

# **SUBCHAPTER S3**

## **ORGANIZATIONAL AND FUNCTIONAL RESPONSIBILITIES**

### **S3-1 Governmentwide Level**

**a. The Office of Personnel Management.**

- (1) The Office of Personnel Management is responsible for prescribing the practices and procedures governing the implementation and administration of the Federal NAF Wage System and for consulting with appropriate labor organizations. OPM determines the basic policies, practices, and procedures for the system.
- (2) OPM carries out the staff and operating functions involved in the following for employees covered by the law:
  - (a) Developing and issuing basic policies and procedures for the system;
  - (b) Defining the boundaries of individual wage and survey areas;
  - (c) Designating the lead agency for a survey area;
  - (d) Prescribing requirements for the statistical design and accomplishment of wage surveys and for the establishment of pay schedules;
  - (e) Establishing wage schedules and rates for NAF prevailing rate employees who are United States citizens employed in any area which is outside the several States, the District of Columbia, the Commonwealth of Puerto Rico, the areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 3(a) of the Panama Canal Act of 1979), the territories, and possessions of the United States, and the Trust Territory of the Pacific Islands;
  - (f) Establishing occupational grouping and titling;
  - (g) Establishing a job-grading system;
  - (h) Developing and issuing job-grading standards;
  - (i) Providing a system for and making final decisions in employee appeals;
  - (j) Establishing rules for governing the administration of pay for individual employees, for example, upon appointment, transfer, promotion, and change to a lower grade, including retention of pay rates as appropriate;
  - (k) Authorizing additional pay, as appropriate, for duty involving unusually severe working conditions or unusually severe hazards;
  - (l) Determining need for, and authorizing use of, special schedules as appropriate;
  - (m) Performing necessary audits and evaluations of agency wage programs to insure compliance with overall system requirements; and
  - (n) Otherwise providing for a continuing program of systems maintenance and improvement designed to keep the wage system fully abreast of changing conditions, practices, and techniques both in and out of the Government.

- b. Federal Prevailing Rate Advisory Committee.** The Federal Prevailing Rate Advisory Committee appointed by the Director of the Office of Personnel Management under section 5347 of title 5, United States Code, shall also study the NAF prevailing rate system and other matters pertinent to the NAF system, and from time to time, advise the Office of Personnel

Management thereon. Actions taken by the Federal Prevailing Rate Advisory Committee shall be included in the annual report of the Committee to OPM and to the President for transmittal to Congress.

## **S3-2 Agency Level**

### **a. Agencies.**

- (1) The heads of the Department of Defense, Department of Transportation, and Department of Veterans Affairs are responsible, within the policies and practices of the Federal NAF Wage System for fixing and administering rates of pay for NAF wage employees of their organizations.
- (2) Within the policies and practices of the Federal NAF Wage System, and with the advice and assistance of local wage survey committees and the agency wage committee, each agency assigned lead-agency responsibility plans and schedules wage surveys, analyzes wage survey data, and establishes wage schedules for designated wage areas. Other agencies having NAF wage employees in the wage area are provided schedules of wage rates established by the lead agency, and establish and administer these rates for NAF wage employees of their organizations.
- (3) Each agency having NAF wage employees is responsible for insuring that its installations and activities comply with requirements of the Federal NAF Wage System; that system instructions and procedures are appropriately followed; that job-grading standards and instructions concerning pay category, titling, and coding of NAF wage jobs are expeditiously and uniformly applied; and that wage rates are properly administered for individual employees. Each such agency is responsible for establishing procedures for employee job-grading appeals, for deciding these appeals expeditiously, and for acting promptly to place into effect decisions rendered within the agency or by the Office of Personnel Management on appeals.

### **b. Agency wage committees.**

#### **(1) Organization:**

- (a) Each agency designated as a lead agency under the NAF wage system shall establish an agency wage committee consisting of five members. Two members are designated by the head of the lead agency. In the Department of Defense one member each is designated by the two labor organizations having the largest number of NAF employees covered by exclusive recognition. In the other lead agencies two members are designated by the head of the labor organization having the largest number of NAF wage employees covered by exclusive recognition in the lead agency. These four members serve at the discretion of their respective designating authorities. The authority to designate labor organization members remains with the same organization, at a minimum, for a 2-year period. The chairperson of the agency wage committee is designated by the head of the lead agency. The designating authorities may provide for alternates to the chairperson and members. The salaries of the chairperson and members are established and paid by their respective employers.
- (b) Each agency designated as a lead agency under the NAF wage system which has already established an agency wage committee under FPM SUPPLEMENT 532-1, section S3-2b(1), shall assign the functions and responsibilities described in

- paragraph (2), below, to that committee.
- (2) *Functions and responsibilities:*
- (a) The agency wage committee considers and makes recommendations to the lead agency on any matter involved in developing the specifications for a NAF wage survey on which the lead agency proposes not to accept the recommendations of a local wage survey committee and any matters on which a minority report has been filed.
  - (b) Upon completion of a NAF wage survey, the agency wage committee considers the survey data, the local wage survey committee's report and recommendations, and the statistical analyses and proposed pay schedules derived from them, as well as any other data or recommendations pertinent to the survey, and recommends wage schedules to the pay-fixing authority.
  - (c) A majority vote of the agency wage committee constitutes the decision and recommendation of the committee, but a member of the minority may file a report with the committee's recommendation.

### **S3-3 Local Level**

**a. Federal installations and activities.**

- (1) As delegated by agency headquarters, each Federal installation or activity having NAF employees is responsible for determining pay categories, titles, and codes for wage jobs; for properly applying job-grading standards; and for properly paying and administering authorized wage rates for its NAF wage employees.
- (2) A local installation, designated by the lead agency as the host installation for wage survey activities, provides support facilities and clerical assistance for the local wage survey committee. All installations and activities in the area having wage employees subject to the Federal NAF Wage System are responsible for cooperating with the lead agency in providing members of the local wage survey committee and data collectors as needed.

**b. Local NAF wage survey committees.**

- (1) *Organization.* A local NAF wage survey committee consisting of three members is established in each area where exclusive recognition has been granted to a labor organization pursuant to 5 U.S.C. 7111 to represent NAF employees. From among NAF employees in the wage area, one member of the committee is designated by the lead agency in the wage area. One member is recommended by the labor organization having the largest number of NAF wage employees under the regular NAF wage schedule who are under exclusive recognition in the wage area, and one is designated by his or her employing agency. Responsibility for providing these members remains with the same agency and same labor organization, at a minimum, for the duration of the 2-year wage determination cycle and responsibility does not change during the time a survey is in process. The third member of the local NAF wage survey committee, who acts as chairperson of the committee, is designated by the lead agency, and will be an official of that agency or its instrumentalities in the local wage area. Each member continues to receive from his or her employer his or her regular pay rate. NOTE: The NAF job-grading system provides a basis for placing each NAF position within a grade of a schedule under the system. For a NAF wage employee in a position compensated in

whole or in part by such forms of pay as tips, commissions, piece rates or other such nontime rate basis, his regular pay rate while serving as a member of a local NAF wage survey committee or as a data collector shall be the payline rate for the same level of position on the appropriated NAF schedule which is not compensated in whole or in part by such forms of pay.

(2) *Functions and responsibilities.*

- (a) The local NAF wage survey committee determines the number of data collectors needed for a wage survey and provides for the necessary training and supervision of data collectors.
- (b) The local NAF wage survey committee conducts hearings for interested parties desiring to submit information or recommendations to the committee.
- (c) The local NAF wage survey committee makes its decision on any differences between data collectors in reference to the comparability of job matches, discriminatory rates, or differences in interpretation and application of the policies and procedures in manual instructions and makes its recommendations to the lead agency.
- (d) The local NAF wage survey committee makes preliminary contact and arrangements with employers to be surveyed.
- (e) Each member of a local NAF wage survey committee, each data collector, and any other person having access to data collected must retain this information in confidence, and is subject to disciplinary action by his or her employer upon proof of violation of confidence of data secured from private employers. Any violation by a Federal employee is reported to his or her employing agency and, by a participant designated by a labor organization, to the recognized union and its headquarters, and shall be cause for the lead agency immediately to remove the offending person from participation.
- (f) The local NAF wage survey committee forwards the wage data to the lead agency for analysis and referral to the agency wage committee.
- (g) The local wage survey committee also forwards to the lead agency a narrative report of the activities, decisions, and recommendations of the local NAF wage survey committee on submissions presented to the committee by interested parties, and this narrative report contains the reasoning upon which the committee bases its decision and recommendations.
- (h) A majority vote of a local NAF wage survey committee constitutes the decision and recommendations of the committee, but a member in the minority may file a report with the committee's recommendation.