

**From:** Upton, Marcie  
**Sent:** Tuesday, May 20, 2014 10:07 AM  
**To:** Eitches, Edward E  
**Cc:** Johnson, Robyn R; Sealy, Lori P; Zaltman, Mark; Mercer-Hollie, Jacqueline  
**Subject:** Notice- QSIs

This is to notify you of a proposed one-time change to the language of Article 11 of the HUD/AFGE Agreement, HUD Handbook 2195.1 and the accompanying Supplement 85 regarding Incentive Awards.

The authorization to grant QSIs in 2014 to recognize FY-2013 performance and Special Act and Spot Awards for FY-2014 has been approved by the Deputy Secretary. It is authorized and limited by a memorandum dated November 1, 2013, from the Office of Performance Management (OPM) which instructed agencies not to exceed their FY2010 spending levels on QSIs, Special Act and Spot Awards granted during FY 2014. Under this authority, program offices will be authorized to grant an employee a QSI in addition to the performance award payment that he/she may have received for their 2013 performance rating. This authorization is an exception and one-time only change to Article 11, Section 11.02 (1) of the HUD/AFGE Agreement which states, in pertinent part, that employees are eligible for a quality increase **or** a cash award; and HUD Handbook 2195.1 which says "under no circumstances can an employee receive both a QSI and a lump sum performance award for the same appraisal cycle." This exception is for fiscal year 2014 only, based on 2013 ratings. It will provide managers/supervisor flexibility to recognize employees that have demonstrated exceptional/sustained performance during the performance year and enable those employees who have already received a lump sum cash award for performance to not be excluded from eligibility for a QSI.

Managers will be advised to that, for audit purposes, the justification for these QSIs should be written to demonstrate the employee's high quality and/or sustained performance on a project or activity. Program offices will also be advised to be attentive to the impact a QSI may have on their Salaries and Expenses budget going forward. A copy of the allocations by program office for these QSIs is attached.

There will be no change for the way special act and spot awards are administered, but each program must ensure that the appropriate funds are available within their organization to cover such awards before submitting for payment.

In accordance with Section 5.02 of the HUD/AFGE Agreement, the Union may request negotiations concerning the information provided in this memorandum by submitting preliminary primary proposals within 10 calendar days to me. (All proposals shall be related to the information provided in this memorandum). Upon timely request for negotiations from the union, the negotiations shall begin within ten (10) calendar days from the Union's submission of its bargaining proposals.

Thanks,

Marcie Upton  
ELRS  
(617) 994 8282