

Human Resources Manual

Instruction: 337-1: Category Rating and Selection Procedures

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CATEGORY RATING AND SELECTION PROCEDURES

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337-00 Purpose

The purpose of this Instruction is to publish a policy in compliance with the President's Memorandum issued on May 1, 2010 for exclusive use of Category Rating and Selection Procedures for evaluating applicants for all positions in the competitive service to include Administrative Careers with America (ACWA) and wage grade recruitment (delegated examining only). This methodology uses three (3) quality categories based on merit, consistent with regulations prescribed by the Office of Personnel Management (OPM). This assessment method will increase Selecting Officials' flexibility in selecting quality candidates through category-based ranking. In addition, the Instruction outlines procedures that will ensure compliance and standardization resulting in efficient processes and an effective human resources (HR) program.

337-10 Background/Authority

On June 13, 2003, OPM issued interim regulations implementing several HR flexibilities enacted in the Homeland Security Act (HSA) of 2002 (P.L. 107-296). One of the flexibilities authorized Federal agencies to use an alternative rating and selection procedure in the hiring process. Section 1312 of the HSA provides that "OPM in exercising its authority under section 3304, or an agency with delegated examining authority under section 1104(a) (2), may establish a **category rating** system for evaluating candidates for positions in the competitive service based on merit and consistent with regulations prescribed by OPM, rather than assigning individual, numerical ratings." On May 11, 2010, as part of the Hiring Reform Initiative, the President issued a Memorandum requiring that category rating be used exclusively for positions in the competitive service. Category rating is synonymous with alternative rating as described in 5 U.S.C. § 3319.

337-20 References

- 5 C.F.R 337, subpart C, Examining System
- 5 C.F.R 332.406, Recruitment and Selection Through Competitive Examination, Subpart D, Consideration for Appointment, Objection to eligible
- 5 U.S.C 3309, Preference eligibles, examinations; additional points for
- 5 U. S.C. 3319 Alternative ranking and selection procedures
- P.L. 107-296, Homeland Security Act, Title XIII, Sec. 3319
- Delegated Examining Operations Handbook, Chapter 3, Section B
- Delegated Examining Operations Handbook, Chapter 5, Section B
- 29 C.F.R. Part 1607 Uniform Guidelines on Employee Selection Procedures
- Office of Personnel Management (OPM) VetGuide, www.opm.gov/staffingPortal/Vetguide.asp

337-30 Summary of Category Rating

Category rating is a process of evaluating qualified candidates by considering the quality of their experience, education, and training and placing them into pre-defined “quality categories” rather than assigning individual numerical scores. Quality categories (e.g. “Best Qualified,” “Well Qualified,” and “Qualified”) are groupings of candidates with similar levels of job-related knowledge, skills, abilities, and competencies. As in traditional rating and ranking, criteria for evaluating candidates are identified through the job analysis process. Critical tasks or major duties are identified for the position and managers/subject matter experts (SMEs), in consultation with the HR Specialist, establish job-related task examples for use in evaluating applicants. These task samples are then translated into questions and responses that are used by an automated rating system for applicant self-evaluation, or into category level definitions used in manual rating procedures.

When using an automated system or manual rating method to evaluate applicants, the Selecting Official and the HR Specialist work together to determine which questions/responses are essential to the performance of the job’s major duties and responsibilities. Task examples include questions regarding applicants’ experiences, education, and other job-related criteria that will extract the kinds of knowledge, skills, abilities, and competencies that are critical for the performance of the position.

The flexibility of the category rating method is that it affords the Selecting Official a wider and more diverse choice of selectable candidates than previously allowed under the traditional method of external recruitment, i.e., “rule of three,” while preserving veterans’ preference rights. For example, in category rating, a Selecting Official may choose **any** of the candidates in the highest quality category **as long as a Veteran in that category is not passed over for a non-Veteran.**

337-40 Summary of OPM Requirements

- Two or more “quality categories” are defined through a job analysis (i.e. the systematic process of determining the KSAs/competencies directly related to performance on the job) conducted in accordance with the *Uniform Guidelines on Employee Selection Procedures* (see 29 CFR Part 1607).
- Each category must have a clear definition prior to the position being advertised that distinguishes it from the other categories.
- After the minimum eligibility/qualification determinations process, candidates are placed in the appropriate pre-defined categories based on their percentage of responses essential to the duties of the position or numerical scores.
- The “rule of three” **does not** apply.
- Candidates that are placed within the **highest** quality category are referred for selection. If there are fewer than three candidates in the highest category, the highest and second highest categories **may** be merged.
- **Veteran’s preference applies to each category.** Veterans’ preference applies after the candidates are assessed. Qualified preference eligibles are listed ahead of non-preference eligibles within each category grouping. No preference points, i.e., 5 or 10 points, are added to the preference eligibles’ rating. Veterans with a compensable service-connected disability of at least 10% (i.e. CPS and CP) **must** be placed in the **highest** category and will float to the top of the category except in scientific and professional series at grades GS-9 and above. Selecting Officials may not select a non-preference eligible if there is a preference eligible in the same category unless an approval to pass over the preference eligible is obtained (see 5 U.S.C. 3318).
- Requirements of the Career Transition Assistance Program (CTAP) and Interagency Career Transition Assistance Program (ICTAP) **must** apply.
- Agencies must establish documentation and record-keeping procedures for reconstruction purposes.

337-50 Quality Category Methods

Two methods, one automated and one manual, are currently authorized for the rating of candidates and their assignment to quality categories. Either of these approaches may be used by the HR Specialist to evaluate candidates under the Department’s category rating procedures.

A. Score-Based Category Rating Method (Category Definitions)

When the vacancy announcement has closed for receipt of applications and supplemental documents, the automated system will determine applicants’ scores based on the responses of the applicants. The HR Specialist will determine minimum qualifications. The HR Specialist will separate candidates into quality groups based on their scores (NOTE: Scores ***are not*** augmented with additional points for veterans’ preference; however, Veterans **do** have selection preference). Scores are a reflection of the quality and appropriateness of the candidate’s training, education, and experience relative to the vacancy being filled. Higher scores reflect an overall better match between competencies

the candidate possesses and requirements of the specific vacancy. Quality groups are defined by the score ranges below:

- **Best Qualified Category** -- Applicants who have a score between 95 and 100.
- **Well Qualified** -- Applicants who have a score between 85 and 94.99.
- **Qualified** -- Applicants who have a score between 70 and 84.99.

B. Manual Category Rating Method

The HR Specialist and Selecting Official/SME will collaborate to develop a quality level hiring assessment. When the vacancy announcement has closed for receipt of applications and supplemental documents, the HR Specialist will separate candidates into quality groups in one of the three (3) identified benchmark descriptions. The benchmarks are a reflection of the quality and appropriateness of the candidate's training, education, and experience relative to the vacancy being filled. They also include any quality ranking factors identified by the Selecting Official as being preferred and relevant to the vacancy. The best qualified benchmark reflects an overall ideal match between the competencies the candidate possesses and the requirements of the specific vacancy. Quality groups are defined in vacancy announcements by tying in key concepts from the benchmarks to the quality category. For example:

- **Best Qualified Category** -- Applicants who have experience that is almost identical to those required by the position, including any quality ranking factors identified.
- **Well Qualified** -- Applicants who have experience that is very similar to those required by the position.
- **Qualified** -- Applicants who meet minimum qualification requirements, but do not identify any additional qualifying experience or skill.

337-60 Job Announcement Requirements under Category Rating

Job announcements (public notices) must clearly communicate to applicants how applications will be evaluated under category rating and selection procedures. The verbiage must define the Category Rating and Selection Procedures and describe how Veterans' preference is applied under category rating procedures. Example:

“Your application will be evaluated and rated under Category Rating and Selection Procedures. Category rating combines the applicant's total qualifying experience and education/training into a single quality category. If you meet the basic Office of Personnel Management (OPM) qualification requirements, we will further evaluate your application and supporting documents to determine the quality and extent of your experience, education, training, etc., for placement in one of the following categories:

1. Best Qualified – Meets the minimum qualification requirements and excels in most requirements of the position
2. Well Qualified – Meets the minimum qualifications requirements and meets most requirements of the position.
3. Qualified – Meets the minimum qualification requirements, but does not possess the relevant competencies to a substantive degree.

The category rating method does not add Veteran’s preference points or apply the “rule of three”, but protects the rights of Veterans by placing them ahead of non-preference eligibles within each category (5 U.S.C. 3309). Preference eligibles who meet minimum qualification requirements and who have a compensable service-connected disability of at least 10 percent (CP’s and CPS’) must be placed at the top of the highest quality category, except when the position being filled is scientific or professional at the GS-9 grade level or higher. A Selecting Official may make selections from the highest quality category (Best Qualified) provided no preference eligible in that category is passed over to select a non-preference eligible in that category unless approval has been granted. The Center Director or his/her designee, Consolidated Services Center (CSC) Director or his/her designee is the approving official for passover requests pertaining to 5-point Veterans (except for medical and suitability issues). OPM must approve passover requests for Veterans with 10-points or more and all Veterans with medical and suitability issues.

337-70 Referral and Selection of Candidates

- Selections are made from the highest quality categories for which there are applicants. Selections are based on merit, without regard to race, color, religion, gender, sexual orientation, national origin, physical disability, age or political affiliation.
- **For professional and scientific positions** (e.g. positions requiring specific education and/or degree) at GS-9 or higher, all preference eligibles that qualify, including those with a compensable service-connected disability of 10% or more (i.e., CPS and CP) are placed at the top of the **appropriate category grouping for which they qualify (Best Qualified, Well Qualified or Qualified)**. Example: CPS applicant scores 93 under the score based category rating. Based on this score, they would be placed at the top of the Well Qualified Category.
- **For positions other than professional and scientific at the GS-9 level or higher**, preference eligibles who have a compensable service-connected disability of 10% or more are placed at the top of the **Best Qualified category**, with all other Veteran preference eligibles in the Best Qualified Category. Veteran preference eligibles other than those with a service connected disability of 10% or more float to the top of the appropriate category for which they qualify. Example: (1) A **CPS applicant scores 85 under the score based**

category rating. Because they have a compensable service-connected disability of 10% or more they would float to the top of the Best Qualified Category. While a TP (tentative preference) veteran with the same score would float to the top of the Well Qualified category.

- Selecting Officials **may not** pass over a Veteran to select a non-Veteran unless a written objection (i.e. documentation of the reason why the veteran should not be hired) is submitted to and sustained by the designated official. Objections should rarely occur. Veterans preference eligibles cannot be passed over to appoint lower-ranked non-Veteran preference eligibles unless there is a sustained objection based on qualifications, suitability or other reasons considered to be disqualifying under 5 U.S.C. 3318 and 5 CFR 332.406. Should there be an objection to a Veteran preference eligible having a 30% or greater service-connected disability (CPS), the reasons for the objection must be in writing and provided to the applicant. The applicant has 15 calendar days from the date of the letter to refute the objection. **Only** OPM may adjudicate any such objection to a CPS Veteran.
- **When there are preference eligibles identified in the highest category, they will be the only candidates referred. If there is only one preference eligible to refer and there are multiple positions to be filled under the Job Opportunity Announcement, the highest category will be composed of all preference and non preference eligibles. However, preference eligibles cannot be passed over to appoint non-preference eligibles as stated above. If there are multiple vacancies, once the preference eligibles are selected, the Selecting Official may select from any referred non-preference candidate in that category, regardless of order listed on the certificate.**
- Any Veteran in the group under consideration may be selected regardless of the type of preference they are entitled. Compensably Disabled Veterans do not have any greater selection privileges than Tentative Preference Veterans.
- **If there are fewer than three candidates** in the Best Qualified category, the two highest categories (“Best Qualified” and “Well Qualified”) **may be merged** into one category. When merging categories, a new category is created and all preference eligibles from the Well Qualified group (in addition to those already grouped in the Best Qualified category) “float” to the top of this new category. The HR Specialist must explain the merge option carefully to the Selecting Official. Merging is **not** mandatory and can **only** be exercised when there are **fewer than three candidates in the “Best Qualified” category and with the approval of the Delegated Examining (DE) manager and/or team leader and the concurrence of the Selecting Official.**
- **Order of certification under category rating:**
 1. Agency Reemployment Priority List (RPL) eligibles;

2. Interagency Career Transition Assistance Program (ICTAP) and Career Transition Assistance Program (CTAP) eligibles;
3. Eligibles who lost consideration due to erroneous certification;
4. Eligibles in the highest quality category (including CP and CPS veterans); and
5. Eligibles in other quality categories, as needed.

Candidates in the highest quality category (i.e., “Best Qualified”) are referred to the Selecting Official. Candidates are referred in alphabetical order and preference eligibles are listed ahead of non-preference eligibles.

- **Names Referred to Selecting Official**

1. Certify all eligible candidates in the highest quality category; or
2. If there are fewer than three eligible candidates in the highest quality category, the HR Specialist, should consult with the Selecting Official. If a decision is made to merge the highest quality category with the next lower category, the HR Specialist will certify all eligible candidates in the newly merged category resulting in the highest quality category. If a decision is made not to merge, the certificate will be issued with only the candidates in the highest quality category.

- **Selections**

1. A Selecting Official may select any eligible candidate(s) in the highest quality category; however, a non-preference eligible cannot be selected over a preference eligible unless the agency submits a request to pass over the preference eligible in accordance with 5 U.S.C. 3318 and the request is approved.
2. Any selection made by the Selecting Official, prior to merging the highest quality category with the next lower category, is a valid and legal appointment. The name of the selectee is removed from the highest quality category and the individual’s name does not appear in the newly merged highest quality category. For reconstruction purposes, it is imperative the HR Specialist document any selections made prior to the merge, including the date of individual selections and the date the categories were merged.

337- 80 Security and Control of Rating and Examination Material

All documentation developed in the Category Rating Method is considered confidential (i.e., examples of quality category indicators, benchmark/task examples). The safeguarding of this material is essential to the validation and fundamental fairness of the candidate evaluation procedures in accordance with basic merit principles and must not be disclosed in the vacancy announcement or otherwise made available to candidates or others who do not have an official need to see the material. In addition, all documentation must be secured, controlled, and maintained in such a manner as to protect the utility and validity of the announcement and selection procedure (e.g. locked

file cabinet or safe.) No evaluation procedure may be administered to an employee/candidate who has had access to the covered material. Violations can result in the cancellation of the vacancy announcement and disciplinary action.

337-90 Record Keeping Requirements

The record keeping requirements of the Delegated Examining Operations Handbook, Appendix C also apply to records related to the Department's Category Rating Method.