decision-maker’s determination shall be discussed by the supervisor and/or responding authority with the appointing authority.
3. A department’s decision on issues involving an individual performance plan or evaluation concludes at the internal stage and no further recourse is available. For issues disputable at the external stage, the employee shall be given written notice, including deadlines and address for filing and the requirement to include a copy of the original written dispute and department’s final decision.
4. Employees may submit a written request to the State Personnel Director provided it concerns:
 - a. the application of the Department’s performance pay program to the individual employee’s performance plan or evaluation, or
 - b. full payment of an award
5. The “Request for State Personnel Director Review” (Attachment C) form is to be submitted after completion of the internal process and must be filed within 5 days after receipt of the appointing authority’s

decision and must include copies of all information relative to the dispute (i.e. performance evaluation, decision of appointing authority).

6. Send the request to:

State Personnel Director
1313 Sherman Street, First Floor
Denver, CO 80203

7. A copy of the "Request for State Personnel Director Review" form must be sent to the Appointing Authority and the Human Resources Office.
8. The director or designee shall retain jurisdiction but may select a qualified neutral third party to review the matter. A final and binding written decision will be issued within thirty (30) days.

- D. Retaliation against any person involved in the dispute resolution process is prohibited and will not be tolerated. (8-100)

ATTACHMENT A

FORMAL DISPUTE RESOLUTION PROCESS

Time Line for Resolving Disputes Under P4P*

DAY 1 – Date plan in place or should have been in place**

DAY 5 – Notice of Intent to Dispute filed with supervisor, division director or designee, and human resources; neutral party selection made, if requested

DAY 10 – Employee files dispute documentation with supervisor, division director and human resources. (If the employee fails to timely file this documentation, the dispute shall be considered as abandoned and the case will be closed. The human resources office will send notice of the case closure to the employee and all other persons noticed originally in the Notice of Intent to Dispute. The employee will have 3 working days from the date of the closure notice to make a written request that the case be re-opened. The HR office will only re-open a case upon good cause shown by the employee.)

DAY 15 – Supervisor files dispute response with documentation to employee, division director, and human resources.
(If the supervisor decides not to file a response, s/he will send written notification to the employee, the division director, and the human resource office within the department indicating that there will be no response. The supervisor may not introduce responsive documentation after the stated deadline unless allowed to do so by the reviewer.)

DAY 18 – Deputy Commissioner or third party review committee issues meeting notice to participants and human resources

DAY 28 – Dispute meeting held

DAY 35 – Written decision issued to participants, human resources office, division director and deputy commissioner

DAY 40 – Request for State Personnel Director review must be submitted.

DAY 70 – Final and binding written decision issued by director.

***Working days, rather than calendar days, are used.** The total time for the internal process, from the date of the initial event to the date of the recommendation/determination from decision-maker, would take a maximum of 35 days.

**Day 1 can also be the day the employee signs the performance evaluation, the date informal resolution was unsuccessful, the date the agency distributes awards, or the date the parties agree the final payment should be made.

**This depends upon which of the four areas are in dispute. Please refer to the DRP process.

ATTACHMENT B

NOTICE OF INTENT TO DISPUTE

I, _____, hereby give notice that I intend to dispute the following:

(Check all that apply; provide a brief summary of the reason for the dispute in the space provided)

_____ 1) My individual performance plan, including lack of a plan during the planning cycle.

_____ 2) My individual final overall performance evaluation.

_____ 3) The application of my department's performance pay program to my individual plan and/or final overall evaluation.

_____ 4) Full payment of the award.

Signature: _____ Date _____

Social Security No. _____

Brief summary of the reason(s) for the dispute:

c: Human Resources Office
Supervisor
Division Director

Agency date stamp:

ATTACHMENT C

REQUEST FOR STATE PERSONNEL DIRECTOR REVIEW

This request is to be submitted after completion of the internal process and must be filed within 5 days after receipt of the appointing authority's decision and must include copies of all information relevant to the dispute (i.e., performance evaluation, decision of appointing authority). Only the issue(s) as originally presented in writing shall be considered.

IDENTIFICATION

Name: _____

Address: _____

Phone: (w) _____

_____ (h) _____

ACTION BEING DISPUTED

_____ Application of Department's Pay for Performance Program

_____ Full Payment of Reward

SPECIFIC REASONS FOR DISPUTE

Signature: _____ Date _____

Social Security No. _____

Send this request to: State Personnel Director
1313 Sherman Street, First Floor
Denver, CO 80203

c: Appointing Authority
Human Resources Office