Approved for Release
William J. Fleming
Director for Human Resources Management and
Deputy Chief Human Capital Officer

11-23-10
Date

DEPARTMENT OF COMMERCE
OFFICE OF HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES (HR) BULLETIN #133, FY11

SUBJECT: Category Rating

EFFECTIVE DATE: November 1, 2010

EXPIRATION DATE: Effective until canceled or superseded

SUPERSEDES: HR Bulletin #066, FY07

REVISIONS: Mandates the use of category rating throughout the Department of Commerce (Department) for all competitive service positions through the GS-15 level or equivalent when public notice is provided and competitive examining procedures are used; adds language to provide the flexibility of only referring preference eligibles in the highest quality category when it is unlikely that non-preference eligibles will be within reach; adds language to clarify the flexibility in establishing category scores per individual vacancy announcements based on specific job requirements; and removes language referring to long-answer narrative/essay responses.

BACKGROUND: President Obama's memorandum, "Improving the Federal Recruitment and Hiring Reform Process," dated May 11, 2010, mandated that category rating be used as the method to rate and rank applications under competitive examining procedures for competitive service positions. The purpose of category rating is to increase the number of eligible candidates from which a hiring manager can choose, without adhering to the "rule of three," while preserving veterans' preference rights.

PURPOSE: This bulletin mandates the use of category rating throughout the Department for covered positions and provides the policy, procedures, and selection process.

COVERAGE: Applies to all competitive service positions through the GS-15 level or equivalent when public notice is provided and competitive examining procedures are used.

POLICY: Applicants who meet the basic qualification requirements established for the position, and whose job-related competencies or Knowledge, Skills, and Abilities (KSAs)

have been assessed, are ranked by being placed in three pre-defined quality categories instead of being ranked by individual numeric score order. The names of all eligible candidates in the highest quality category are referred on the Certificate of Eligibles to the hiring manager for consideration, without regard to the rule of three. However, HR practitioners have the flexibility to refer only preference eligibles in the highest quality category when it appears likely that non-preference eligibles will not be within reach for consideration. Hiring managers select from among the candidates in the highest quality category, without being limited to the top three eligibles; preference eligibles are listed ahead of non-preference eligibles within each quality category; and preference eligibles receive preference within each quality category.

Categories of Qualified Candidates: Criteria for evaluating candidates are identified through the job analysis process. Critical tasks or major duties are identified for the position. Subject matter experts (SMEs) and/or hiring managers, in consultation with HR practitioners, establish job-related task examples for use in evaluating applicants. These task examples are then translated into a job-related assessment that is used to evaluate applicants. Applicants are evaluated based upon their responses to the job-related assessment.

Category rating uses three pre-defined quality categories rather than ranking by individual numeric scores. Quality category definitions must be written to reflect requirements to perform the job successfully and to distinguish differences in the quality of candidates' job-related competencies or KSAs. These categories **must** be defined by the HR practitioner and SME and/or hiring manager prior to announcing the vacancy (see Exhibit 1).

Some of the factors to consider for inclusion when developing quality categories are:

- Breadth and scope of competencies/KSAs
- Increased levels of difficulty or complexity of competencies/KSAs
- Successful performance of the job
- Level of the job

The three categories of qualified candidates are: "gold" (best qualified), "silver" (highly qualified), and "bronze" (qualified). A "not qualified" category **must not** be established; only applicants who meet the basic qualification requirements for the position will be placed in a qualified category. Actual score ranges for the categories may be adjusted per position (vacancy announcement) based upon the specific job-related competencies or KSAs. Adjustments to the ranges must be decided **prior** to posting the vacancy announcement. Each category is broadly defined as:

<u>Gold category</u>: Highly proficient with an overall comprehensive level of knowledge, skills, and abilities of the job based on a complete review of experience, education, and training, as described in an applicant's responses to the job-related assessment and resume and/or optional cover letter. Generally, candidates scoring 90 and above will meet the gold (best qualified) requirement.

<u>Silver category</u>: Competent in the position with an overall accomplished level of knowledge, skills, and abilities of the job based on a complete review of experience, education, and training, as described in an applicant's responses to the job-related assessment and resume and/or optional cover letter. Generally, candidates scoring between 80 and 89.9 will meet the silver (highly qualified) requirement.

<u>Bronze category</u>: An overall basic level of knowledge, skills, and abilities of the job based on a complete review of experience, education, and training, as described in an applicant's responses to the job-related assessment and resume and/or optional cover letter. Generally, candidates scoring between 70 and 79.9 will meet the bronze (qualified) requirement.

Applying Veterans' Preference: Preference eligibles must be identified and placed above non-preference eligibles within each quality category. (No preference points are added to assessment scores under category rating.)

Qualified preference eligibles with a compensable service-connected disability of 30 percent or more (CPS), and those with a compensable service-connected disability of more than 10 percent but less than 30 percent (CP), move from the category in which they were originally placed, based upon the job-related assessment, to the top of the highest quality category, except for scientific or professional positions at the General Schedule (GS) 9 level (or equivalent) or higher. For these positions, CPS and CP preference eligibles are placed at the top of the quality category in which they were originally assigned, based on the job-related assessment.

Preference eligibles who do not have a service-connected disability of 10 percent or more (TP and XP) are placed at the top of the quality category in which they were originally placed, based on the job-related assessment (see Exhibit 2).

Merging Categories: Merging categories is optional, and involves the combining of the highest quality category with the next lower quality category and making selections from the newly merged category. <u>This option may only be used when there are fewer than three eligible candidates in the highest quality category.</u> The newly merged category is the new highest quality category, and preference eligibles originally placed in the next lower quality category must be listed ahead of non-preference eligibles in the newly merged category.

HR practitioners, in conjunction with the hiring manager, may decide to merge categories during the hiring process:

1. Before certifying/issuing the Certificate of Eligibles (see Exhibit 3);
2. Before selecting an eligible; and
3. After Certificate of Eligibles is issued and there are fewer than three eligibles remaining in the highest quality category after selections and declinations are made and there are more positions to be filled (see Exhibit 4).

<u>NOTE</u>: Once categories are merged, they cannot be unmerged.

Category Rating Certificate of Eligibles: The rule of three does not apply under category rating. Names of all eligible candidates in the highest quality category will be referred on the Certificate of Eligibles to the hiring manager for consideration, with preference eligibles listed ahead of non-preference eligibles in the highest category. HR practitioners have the flexibility to refer only preference eligibles in the highest quality category when it appears likely that non-preference eligibles will not be within reach for consideration because the number of preference eligibles in the highest quality category either exceeds or equals the number of jobs to be filled. Names of eligible candidates may be listed in alphabetical or random order.

Category Rating Selection Process: A hiring manager may select eligible candidates from the highest category without being limited to the top three eligible candidates. However, in accordance with Title 5, United States Code (U.S.C.) § 3318, a hiring manager **may not** select a non-preference eligible over a preference eligible unless prior approval to pass over the preference eligible is obtained in accordance with Departmental policy and procedures.

Order of Selection: Prior to selecting an eligible from the category rating Certificate of Eligibles, regulations pertaining to Order of Selection must be followed in accordance with the Department's Interagency Career Transition Assistance Plan (ICTAP), including the Reemployment Priority List (RPL), as well as for eligibles who lost consideration due to erroneous certification.

Preference Eligible Passover Procedures: Procedures to pass over a preference eligible under category rating are the same as those used in the previous traditional numeric rating, ranking, and selection procedures. Servicing Human Resources Offices (SHROs) must comply with Departmental procedures to request and receive approval to pass over a preference eligible.

Job Announcement Requirement: Language regarding the rating process **must** be included in the vacancy announcement. Without such language, category rating cannot be used. HR practitioners must communicate the following to applicants in the How You Will Be Evaluated section of vacancy announcements:

- The category rating, ranking, and selection procedures that will be used
- How veterans' preference is applied under category rating procedures
- A description of each quality category (see Title 5, Code of Federal Regulations Part 337, Subpart C).

Recruitment Request Requirement: Hiring managers must provide all required documents to the SHRO (i.e., SF-52, classified position description, job analysis, etc.). The job analysis must describe the competencies or KSAs to be used as the basis for defining the specific criteria for each category.

Category Rating Process:

1. On the job analysis form, the HR practitioner, in coordination with the SME or hiring manager, provides definitions for the three categories for each competency/KSA and grade.
2. Cut-off scores for each category (gold/silver/bronze) are established prior to posting the vacancy announcement.
3. The job-related assessment tool is weighted in relation to the competencies/KSAs. (The job-related assessment tool will provide an initial category determination for each candidate.)
4. Candidates are determined to be qualified based on OPM's "Qualification Standards for General Schedule Positions" or OPM's "Job Qualification System for Trades and Labor Occupations Handbook," specialized experience, and any applicable selective placement factors.
5. All qualified candidates are placed in a category (gold/silver/bronze) based upon the results of the job-related assessment tool.
6. The HR practitioner and/or the SME validate applicants' responses to the assessment tool by reviewing applicants' resumes and optional cover letters.
7. The SME can recommend to the HR practitioner that an applicant's response(s) to the job-related assessment tool be changed, based upon information provided in the resume and optional cover letter. However, the reason for the change **must be documented** and included in the case file. Documentation must include a full justification to the specific competency/KSA being modified, as defined in the established criteria, as well as include the reviewer's name and title.
8. The SME returns the candidate listing with proposed changes/justification(s).
9. The HR practitioner evaluates the documentation/justification to ensure completeness and alignment with job analysis and proper application of veterans' preference. Any discrepancies **must be** resolved prior to the issuance of the Certificate of Eligibles.
10. The HR practitioner changes applicants' response(s) to the job-related assessment tool, if applicable.
11. The HR practitioner refers applicants first in the order specified by the Department's ICTAP, RPL, and applicant lost consideration policies, and then only the eligibles in the highest quality category may be referred to the hiring manager, as noted in the Selection Process. HR practitioners have the flexibility to refer only preference eligibles in the highest quality category when it appears likely that non-preference eligibles will not be within reach for consideration.

ACCOUNTABILITY: SHROs are responsible for the appropriate and effective use of category rating.

REFERENCES: "Homeland Security Act of 2002," Public Law 107-296 (dated November 25, 2002), with final regulations issued June 15, 2004; 5 U.S.C. § 3319; 5 CFR Part 337, Subpart C; 69 *Federal Register* 33271; Delegated Examining Operations Handbook, Chapter 5, Section B; and Category Rating Fact Sheet (www.opm.gov/employ/category_rating/index.asp).

OFFICE OF POLICY AND PROGRAMS: Pamela Boyland, Director, Office of Policy and Programs, pboyland@doc.gov, 202-482-1068

PROGRAM MANAGER CONTACT INFORMATION: Valerie Smith, Program Manager, vsmith@doc.gov, (202) 482-0272

(Exhibit 1)   **Example of how to create three quality categories:**
              (Accountant, Series 510, Grade 12 or equivalent)

Step 1   The following competencies/KSAs were identified through the job
              analysis process to be job-related:

              1. Oral Communication
              2. Technical Knowledge
              3. Project Management

Step 2   Identify indicators of proficiency for each of the competencies/KSAs
              identified in Step 1

              1. Oral Communication
                 - Makes presentations
                 - Influences others
                 - Answers technical questions

              2. Technical Knowledge
                 - Financial analysis
                 - Accounting

              3. Project Management
                 - Reviews budget cycles
                 - Uses project management software

Step 3   Create quality categories based on the specific level of proficiency in
              each of the competencies/KSAs. Applicants have to demonstrate a
              specific level for each of the competencies/KSAs.

Oral Communication

Category	Benchmark	Benchmark Definition
Gold	5	Communicates or explains *complex* ideas or information clearly (e.g., explains new regulations, presents technical information at conferences, etc.)
Silver	3	Communicates or explains *moderately complex* ideas or information clearly (e.g., explains changes in regulations, describes available services to individuals, etc.)
Bronze	1	Communicates or explains *basic ideas* or information clearly (e.g., explains non-technical procedures or routine information, etc.)

**Note: Use this format to develop specific levels of proficiency for the remaining two competencies/
KSAs (i.e., Technical Knowledge, and Project Management).**

Example of an Inappropriate Quality Category:

GS-12 Accountant

An agency is seeking to fill a job that requires an Accountant. Candidate A is a Certified Public Accountant (CPA) and Candidate B is **not** a CPA.

Because both candidates have the necessary experience for the critical tasks of the position, they are indistinguishable with respect to this factor. Candidate A should not be put into a higher category than Candidate B just because Candidate A is a CPA. A CPA is not required for the job and should not be used as a rating criterion.

(Exhibit 2)   **Example of Applying Veterans' Preference**

Placement of Preference Eligibles with a Compensable Service-Connected Disability of 10 Percent or More (CPS and CP)

For scientific and professional positions at the GS-9 (or equivalent) or higher…	Place qualified CPS and CP preference eligibles above non-preference eligibles within the same quality category (CPS and CP eligibles do not "float" to the highest quality category)
For all other positions (series) and grade levels…	Place qualified CPS and CP preference eligibles at the top of the highest quality category regardless of the quality category in which they are placed (CPS and CP eligibles "float" to the highest quality category)

Example: HR Specialist, Series 201, Grade 11

Three quality categories (Gold, Silver, and Bronze) were established for the position.

Applicants who meet basic qualification requirements established for the position and whose job-related competencies or KSAs have been assessed, are ranked by being placed in one of the three quality categories.

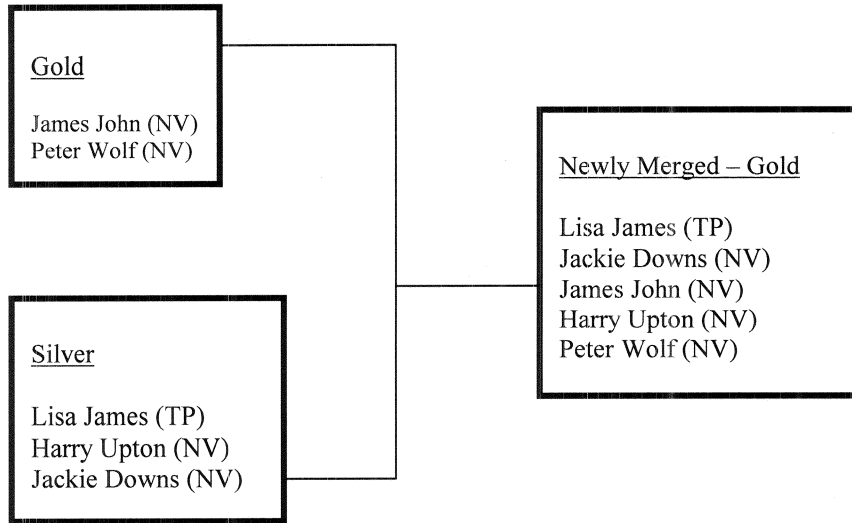A preference eligible with tentative preference who meets the requirements for the Silver category is identified and is placed at the top of the Silver category.

A preference eligible with a service-connected disability of 30% (CPS) who meets the requirements for the Bronze category is identified. Because of the series and grade in this example, the qualified preference eligible must be placed at the top of the Gold category.

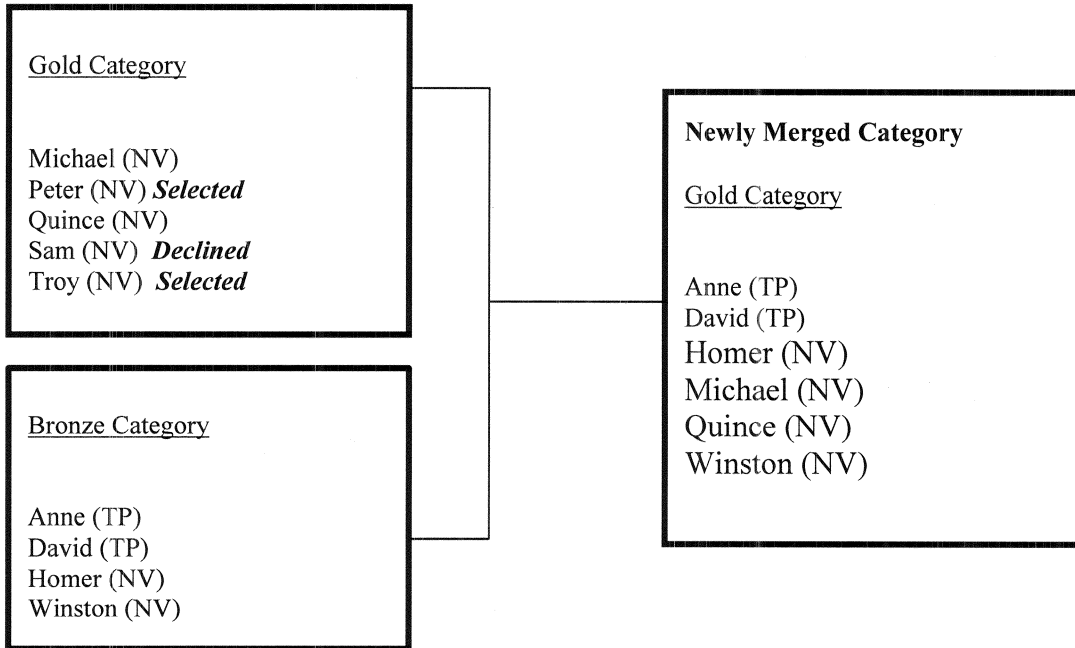| Eligibles Ranked by Quality Category Based on Review of Qualifications & Assessment Tool(s)	Identify Preference Eligibles	Apply Veterans' Preference for Certificate of Eligibles
Gold Ben Franklin Thomas Jefferson	Gold Ben Franklin Thomas Jefferson	Gold Cameron Rules (CPS) Ben Franklin Thomas Jefferson
Silver Joyce Rogers George Washington	Silver Joyce Rogers George Washington (tentative preference)	Silver George Washington (tentative preference) Joyce Rogers
Bronze Preston Foster Cameron Rules	Bronze Preston Foster Cameron Rules (CPS)	Bronze Preston Foster

(Exhibit 3)

Merging Before Issuing a Certificate

```
┌─────────────────────┐
│                     │
│ Gold                │
│                     │
│ James John (NV)     │──────────┐
│ Peter Wolf (NV)     │          │
│                     │          │        ┌──────────────────────────┐
└─────────────────────┘          │        │                          │
                                 │        │ Newly Merged – Gold      │
                                 │        │                          │
                                 ├────────│ Lisa James (TP)          │
                                 │        │ Jackie Downs (NV)        │
                                 │        │ James John (NV)          │
┌─────────────────────┐          │        │ Harry Upton (NV)         │
│                     │          │        │ Peter Wolf (NV)          │
│ Silver              │          │        │                          │
│                     │          │        └──────────────────────────┘
│ Lisa James (TP)     │          │
│ Harry Upton (NV)    │          │
│ Jackie Downs (NV)   │──────────┘
│                     │
└─────────────────────┘
```

Note: Merging the highest quality category (Gold) with the next lower category (Silver)
requires placing the qualified preference eligible at the top of the newly merged quality category

(Exhibit 4)

Merging After Certificate Issued and After Selections/Declinations Are Made

Gold Category

Michael (NV)
Peter (NV) *Selected*
Quince (NV)
Sam (NV) *Declined*
Troy (NV) *Selected*

Bronze Category

Anne (TP)
David (TP)
Homer (NV)
Winston (NV)

Newly Merged Category

Gold Category

Anne (TP)
David (TP)
Homer (NV)
Michael (NV)
Quince (NV)
Winston (NV)

Note: Categories can be merged after initial Certificate of Eligibles has been issued if after selections and declinations are made there are fewer than three eligibles remaining and there are more positions to be filled.