



August 08, 2023

MEMORANDUM FOR: Secretarial Officers
Operating Unit Heads

FROM: Jeremy Pelter
Deputy Assistant Secretary for Administration, performing the non-exclusive functions and duties of the Chief Financial Officer and Assistant Secretary for Administration

SUBJECT: Performance Planning Information for Senior Executive Service (SES) and Senior Professional (ST/SL) Employees for Fiscal Year 2024

The Department of Commerce senior leadership is committed to sound policies that support effective performance management. I want to highlight several requirements as we prepare to establish the FY 2024 performance requirements.

First, all Senior Executive Service (SES), and Senior Professional (SL and ST) employees, including those on career, noncareer, or limited-term appointments, must have a performance agreement in place no later than October 1, 2023. Performance expectations must be appropriately rigorous, aligned to the work that needs to be completed, and effectively communicated by that date. Establishment of the performance agreement must be formally documented in Part 1 (Consultation) of the Performance Appraisal Plan Form and signed by both the rating official and the employee. The agreements and associated forms are available on the [OHRM website](#).

Second, the language included in Attachment A is required to be included in the plans of SES employees who oversee the acquisition workforce, oversee programs supported by contractors, or participate in, or oversee personnel who participate in acquisition planning or the selection of contractors that support Federal projects in accordance with OMB M-22-03, [Advancing Equity in Federal Procurement](#). Examples of the types of positions to which this requirement applies are: Chief Acquisition Officer, Senior Procurement Executive, Office of Small Disadvantaged Business Utilization Director, Heads of Contracting Activities (i.e., all Operating Unit Heads), Chief Information Officers (CIOs), Deputy Chief Information Officers (DCIOs), Chief Administrative Officers (CAOs), Program Managers, and Portfolio Directors.

Third, the language included in Attachment B is required to be included in the Leading People Performance Requirement. Executives must select the requirement options that relate to their specific position in correlation to accomplishments.

Fourth, Attachment C provides specific competency requirements under Interpersonal Leadership/Responsibilities Critical Element. These requirements are either linked to the Senior Professional Performance Appraisal System Certification or linked to the Department's DEIA Strategic Plan.

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Lastly, it is important for Bureau Performance Review Boards (PRBs) to continue to ensure that performance plans are aligned appropriately with strategic plans and other source documents vital to the Department's outcomes and results. In addition, it is necessary for the Department to retain its Performance Management Appraisal Systems Certifications with OPM. As part of increased oversight requirements, Bureau PRBs will need to be convened throughout FY 2024 to ensure performance plans are in place and that performance elements are written at the Fully Successful Level inclusive of documented measurable results. The Department's Office of Executive Resources will provide Bureau Executive Resources Offices with additional information and guidance in the upcoming weeks.

As a reminder, as specified in Title 5, Code of Federal Regulations, Section 412.401, each SES member executive must have an Executive Development Plan in place at the beginning of the rating cycle. A sample EDP is available on the [OHRM website](#).

Each bureau Executive Resources Office is required to report the number and percentage of SES, SL, and ST FY 2024 performance agreements established in the Department's Office of Executive Resources no later than November 15, 2023.

If you have any questions, please contact your servicing Executive Resources Office.

Attachment:

Attachment A – Senior Executive Service (SES) Employee Performance Requirements for Small Business Contracting Goals

Attachment B – Department Specific Critical Element for SES - Leading People

Attachment C – Department Specific Competency Requirements for Senior Professionals

cc: Principal Human Resources Managers

**Senior Executive Service (SES) Employee Performance Requirements
for Small Business Contracting Goals**

The following language must be included in the Agency-Specific Performance Requirements section of Critical Element 3, Business Acumen, in SES members' performance plans as applicable.

The small business performance requirements are mandatory for executives responsible for: (1) acquiring services or supplies; (2) directing organizations to acquire services or supplies; or (3) overseeing acquisition officials, including program managers, contracting officers, and other acquisition workforce personnel responsible for formulating and approving acquisition strategies and plans. The requirements highlight and reflect the significant responsibilities SES members have in attaining small business goals.

The Department is requiring an update to the Business Acumen Performance Requirement beginning in Fiscal Year 2024. The revised Business Acumen Performance Requirements section must include the following language and at least one of the following bullets under the description as a metric to aid in determining performance accomplishments:

Effectively promotes and supports the attainment of bureau-specific small business and socioeconomic contracting goals by establishing a climate that advances opportunities for small and socioeconomic small businesses; and

- Implements at least one initiative to promote and raise awareness of the value of small and socioeconomic small businesses in supporting mission programs.
- Participates in and/or hosts at least one training or outreach event that promotes small and socioeconomic small businesses.
- Promotes and champions the importance of small and socioeconomic small businesses internally and/or externally by utilizing a wide range of communication strategies and tools that demonstrate support for small business programs and initiatives.
- Provides resources and support to internal stakeholders to identify and overcome barriers to entry and participation for small and socioeconomic small businesses in bureau programs.
- Reviews policies, programs, systems, and techniques currently in use and determines specific initiatives that should be enhanced and/or changed to support achievement of bureau small business and socioeconomic small business goals. At least one enhancement or revision is developed.
- Evaluates procurement processes to ensure they are structured to facilitate broad participation by all appropriate sources including small and socioeconomic small businesses and minority serving institutions at both the award and subaward levels.

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- Measures and reports small and socioeconomic small business goal achievement to bureau leadership.
- Establishes partnerships with customers and industry to disseminate information and obtain continuous feedback to improve engagement with small and socioeconomic small businesses.

Attachment B

Department Specific Critical Element for SES - Leading People

The Department is requiring an immediate update to the Leading People Performance Requirement. The revised Leading People Performance Requirements section must include the following language, and at least one of the following bullets, under the description as a metric to aid in determining performance accomplishments:

Follows appropriate procedures for addressing allegations of discrimination, harassment, and all other inappropriate behaviors; and

- Implements at least one initiative to raise awareness and emphasize the value of diversity, equity, inclusion, and accessibility in the workplace.
- Participates and leads staff in programs or training that promote diversity, equity, inclusion, and accessibility, and enhances cultural competency and fairness, and equity in the workplace. Promotes a work environment where employees are engaged and empowered.
- Leads, champions, and mentors others by emphasizing the importance of diversity, equity, inclusion, and accessibility efforts by utilizing a wide range of communication strategies and tools that demonstrate support for these initiatives. Provides resources and support to identify and overcome barriers that inhibit DEIA efforts.
- Reviews policies, programs, systems, and techniques currently in use and determines specific initiatives that should be enhanced and/or changed for improved diversity, equity, inclusion, and accessibility. At least one enhancement or recommendation is developed.
- Completes and implements an annual and measurable tracking inventory of internal career assignment opportunities provided in the workplace.
- Ensures that recruitment efforts include recruitment from all appropriate sources including minority serving institutions.
- Measures and reports DEIA hiring program initiatives specifically to recruit and retain interns, apprentices, fellows, college/university students and graduates, and potential candidates affiliated with other partner organizations.
- Establishes partnerships with customers and industry to disseminate information and obtain continuous feedback to improve customer service to small and disadvantaged businesses.

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Attachment C

Department Specific Competency Requirements for Senior Professionals

The two Department-specific competency requirements are in the Interpersonal Leadership/Responsibilities Critical Element, and must be selected in the Performance Appraisal Plan Form, as noted below:

Critical Element 2: Interpersonal Leadership/Responsibilities

Specific Requirement 1: Customer Service

This is a mandatory requirement to retain certification of our SL/ST performance appraisal system.

Specific Requirement 2: Leveraging Diversity/Civil Rights Compliance

This is a mandatory requirement to include a critical element to address diversity, equity, inclusion, and accessibility (DEIA).