

GUIDELINES COVERING PAY FOR PERFORMANCE FOR EAS POSTMASTERS

**Employee Resource Management
Human Resources
U.S. Postal Service**

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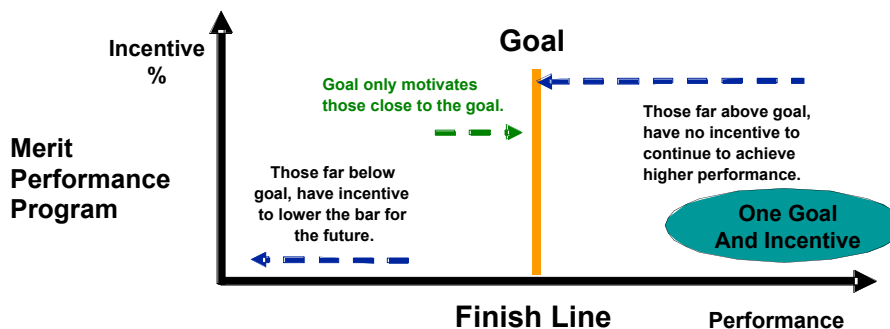
Overview

As part of the pay consultation process between the postmaster organizations and the Postal Service, it was agreed that the Merit Performance Evaluation Program covering EAS postmasters would be replaced by a new Pay-for-Performance (PFP) Program during Fiscal Year 2004. This program focuses on three key elements:

- Improving accountability for individual contributions to organizational success
- Providing clear expectations and feedback on progress toward target outcomes, and
- Rewarding and recognizing exceptional individual performance for achieving challenging objectives.

PFP places emphasis on group achievement while recognizing individual contributions. It also places added awareness on distinctions in performance. Metrics track EAS postmasters' progress toward operational indicators at the national and local levels. Indicators are established at the beginning of the fiscal year to provide clear expectations to EAS postmasters on organizational success factors. These measures take subjectivity out of the performance evaluation process and drive ratings for EAS postmasters that are supported by objective measures of performance.

PFP takes us in a new direction from the past, when our performance evaluation system was based only on the finish line. One goal and one incentive existed.

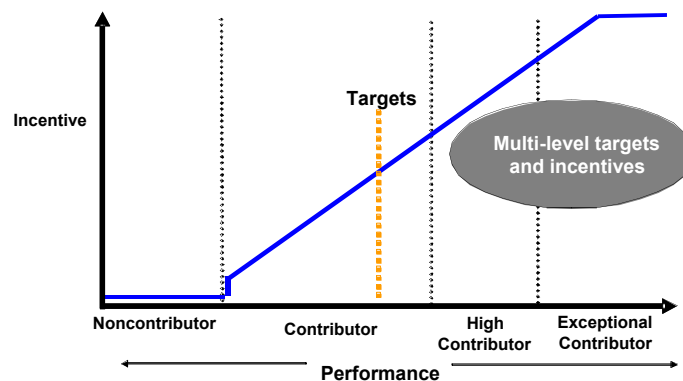


Once an employee met the goal, there was no incentive to achieve higher performance.

Likewise, an employee far below the goal had no incentive.

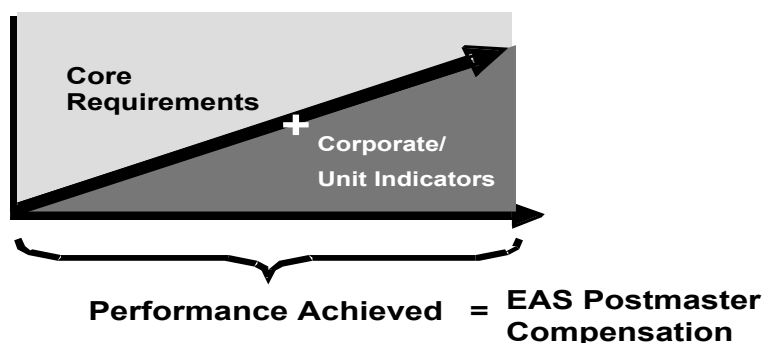
PFP allows EAS postmasters to concentrate on achievements within their control and based on their line-of-sight in the organization. They will know what is expected of them and how their actions impact the organization. The closer an EAS postmaster is to a target, the more motivated he/she will be to achieve the target. EAS postmasters who are far above or below the target have incentive to continue improving because their efforts are still recognized. PFP encourages higher performance at every level.

Pay-for-Performance



EAS postmasters will be evaluated on objective performance indicators established at the corporate and unit levels as measured by the National Performance Assessment (NPA) and by meeting specific core requirements. These indicators have been aligned to improve customer service, generate revenue, manage costs and enhance a performance-based culture.

Performance indicators for corporate and unit levels and core requirements are established and communicated to all EAS postmasters at the beginning of the year. Mid-year performance reviews offer an on-going opportunity for feedback and recommendations for continuous improvement and are required elements of the program. An end-of-year performance evaluation review pulls together accomplishments for corporate and unit indicators and core requirements. Each EAS postmaster will receive an overall rating on a scale from 1-15. This rating creates a direct correlation to compensation decisions.



Performance Measures

General

An EAS postmaster’s performance is measured against the following components: corporate and unit indicators and core requirements. Corporate and unit indicators are identified in the National Performance Assessment (NPA) system. NPA tracks actual performance against these indicators. NPA is found on the Postal Service’s Intranet (Blue) in WebEIS.

Core requirements are tied to two pre-determined objectives that are designed to measure leadership and communication and fiscal management. This component provides recognition for an individual’s contributions toward raising the organization’s performance.

An overall rating is generated for each EAS postmaster by computing the performance achieved against the corporate and unit indicators and the core requirements.

The components are weighted as follows:

Component	Weighting Percentage
Corporate and Unit Indicators	80%
Core Requirements	20%
Overall Performance Rating	100%

Corporate and Unit Indicators

Corporate indicators are measured at the performance cluster level, while unit indicators are measured at the post office level. Corporate and unit indicators are measured through NPA and together represent 80 percent of the overall performance rating of EAS postmasters.

Each corporate and unit indicator have specific thresholds and targets set for Fiscal Year 2004, as shown in the following two tables:

FY 2004 Corporate Indicators, Thresholds, and Targets
(This chart is located under NPA in WebEIS)

Indicator	Non-Contributor			Contributor						High Contributor			Exceptional Contributor		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Priority Surface w/in 2 days ¹	91.5	92.0	92.5	93.0	93.5	94.0	94.4	94.9	95.3	95.7	96.1	96.6	97.0	97.4	97.9
Priority Air w/in 2 days ¹	84.3	85.0	85.8	86.5	87.3	88.0	88.6	89.2	89.8	90.4	91.1	91.7	92.3	92.9	93.5
Express Mail ¹	91.7	92.3	93.0	93.7	94.3	95.0	95.3	95.6	95.8	96.1	96.4	96.7	96.9	97.2	97.5
First-Class Overnight	92.0	92.4	92.8	93.2	93.6	94.0	94.3	94.5	94.8	95.0	95.4	95.8	96.2	96.6	97.0
First-Class Two-Day ¹	86.0	86.8	87.6	88.4	89.2	90.0	90.6	91.2	91.8	92.4	93.1	93.7	94.3	94.9	95.5
First-Class Three-Day ¹	84.7	85.3	86.0	86.7	87.3	88.0	88.6	89.2	89.8	90.4	91.1	91.7	92.3	92.9	93.5
OSHA Illness & Injury Rate ²	10.8	10.0	9.3	8.5	7.8	7.0	6.5	6.0	5.5	5.0	4.5	4.0	3.6	3.4	3.2
OSHA I & I Rate %SPLY ²	15.0	12.0	9.0	6.0	3.0	0.0	-2.2	-4.4	-6.7	-8.9	-11.1	-13.3	-15.6	-17.8	-20.0
VOE Survey Score ²	52.1	53.5	54.9	57.1	59.3	60.9	62.3	63.7	65.2	66.6	68.0	69.5	70.9	72.3	73.7
VOE Survey Score % Baseline ²	-0.5	-0.4	-0.3	-0.2	-0.1	0.0	0.8	1.6	2.3	3.1	3.9	4.7	5.4	6.2	7.0
Total Net Revenue (% to Plan)	-0.7	-0.5	-0.3	0.0	0.3	0.6	0.8	1.0	1.2	1.4	1.6	1.8	2.0	3.0	4.0
TFP (Points var. to Plan)	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0

¹Excludes period from 11/22/03 thru 01/30/04.

²OSHA I & I and VOE Survey targets are based on best-available forecasts of year-end performance. The targets and thresholds will be revised to reflect actual year-end scores and further statistical analysis.

Targets for each indicator are shown in the shaded area.

FY 2004 Unit Indicators, Thresholds, and Targets
(This chart is located under NPA in WebEIS)

Indicator	Non-Contributor			Contributor						High Contributor			Exceptional Contributor		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
CSM-R Index ¹	615	639	663	686	710	734	740	746	753	760	766	772	780	790	800
CSM-R % Baseline¹	-12.0	-9.5	-7.0	-5.5	-3.0	0.0	4.3	6.6	8.9	11.2	13.3	15.5	17.0	18.5	20.0
Delivery Confirmation Signature Con Scan Rate Priority	95.0	95.6	96.2	96.7	97.3	97.9	98.1	98.3	98.6	98.8	99.0	99.2	99.4	99.7	100
Express Mail Scan Rate	96.8	97.2	97.6	98.0	98.4	98.8	98.9	99.1	99.2	99.3	99.5	99.6	99.7	99.9	100
Training (% Craft Unit Completion)	55.0	62.0	69.0	76.0	83.0	90.0	91.1	92.2	93.3	94.4	95.6	96.7	97.8	98.9	100
Safety Program Evaluation Guide (PEG)	1.6	2.1	2.6	3.1	3.3	3.4	3.6	3.8	4.0	4.1	4.3	4.5	4.7	4.8	5.0
MVA Rate	15.0	14.0	13.0	12.0	11.0	10.5	9.9	9.3	8.7	8.2	7.6	7.0	6.5	5.9	5.3
MVA % SPLY	5.0	4.0	3.0	2.0	1.0	0.0	-5.5	-6.9	-8.3	-9.8	-11.2	-12.6	-14.0	-15.5	-16.9
Grievances Appealed to Arbitration	7.9	7.5	7.2	6.8	6.5	6.1	5.8	5.4	5.1	4.8	4.4	4.1	3.7	3.4	3.0
Grievances Appealed to Arbitration % Baseline	0.0	-2.0	-4.0	-6.0	-8.0	-10.0	-11.1	-12.2	-13.3	-14.4	-15.6	-16.7	-17.8	-18.9	-20.0
Retail Revenue % Plan ²	-0.6	-0.4	-0.2	0.0	0.3	0.6	0.9	1.2	1.5	1.8	2.1	2.4	2.7	3.0	3.5
Retail Revenue % SPLY	-6.0	-4.0	-2.0	-1.0	-0.5	0.00	0.5	1.0	1.5	2.0	2.5	3.0	4.0	5.0	6.0
TOE % Plan	4.0	3.0	2.0	1.0	0.05	0.00	-0.3	-0.5	-0.8	-1.0	-1.3	-1.7	-2.00	-3.0	-4.0

¹CSM-R is measured at the 3-digit level.

Targets for each indicator are shown in the shaded area.

Both corporate and unit indicators are tied to ten pre-determined target outcomes that are assigned composite weights based on the EAS postmaster's position. The following table shows the composite weights based on the portion of the overall performance rating that corporate and unit indicators represent by postmaster position:

Composite Weights for Corporate and Unit Indicators by Postmaster Position
(This chart is located under NPA in WebEIS)

Corporate Indicator	Postmaster EAS 26 – 21	Postmaster EAS 20 – 18	Postmaster EAS 16 – 11	Postmaster EAS A - E
Priority Surface w/in 2 days	5.0%	4.0%	3.0%	3.0%
Priority Air w/in 2 days	2.5%	2.0%	1.5%	1.5%
Express Mail	2.5%	2.0%	1.5%	1.5%
First-Class Overnight	5.0%	4.0%	3.0%	3.0%
First-Class Two-Day	2.5%	2.0%	1.5%	1.5%
First-Class Three-Day	2.5%	2.0%	1.5%	1.5%
OSHA Illness & Injury Rate	5.0%	4.0%	3.0%	3.0%
VOE Survey Score	5.0%	4.0%	3.0%	3.0%
Total Net Revenue (% to Plan)	10.0%	8.0%	6.0%	6.0%
TFP (Points var. to Plan)	10.0%	8.0%	6.0%	6.0%
Sub-total	50.0%	40.0%	30.0%	30.0%
Unit Indicator				
CSM-R/ % Baseline ^{1,2}	x	X	x	x
Delivery Confirmation Signature Confirmation Scan Rate Priority	2.5%	3.6%	7.0%	
Express Mail Scan Rate	2.5%	3.6%	7.0%	
Training (% Craft Unit Completion)	2.5%	3.6%	7.0%	
Safety Program Evaluation Guide (PEG)	2.5%			
MVA Rate/ % SPLY	2.5%	3.6%		
Grievances Appealed to Arbitration/ % SPLY	2.5%	3.6%		
Retail Revenue % Plan ²	x	X	x	x
Retail Revenue % SPLY	17.5%	21.0%	49.0%	70.0%
TOE % Plan	17.5%	21.0%		
Sub-total	50.0%	60.0%	70.0%	70.0%
Total Weight	100.0%	100.0%	100.0%	100.0%

¹CMS-R is measured at the 3-digit level.

²X Indicator performance is report but not weighted.

Corporate and unit target outcomes are measured in NPA with the overall weight for both corporate and unit indicators set to 100 percent to determine the corporate and unit summaries. Once these summaries are determined, NPA then multiplies each by their overall corporate and unit weights based on the postmaster position as shown below:

Corporate and Unit Weights by Postmaster Position in NPA

Indicators	Postmaster EAS 26 – 21	Postmaster EAS 20 – 18	Postmaster EAS 16 – 11	Postmaster EAS A - E
Corporate Indicators	50%	40%	30%	30%
Unit Indicators	50%	60%	70%	70%
Composite Summary	100%	100%	100%	100%

A composite summary (corporate plus unit summary) is calculated by NPA. In the Pay-for-Performance Program, this summary is multiplied by 80 percent to determine the EAS postmaster's performance level and numeric rating toward the corporate and unit targets using the following 15-point matrix:

Numeric Rating	Adjective Rating
1, 2, 3	Non-Contributor
4, 5, 6, 7, 8 or 9	Contributor
10, 11, or 12	High Contributor
13, 14 or 15	Exceptional Contributor

Core Requirements

Core requirements for EAS postmasters are tied to two behavioral objectives that are designed to measure leadership and communication and fiscal management. Core requirements measure individual results and overall performance through pre-determined expectations and targets. Each objective is equally weighted at 10 percent, representing 20 percent of the overall performance rating of EAS postmasters. Each core requirement has been assigned specific adjective ratings at each expected performance level that will be used to translate the adjective rating into one of the following four numeric ratings:

Numeric Rating	Adjective Rating
0	Non-Contributor
6	Contributor
11	High Contributor
14	Exceptional Contributor

The following table shows the two core requirements applicable to EAS postmasters and the expected level of performance at each adjective rating:

Core Requirements by Performance Level

Core Requirement	Non-Contributor = 0	Contributor = 6	High Contributor = 11	Exceptional Contributor = 14
<p style="text-align: center;">Leadership and Communication</p> <p>(worth 10% of the overall performance rating)</p>	<p>Has difficulty in guiding staff in a positive manner. Inconsistent in providing a satisfactory managerial example while motivating employees to work toward goals and objectives. Occasionally inflexible when managing changing conditions in the organization.</p>	<p>Provides a satisfactory managerial example while motivating employees to work toward the post office's goals and objectives. Provides practical direction to employees and clearly communicates the post office's shared vision. Flexible when dealing with and managing changing conditions in the organization. Consistently available to help the team to accomplish their goal(s). Assesses individuals' strengths and weaknesses and suggests methods for improvement. Supports the organization's mandate through support of its goals and values.</p>	<p>Makes decisions and sets policy on controversial issues and provides innovative direction in resolving problems.</p>	<p>Provides exceptional leadership in planning, organizing, maintaining, controlling and maximizing operations. Extends the opportunity for growth and development to all staff.</p>
<p style="text-align: center;">Fiscal Management¹</p> <p>(worth 10% of the overall performance rating)</p>	<p>Inconsistent in using resources efficiently to accomplish organizational goals. Inconsistent in using or shifting resources to meet objectives. Maintains less than acceptable fiscal responsibility while seeking ways to reduce costs.</p>	<p>Makes effective use of available resources (employee's time and materials) to accomplish organizational goals. Maintains fiscal responsibility while seeking for way to reduce cost. Consistently uses and allocates resources to meet objectives.</p>	<p>Often gains greater use of available resources than expected.</p>	<p>Frequently and effectively uses limited resources to gain maximum results. Highly innovative and successful in identifying alternative resources to accomplish objectives.</p>

¹Failure to achieve budget targets cannot be the sole reason for rating EAS postmasters as non-contributors under the category of Fiscal Management.

Overall Performance Rating

To determine the overall performance rating, the aggregate results of the evaluation process including corporate and unit indicators and core requirements are used to determine **one numeric rating**. The numeric rating translates into compensation based on a 15-point matrix.

Example: Rating an EAS-20 postmaster

The following example illustrates the calculation of the overall performance rating for an EAS 20 postmaster.

1. EAS-20 Postmaster's Rating for Corporate Indicators

Postmaster's performance results for corporate indicators

Performance scores for indicators fall within a matrix rank. Look back to the table on pg.5 -- **FY 2004 Corporate Indicators, Thresholds, and Targets**. These matrix rank numbers come from this table

Corporate Indicator	Weight	Performance Score	Matrix Rank	Value
Priority Surface w/in 2 days	10.0%	95.3	9	0.90
Priority Air w/in 2 days	5.0%	88.0	6	0.30
Express Mail	5.0%	95.6	8	0.40
First-Class Overnight	10.0%	94.0	6	0.60
First-Class Two-Day	5.0%	91.8	9	0.45
First-Class Three-Day	5.0%	88.6	7	0.35
OSHA Illness & Injury Rate	10.0%	-13.3	12	1.20
VOE Survey	10.0%	1.6	8	0.80
Total Net Revenue (% to Plan)	20.0%	1.80	12	2.40
TFP (Points var. to Plan)	20.0%	11.0	11	2.20
Corporate Summary	100.0%			9.60

Multiply the matrix rank times the weight to get the value. **These values are added to get the corporate summary.**

Note: the weighting for corporate indicators varies by the postmaster's level. The weights in this example apply to a postmaster EAS-20.

The same steps occur to determine this district manager's performance for unit indicators. Use the table on page 6, *Composite Weights for Corporate and Unit Indicators by Postmaster Position*.

2. EAS-20 Postmaster's Rating for Unit Indicators

Unit Indicator	Weight	Performance Score	Matrix Rank	Value
CSM-R/ % Baseline	X	760		
Delivery Confirmation Signature Conf Scan Rate Priority	6.0%	99.0	11	0.66
Express Mail Scan Rate	6.0%	99.2	9	0.54
Training (% Craft Unit Completion)	6.0%	97.8	13	0.78
Safety Program Evaluation Guide (PEG)				
MVA Rate/ % SPLY	6.0%	-12.6	12	0.72
Grievances Appealed to Arbitration/ % Baseline	6.0%	-13.3	9	0.54
Retail Revenue % Plan	X	60.9		
Retail Revenue % SPLY	35.0%	2.50	11	3.85
TOE % Plan	35.0%	-0.5	8	2.80
Unit Summary	100.0%			9.89

Note: the weighting for unit indicators varies by the postmaster's level. The weights in this example apply to a postmaster EAS-20.

3. EAS-20 Postmaster's Composite Summary

Corporate and unit summaries are then multiplied by their respective overall weights based on the postmaster position. For an EAS 20 postmaster, the corporate summary is multiplied by 40 percent and the unit summary is multiplied by 60 percent as shown below:

	<u>Value</u>
Corporate Summary	40% X 9.60 = 3.84
Unit Summary	60% X 9.89 = 5.93
Composite Summary	9.77

4. EAS-20 Postmaster's Core Requirements Rating

In this example, the postmaster was rated a high contributor on the two objectives. That correlates to a numerical rating of 11.

Core Requirements	Weight	Matrix Rank	Value
Leadership and Communication	10%		
Fiscal Management	10%		
Total for Core Requirements	20%	11	2.20

5. EAS-20 Postmaster's Overall Performance Rating

The results from the ratings of corporate and unit indicators (80%) and core requirements (20%) are combined to determine one numeric rating. In this example, the EAS 20 postmaster received a final numeric rating of 10.01 as shown below:

Final Numeric Rating

Indicators	Matrix Rank	Weight	Score
Composite Summary	9.77	80%	7.81
Core Requirements	High Contributor = 11	20%	2.2
Numeric Rating			10.01
Overall Performance Rating (Rounded)			10

The final numeric rating is then rounded to the nearest whole number to determine the overall performance rating. This rating is used to determine the EAS postmaster's contribution level based on a 15-point matrix.

In this example, the EAS 20 postmaster received an overall performance rating of 10 placing him/her into the "high contributor" category as shown below:

Contribution Levels

Non-Contributor	Contributor		High Contributor	Exceptional Contributor
3	6	9	12	15
2	5	8	11	14
1	4	7	10	13

There are no arbitrary limits on the number of employees who can receive any given overall performance rating.

Performance Evaluation Process

Objective Setting

In preparation for the objective-setting discussion at the beginning of the fiscal year, evaluators (managers, Post Office Operations (MPOO) or District Managers in the case of EAS 26 postmasters) will ensure that all EAS postmasters under their jurisdiction have a copy of their Objective-Setting Agreement, see Exhibit A, including the FY 2004 Corporate and Unit Indicators, Thresholds, and Targets covering EAS postmasters.

During the objective-setting discussion, the evaluator will address the two core requirements—leadership and communication and fiscal management, including the pre-established performance indicators and the standards for measuring success. See Core Requirements on page 8.

Evaluators are also responsible for discussing the current status of EAS postmasters' offices in relation to the unit indicators, thresholds, and targets established for FY 2004. These discussions should take place no later than 45 days after the start of the fiscal year.

EAS postmasters and evaluators will sign and date the Objective-Setting Agreements indicating the date that the objective-setting discussions were held and provide copies of the agreements including the FY 2004 Corporate and Unit Indicators, Thresholds, and Targets to each EAS postmaster. The originals are maintained by the evaluator.

Note: Geographic distances, number of postmasters reporting to a single MPOO, and other circumstances may make face-to-face discussions difficult to arrange, especially for postmasters, EAS-16 and below. Because of these difficulties, MPOOs have the flexibility to hold objective-setting, mid-year performance reviews and end-of-year performance evaluation discussions by telephone. Generally, telephone discussions can be held in lieu of face-to-face meetings with EAS postmasters whose offices are not experiencing any significant difficulties and whose current report card indicates that they are, at a minimum, at the "Contributor" level.

Evaluating Performance

Mid-Year Performance Review

During the mid-year performance review process, EAS postmasters will be advised to document their accomplishments on the Mid-Year Performance Review form, Exhibit B, by providing specific examples of achievements toward the two core requirements (Leadership and Communication and Fiscal Management). EAS postmasters submit their Mid-Year Performance Review forms and copies of their mid-year report cards, if they have access to NPA via WebEIS, to their evaluators.

Evaluators will review the postmasters' accomplishments on the Mid-Year Performance Review form and the current report card prior to holding mid-year performance review discussions. If EAS postmasters do not have access to NPA,

evaluators must retrieve copies of the EAS postmasters' mid-year report cards for review.

During the mid-year performance review discussions, evaluators provide feedback concerning EAS postmasters' performance, specifically addressing the two core requirements and the mid-year report cards.

EAS postmasters and evaluators will sign and date the Mid-Year Performance Review forms indicating the date that the mid-year performance review discussions were held. The evaluator provides copies of the Mid-Year Performance Review forms and the mid-year report cards to each EAS postmaster. The originals are maintained by the evaluator.

End-of-Year Performance Evaluation

Following the end of the fiscal year, EAS postmasters will be advised to document their accomplishments on the End-of-Year Performance Review form, Exhibit C, by providing specific examples of achievements toward the two core requirements. EAS postmasters submit their End-of-Year Performance Review forms and copies of their end-of-year report cards, if they have access to NPA via WebEIS, to their evaluators.

Evaluators will review the postmasters' accomplishments on the End-of-Year Performance Review forms and the end-of-year report cards prior to holding end-of-year performance review discussions. If EAS postmasters do not have access to NPA, evaluators must retrieve copies of the EAS postmasters' end-of-year report cards for review.

During the end-of-year performance review discussions, evaluators provide feedback concerning EAS postmasters' performance, specifically addressing the two core requirements and the end-of-year report cards. EAS postmasters and evaluators sign and date the End-of-Year Performance Review forms indicating the date that end-of-year performance review discussions were held.

Evaluators rate EAS postmasters' performance based on their contribution level in meeting the two core requirements, and the corporate and unit indicators as measured by NPA. The recommended ratings are entered on the End-of-Year Performance Evaluation forms, see Exhibit D, and are submitted to the evaluators' reporting managers, if applicable, for concurrence.

The approving managers award overall performance ratings for each EAS postmaster. EAS postmasters are advised of their overall performance ratings and are provided copies of their End-of-Year Performance Evaluation forms and their end-of-year report cards. The originals are maintained by evaluators.

Compensation Based on Performance

Employee performance is measured under a 15-point matrix with different pay increases tied to each performance rating. The level of pay increases that can be achieved increase as the overall performance rating increases as shown below:

Contribution Levels/Pay Increases under the 15-Point Matrix				
Non-Contributor	Contributor		High Contributor	Exceptional Contributor
3 0.0%	6 3.50%	9 6.50%	12 9.50%	15 12.00%
2 0.0%	5 3.00%	8 5.75%	11 8.75%	14 11.00%
1 0.0%	4 2.50%	7 5.00%	10 8.00%	13 10.25%

Note: All percentages are paid as salary increases if room within the salary structure. If the award amount is limited by the salary structure the award will be converted to lump sum payment.

In the example cited above, the EAS 20 postmaster received an overall performance rating of 10 placing him/her into the “High Contributor” category with an award of 8.0 percent. If the postmaster’s salary is more than 8.0 percent away from the maximum, the entire amount is paid as a salary increase. On the other hand, if the postmaster’s salary is less than 8.0 percent away from the maximum, the postmaster will get a salary increase up to the maximum, and the remainder as a lump sum payment.

Additional compensation information concerning the PFP program for EAS postmasters during Fiscal Year 2004 can be found on the Intranet at the following address:
<http://blue.usps.gov/hrisp/comp/eas.shtml>.

Resources

Currently, most EAS postmasters have access to their National Performance Assessment report cards on the Intranet under WEBEIS. To further support the PFP program, we are in the process of expanding the Performance Evaluation System (PES) to allow EAS postmasters to enter their accomplishments and receive feedback from their evaluators at each stage of the performance review and evaluation processes.

We also will issue in the near future specific policy guidance covering the PFP program for EAS postmasters. This policy guidance will provide more detailed information concerning the program including the rules on how to evaluate the performance of those employees who are on extended detail assignments, military service, and injury compensation, to name a few.

EXHIBITS

FY 2004 EAS Postmasters Objective-Setting Agreement

Employee Name (Last, First, MI)		Employee ID No.	
Organization	Title	Salary Grade EAS-	

I. Corporate and Unit Targets (Represents 80% of the Overall Performance Rating)

Corporate and unit targets (report card) are each tied to ten pre-determined indicators that are assigned weights based on the EAS postmaster grade levels. Corporate indicators are measured at the performance level and unit indicators are measured locally by National Performance Assessment. Each corporate and unit indicator have specific thresholds and targets set for FY 2004.

II. Core Requirements (Represents 20% of the Overall Performance Rating)

EAS postmasters will be evaluated against two core requirements that are tied to two behavioral objectives designed to measure leadership and communication, and fiscal management. A description of expected performance levels for each core requirement and the adjective ratings associated with each level are provided in the following table:

Core Requirement	Non-Contributor = 0	Contributor = 6	High Contributor = 11	Exceptional Contributor = 14
Leadership and Communication	Has difficulty in guiding staff in a positive manner. Inconsistent in providing a satisfactory managerial example while motivating employees to work toward goals and objectives. Occasionally inflexible when managing changing conditions in the organization.	Provides a satisfactory managerial example while motivating employees to work toward the post office's goals and objectives. Provides practical direction to employees and clearly communicates the post office's shared vision. Flexible when dealing with and managing changing conditions in the organization. Consistently available to help the team to accomplish their goal(s). Assesses individuals' strengths and weaknesses and suggests methods for improvement. Supports the organization's mandate through support of its goals and values.	Makes decisions and sets policy on controversial issues and provides innovative direction in resolving problems.	Provides exceptional leadership in planning, organizing, maintaining, controlling and maximizing operations. Extends the opportunity for growth and development to all staff.
Fiscal Management	Inconsistent in using resources efficiently to accomplish organizational goals. Inconsistent in using or shifting resources to meet objectives. Maintains less than acceptable fiscal responsibility while seeking ways to reduce costs.	Makes effective use of available resources (employee's time and materials) to accomplish organizational goals. Maintains fiscal responsibility while seeking for way to reduce cost. Consistently uses and allocates resources to meet objectives.	Often gains greater use of available resources than expected.	Frequently and effectively uses limited resources to gain maximum results. Highly innovative and successful in identifying alternative resources to accomplish objectives.

¹Failure to achieve budget targets cannot be the sole reason for rating EAS postmasters as non-contributors under the category of Fiscal Management.

By signing the Objective-Setting Agreement, the EAS postmaster and the evaluator acknowledge that they have discussed the core requirements and the postmaster's FY 2004 Corporate Indicators, Thresholds, and Targets, a copy of which has been provided to the postmaster and becomes part of this agreement.

Employee's Signature and Date	Evaluator's Signature and Date
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FY 2004 EAS Postmaster Mid-Year Performance Review

Employee Name <i>(Last, First, MI)</i>		Employee ID No.	
Organization	Title		Salary Grade EAS-

Complete the mid-year review providing specific examples of achievements toward the two core requirements (leadership and communication, and fiscal management). A copy of your mid-year report card retrieved from National Performance Assessment (NPA) via WebEIS or provided by your evaluator if access is not available is part of your mid-year performance review discussion.

Employee's Signature and Date	Evaluator's Signature and Date
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FY 2004 EAS Postmaster End-of-Year Performance Review

Employee Name (<i>Last, First, MI</i>)		Employee ID No.	
Organization	Title		Salary Grade EAS-

Complete the end-of-year review providing specific examples of achievements toward the two core requirements (leadership and communication, and fiscal management). A copy of your end-of-year report card retrieved from National Performance Assessment (NPA) via WebEIS or provided by your evaluator if access is not available is part of your end-of-year performance review discussion.

Employee's Signature and Date	Evaluator's Signature and Date
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FY 2004 EAS Postmaster End-of-Year Performance Evaluation

Employee Name (Last, First, MI)	Employee ID No.
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Title	Salary Grade EAS-	Finance No.
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Organization	Period (MM/YYYY) From: To:	Time in Current Assignment
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I. Overall Performance Rating

Indicator	Matrix Rank	Weight	Score
Composite Summary		80%	
Core Requirements: Leadership & Communication		10%	
Core Requirements: Fiscal Management		10%	
Performance Rating		100%	
Overall Performance Rating (Rounded)			

Note: Overall rating is rounded to the next whole number at .5 or higher. Overall rating is rounded down to the next whole number if the score is below a .5 value.



Not Rated (Comments Required)



Exclusion (Comments Required)

Comments:

II. Recommendation/Approval Required

Evaluator	Title/Position	Date
Manager's Recommendation	Title/Position	Date

III. Final Evaluation Discussed with Employee

Employee's Signature and Date	Accountable Manager's (Designee's Signature and Date)
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Privacy Statement: The collection of this information is authorized by 39 USC 401 and 1001. This information is used to evaluate your performance. As a routine use, the information may be disclosed to an appropriate government agency, domestic or foreign, for law enforcement purposes; where pertinent, in a legal proceeding to which the USPS is a party or has an interest; to a government agency in order to obtain information relevant to a USPS decision concerning employment, security clearances, contracts, licenses, grants, permits or other benefits; to a government agency upon its request when relevant to its decision concerning employment, security clearances or suitability investigations, contracts, licenses, grants or other benefits; to a congressional office at your request; to an expert, consultant, or other person under contract with the USPS to fulfill an agency function; to the Federal Record Center for storage; to the Office of Management and Budget for review of private relief legislation; to an independent certified public accountant during an official audit of USPS finances; to an investigator, administrative law judge or complaints examiner appointed by the Equal Employment Opportunity Commission for investigation of a formal EEO complaint under 29 CFR 1614; to the Merit Systems Protection Board or Office Special Counsel for proceedings or investigations involving personnel practices and other matters within their jurisdiction; and to a labor organization as required by the National Labor Relations Act. Completion of this form is voluntary; however, not providing the information may have an effect on the evaluation of your performance.

Definitions

Composite summary: The numerical value in NPA of the overall NPA score. The calculation is as follows: (corporate summary score achieved x the corporate weight) plus (unit summary score achieved x unit weight) = the NPA composite summary. This score is found on the *Report Card Detail* in NPA. The composite summary score is the score that is imported into the Performance Evaluation System (PES).

Core Requirements: A pre-determined number of individual objectives that are defined jointly by evaluator and employee during the objective-setting discussion. These objectives are described in terms of distinct performance indicators, supported by systems and/or data that will track actual performance achieved, and provide clear target outcomes. Core requirements are evaluated for performance achievement at the end of the rating period by the employee's evaluator.

Corporate indicator: An objective measure commonly applied throughout the organization to gauge corporate performance. Corporate indicators are determined by area vice presidents and officers during the Establish and Deploy process and are given different weightings based on corporate priorities.

Evaluator: The manager of the evaluated employee who is responsible to provide guidance and feedback to the employee in the development of objectives, mid-year performance reviews, and end-of-year performance ratings.

Line of sight: The extent to which an employee can affect performance improvement in certain levels of the organization depends on the position that the employee holds. Corporate and unit indicator weighting varies by the employee's line of sight in the organization.

Matrix rank: A 15-point matrix containing pre-determined performance targets that are assigned numerical values, 1-15. The matrix rank correlates actual performance to a value that is used in calculating NPA scores. Each corporate and unit indicator has specified performance thresholds its own matrix ranking, which is published in the National Performance Assessment (NPA) system in WebEIS.

National Performance Assessment (NPA): A national report card system that measures a unit's actual corporate and unit performance against standardized, predefined, weighted indicators.

Objective: Clear action statement describing planned performance that can be measured and is designed to achieve a stated outcome or target. Objectives are described in terms of performance indicators, are supported by systems and/or data that will track actual performance achieved, and will provide definite measurable target outcomes.

Overall performance rating: The numerical rating derived from calculating the weighted composite summary rating added to the weighted core requirements rating. The overall performance rating is the basis for salary increase actions.

Performance indicator: Established measure at the corporate, unit, or core requirements level. Performance indicators are communicated to all employees at the beginning of the year and targets are defined for each performance indicator identified.

Target: Pre-determined score marking a threshold of performance for an indicator. Target reports for all indicators are published in NPA.

Target outcome: A planned and defined score to measure achieved performance. Target outcomes must be identified during the objective-setting agreement for core requirements in the performance evaluation process.

Trackable System: The system that will be used to demonstrate achieved performance against the target outcome.

Threshold: The lowest score that can be achieved to reach a specific matrix rank.

Unit Indicator: An objective measure commonly applied throughout the organization to gauge a unit's performance. Unit indicators support corporate indicator performance. Unit indicators are determined by senior leadership with input from the function that is sponsoring the indicator. Unit indicators are defined by the unit in which the employee works and are listed on the NPA website under WebEIS.