

Reclamation Manual

Directives and Standards

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