

REWARDING EXCELLENCE PROGRAM GUIDELINES

Montgomery County Government

What is Rewarding Excellence?

The Rewarding Excellence Bonus Incentive Award Program is designed to encourage and promote new, innovative ideas, concepts and strategies for the cost effective delivery of County services and products. The program rewards MCGEO Bargaining Unit Employees, general salary schedule employees and first-line supervisors – those supervisors who only supervise employees who do not supervise for sustainable implemented recommendations that improve efficiency, increase productivity, reduce costs, streamline operations, and enhance customer satisfaction. When cost savings are realized, employees receive a portion of the cost savings in the form of a bonus.

Citizens and stakeholders in local government will benefit from the Rewarding Excellence Gainsharing program as new ideas or ideas that have not been implemented in the past are implemented and allow Montgomery County Government (MCG) to continue to provide services in an efficient and cost-effective manner. Employee ideas may enable MCG to improve turn-around-times for continued delivery of services and/or may be able to improve the quality of services.

County Government will benefit by rewarding innovation with modest bonuses through a program whose costs are covered through actual measurable cost savings generated by implementation of recommended proposals. Ideas generated through the program may identify productivity improvements necessary for the continued delivery of necessary services at an improved-level of citizen satisfaction.

Employees will benefit from enhanced involvement and influence in making beneficial changes in the workplace leading to additional job satisfaction. This level of involvement by the employees will lead to continued and enhanced professional development and the potential for a nominal award from the Rewarding Excellence/Gainsharing program.

MCG Managers will benefit from the Rewarding Excellence/ Gainsharing program as employees are able to shift from reacting to proactive implementation thus leading to enhanced focused department performance. As employees and managers develop a better understanding of one another through this process, teamwork is improved as well as employee/employer partnerships.

Montgomery County Government will utilize the Rewarding Excellence Gainsharing process to multiply the effectiveness of managers by empowering employees to fully research, develop, and implement ideas and innovations. Under this program, the manager's role changes from decision maker to coach. The skills taught and developed through the experience of the program will enable employees to work smarter, not harder thereby strengthening their ability to do more with less. By multiplying the effectiveness of managers and employees, Montgomery County Government will be able to save taxpayer dollars, maintain services, and retain a highly performing and well qualified work force.

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Program Authority

The authority for this program is the MCGEO Collective Bargaining Agreement (CBA) and Montgomery County Personnel Regulation (MCPR), Section 10-20.

Teams of Employees Submit Ideas

Teams of employees submit ideas as opposed to the individual employee. Montgomery County Government has other incentives/rewards for individual employees.

Management Ideas/Normal Duties and Responsibilities/Budget Process

Managers who have ideas regarding process improvements, efficiencies etc. should continue to work these ideas through their organization. Ideas from employees or first-line supervisors for Rewarding Excellence should be new or never implemented. The existence of this program should not preclude managers from implementing existing ideas in their departments.

Normal Duties and Responsibilities: The Rewarding Excellence Program is not intended to and must not replace the existing routine operating processes of County Government departments and offices including, but not limited to preparation of procurement documents and completion of routine and assigned tasks, engineering studies, operational analysis etc. Work directives from the Director or managers may not be assigned to Rewarding Excellence teams, as such, but must be completed in the normal course of business.

Budget Process: Proposals can not include departmental recommendations submitted to the Office of Management and Budget as part of a required budget reduction process or as part of the County's budget process.

Existing Initiatives: Savings identified and planned under existing County initiatives or strategic plans are excluded from consideration as Rewarding Excellence proposals such as savings identified as part of business process review and reengineering conducted under the Technology Modernization CIP project.

Who is Eligible?

Any MCGEO bargaining unit employee, general salary schedule employee, and first-line supervisor, including part time and seasonal employees, who receives a "Satisfactory" or better ratings in their most recent performance evaluation and maintains at least a "Satisfactory" performance level throughout the term of the project can participate in *Rewarding Excellence*.

Those in acting positions will be eligible as long as the acting employee's regular position is one of front-line employee or first-line supervisor.

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Any MCGEO bargaining unit employee, general salary schedule employee, and first-line supervisor, may be added to the implementation team through the submission and approval of the proposal or who are in place at the time of proposal implementation with the design team consensus and submitted to the Rewarding Excellence Coordinator.

Employees who are part of the design team who transfer to another department will receive their full gainshare as long as they complete the proposal. Employees who are part of the implementation team who transfer to another department will be eligible to gainshare on a prorated basis if they participate in at least 50% of the project. Employees transferring into the Department who become part of the implementation team will be eligible to gainshare on a prorated basis. Employees, who retire during the implementation period and before the pay out, will not be able to be rewarded with a gainshare.

Employees who is part of a staff organization listed below or whose job duties according to their classification specification are to identify and implement efficiencies, productivity improvements, and cost savings, are not eligible for bonuses through this program. Additionally, any employee who is responsible for contract administration is not eligible to participate in a Rewarding Excellence Team.

Excluded Staff Organizations are as follows:

Office of Management and Budget
Offices of the County Executive
Office of Human Resources
Legislative and Judicial Branch Offices
Office of the County Attorney

Participation is Voluntary

If an employee chooses not to participate; they do not have to participate.

THE PROCESS

Department Selection

The Rewarding Excellence team will talk with the management in MCG and the Union to determine which departments would have the greatest potential for success with the Rewarding Excellence program. We will also conduct an environmental scan and conduct readiness surveys to determine the prospect for programmatic success in the targeted departments.

Department Readiness Surveys

The Rewarding Excellence team will conduct employee/management readiness surveys before beginning Gainsharing /Rewarding Excellence in a department. The purpose of the readiness survey is to ascertain employees' and the management team's readiness for

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Rewarding Excellence and the probability of a program success. This survey plays three important roles in the successful implementation of Rewarding Excellence. First, it identifies obstacles that employees believe exist in the department. Secondly, the survey begins the active involvement and inclusion of employees and managers in the process. The key to a successful Rewarding Excellence program is employee involvement and this involvement prepares the front-line employees for upcoming change. The third role is to develop base line data for each department's perceptions and beliefs. Surveying Managers and employees in the same time period will ensure that we can compare results gathered.

Employee readiness surveys will be conducted in person to avoid language and/or writing barriers, conducted on-line, and/or a combination of both methods. Employees will be gathered in groups to take a written survey. The Rewarding Excellence team will work with the Department selected to structure the groups to ensure that this survey is conducive to the work day. Surveys will be placed in a sealed envelope and sent to the consultant for evaluation. Data from these surveys will be tabulated into five categories: 1. inclusion and involvement; 2. leadership and control; 3. mixed leadership and standards; 4. standards; and 5. goals, objectives, and tasks.

Management Information and Training

Rewarding Excellence success is highly dependent on the commitment and understanding of the entire management team. This training is designed to familiarize managers with the collaborative nature of the Rewarding Excellence process and explain the role that each organizational member plays on the Rewarding Excellence team.

Management training is a program that includes all participating unit managers. To meet MCG's unique requirements we can divide the training into two three-hour sessions three weeks apart to allow for follow-up. The training goal is to build understanding and commitment in the early stages of the process. Training will include the following:

- Introduction and Overview
- Rewarding Excellence/Gainsharing Defined - History and Benefits
- How Will Rewarding Excellence/Gainsharing Affect Your Organization?
- Organizational Readiness
- The Bonus System Selected by MCG
- Roles of Manager, Team Leader, Team Member, Facilitator
- Leading Change
- Empowering for a Change
- Leading Participation and Involvement

Information Meetings – Problem Solving Design Teams Selection

Less than one-hour, large group information sessions are held by the Rewarding Excellence Coordinator for all front-line, supervisory, and management employees in the selected departments. These sessions may include up to one-hundred employees at a time

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and are held at the beginning or end of a shift during their normal work day. The timing of these sessions is conducive to maintaining a normal work day. The goal of these sessions is to emphasize Rewarding Excellence as a positive change and have the employee begin to think about Rewarding Excellence ideas. During these sessions, the following items will be covered with the Rewarding Excellence Coordinator and possibly Union Representation.:

- The Definition and History of Rewarding Excellence (RE) – How did MCG come up with RE?
- Executive Commitment – Supported by the Chief Administrative Officer and Department Director
- The Rewarding Excellence Process
- Goals of the Program
- Select and Build Design Teams Based on the Responsibilities and Criteria listed below

Design Team Responsibilities

- Look out for Division
- Inform Division
- Gather Division Ideas
- Research
- Write Proposals
- Present Ideas
- Implement Proposals

Design Team Membership Criteria

- Trust and Respect.
- Get Things Done.
- Keep Everyone Informed.
- Positive Attitude.
- Live with Decision (consensus).
- Diverse Skills and Knowledge.

Select Design Teams

At the information session, the Rewarding Excellence Coordinator will help the participating unit form a problem-solving design team through brainstorming and consensus. See [Consensus](#) found on the website for a more thorough understanding of Consensus. Consensus means not everyone's first choice but everyone can live with the choice. Each work unit that participates in Rewarding Excellence will build a problem-solving design team of 8 – 12 employees that will represent the work unit. Team members will consist of front-line employees – anyone who is not a supervisor or manager - and possibly first-line supervisors.

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Selecting and Assigning Facilitators

A highly effective method for strengthening design teams and ensuring productivity is to give each team a well trained facilitator. Facilitators help limit the organization's dependence on a consultant and foster organizational independence.

The Rewarding Excellence Coordinator will insure that MCG has enough trained and confident facilitators to effectively move the participants through the Rewarding Excellence process so that the team can develop a proposal and implement ideas immediately after the proposal is approved. Facilitator's will receive training in communication skills, team building, consensus, structured problem solving, convergent and divergent problem solving tools and much more. Training is three days, one day per week over a three week period with assignments in between. Facilitators also attend 2-hr monthly follow-up sessions. To minimize the facilitator's time outside of their department, training with the design team is limited to the second day of training. The time commitment will average 1/day per month over the course of the year; however, more days may be needed in the beginning due to the learning curve and training/scheduling. The Rewarding Excellence Coordinator will monitor the facilitators' progress and hold follow-up training, support groups, and consultative coaching sessions. These sessions insure that the internal facilitators give their design teams consistent, high-quality training and team facilitation. Training is provided by the Rewarding Excellence Coordinator in conjunction with the Consultant who is skilled in Organization Development.

Facilitators are expected to remain with the program for a minimum of two years but are encouraged to remain as long as they are able. To insure that the facilitator and their management are able to commit to this opportunity, a **Facilitator Contract** is initiated between the Rewarding Excellence Coordinator, the manager of the potential facilitator, and the facilitator. The benefit to the facilitator is the continued professional development of team building, problem solving, and communications skills. Facilitators are not included in the distribution of any cost saving bonuses. The benefit to the department of the facilitator is having a skilled professional in the department who can effectively and efficiently lead or facilitate other meetings, build teams, and offer a variety of problem solving approaches.

Facilitator's are recruited from the departments involved in the program. Facilitator's are placed by the Rewarding Excellence Coordinator with teams where the facilitator has no technical expertise and where there is an appropriate fit. For example, a Facilities Maintenance Facilitator may work with a DOT team. This way the facilitator will focus only on his/her facilitation skills and not on the technical content subject matter. The characteristics of an effective facilitator are listed below as follows:

Characteristics of an Effective Facilitator

- Willingness to Take Risks
- Genuine Concern for the Growth of Others

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- Commitment from Facilitator's Supervisor/Manager to Allow for Participation and Acceptance as part of the Employee's Role
- Constructive Approach to Problems
- Confidence
- Self-Control
- Excellent Listening Skills
- Goal-Directed
- Positive Attitude

Facilitators' departments will benefit from the skills of their trained facilitator by frequently using the facilitator's skills to increase the efficiency and effectiveness of operational meetings and projects within their own departments. Facilitation is a great opportunity for professional development.

Hours of Work, Scheduling and Teams

Unless approved by the Department Director, there may not be more than two Rewarding Excellence teams in any department. In addition, employees on the teams may not spend more than two hours per week on team project without the approval of the Director. Upon initial implementation, time commitment may be greater than two hours/week but the total should be no more than an average of 2 hours/week. Scheduling of team meetings can not conflict with performing assigned work or participating in other activities, projects, or meetings required by the County Government. Further, participation in a Rewarding Excellence Team proposal may not cause regular work to be performed on overtime or employees participating in Rewarding Excellence teams may not earn overtime while attending Team meetings or performing other work related to team proposal. The use of overtime suggested in proposals may be justified on a short-term, no longer than one year, basis as long as a cost/benefit analysis is performed. Also, the savings should occur in the same fiscal year.

Teams Develop Written Proposals

In order to develop comprehensive proposals, the Rewarding Excellence teams are trained in team building, problem solving skills and proposal development. The teams are paired with a well-trained facilitator who will continue to assist them in applying skills learned. Teams will be guided to select a leader during the initial training. This is a tremendous professional development opportunity for all of the individuals on the team.

Teams will gather ideas from their work area peers and bring to their team meetings. Through consensus teams work on the best ideas and develop written proposals. The team's written proposals will be based on the Rewarding Excellence proposal guidelines and the sample proposal/application and will show how the proposal relates to the County Executive's priority objectives. [Proposal Guidelines](#) were developed with the MCG Office of Management and Budget, Finance, Procurement, County Stat, and the County Attorney's Office. Teams should refer to these guidelines in writing their proposals.

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There is also a [Rewarding Excellence Application/Proposal Recommended Format](#) and a [Sample Proposal](#) from the Department of Traffic Engineering and Operations “Scrap Metal Optimization” team that teams should refer to in writing their proposals.

WHAT IS AN APPROPRIATE IDEA FOR TEAMS TO WORK

1. Ensure that idea aligns with your Department Mission and Priority Objectives.
 - Research what is being done in other areas. I.e. DGS may have responsibility for storage and disposal of supplies and furniture but may not recycle as is the mission for DEP. The team Mentor should be able to help you learn who is responsible in this area for team to continue research.
 - In the example above, research partnering with DGS.
2. Ensure that your Department is not currently working on your idea through a strategic plan or planning process. Mentor should be able to help in this area.
3. Is this a capital budget savings? If yes, then not appropriate for Rewarding Excellence.
4. Will this idea generate revenue? If yes, then not appropriate for Rewarding Excellence. Cost Recovery is an area that can be explored.
5. Is your idea going to need an upfront investment? If yes, then must find funding source as part of proposal.
6. Is your idea a negotiated benefits/rights and/or privileges contained within the UFCW Local 1994/MCGEO Bargaining Agreement in effect? If yes, then not appropriate for Rewarding Excellence.

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Department Mentors

It is recommended that before the team shares the proposal with the RETAP, the team share their proposal with the team mentor.

The team mentor's role is to guide and advise problem solving and idea development design teams while not actually controlling the team. Team members should regularly seek advice from their mentor about their ideas, solutions, organizational politics and their proposal. Mentors are an "on-call" resource for the team and do not need to attend team meetings. The team mentor is someone within the department, appointed by the Department Director and is outside of the team's direct reporting line. The mentor can give input, perspective and bridge communication gaps.

Each design team is comprised of front-line employees and front-line supervisors. The team has its own peer leader and a well trained, volunteer facilitator in addition to the mentor.

The Rewarding Excellence (RE) Coordinator is the mentor's backup and supplies the mentor with sample proposals, guidelines and any assistance he/she may need.

Mentor Characteristics:

- High-level in the organization
- Political Savvy in Regard to County Politics
- Approachable, Friendly, and Communicative

Mentors Responsibilities:

- Attend Rewarding Excellence/Gainsharing Management Training.
- Demonstrate that with capable mentoring and adequate resources the team will succeed beyond expectations.
- Negotiate with the management team when design team members have difficulty finding reasonable times or places to meet.
- Strongly advise and question but do not demand that a team explore a different plan or idea when their current direction:
 - has a potentially low return in service improvement, efficiency or fiscal benefit,
 - will negatively affect morale as indicated by an established survey,
 - is considered politically inappropriate when it is outside the Department's Mission and County Executive's Priority Objectives,,
 - primarily lies outside of the team's own department (i.e. building maintenance wants to reduce police overtime.)

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- overlaps with an idea that the Department is currently working on through a strategic plan or planning process.

NOTE: On rare occasions teams may defy all advice and pursue a disappointing course. The RE coordinator will intervene.

- Encourage partnering with another Department if responsibilities cross Department's and the other Department is also participating in Gainsharing.
- When necessary, explain the norms, cultural realities and processes of creating change in a large organization.
- Review any draft proposals for adequacy, organization, realism and grammar. Measurement of outcomes is a very high-priority consideration in MCG.
- Identify additional resources the team may need (i.e. an employee who works with PowerPoint or Excel.)
- If asked, critique the team's proposal presentation.
- Sign off on the proposal as the mentor before submitted to the Review Panel.

Time Required:

Estimated time required is one-hour per month. Teams usually consult their mentor when confronted with organizational issues and when they approach the proposal writing stage. Mentors should plan to work with their design teams for at least one year and longer if they choose. Mentors responses should be completed within 14 calendar days to insure the application/process occurs in a timely manner.

RETAP (Rewarding Excellence Technical Advisory Panel)

While employees/team members know how to do their job better than anyone else, they often do not understand the ramifications in the area of budget, legal, procurement etc. Prior to submitting a proposal/application to the Review Panel, an employee team must utilize the Rewarding Excellence Technical Advisory Panel (RETAP). Members will include key technical experts from the Office of Management and Budget, the Office of Procurement, the Office of the County Attorney (consultative basis only), County Stat, the Office of Human Resources, the Department of Finance and UFCW Local 1994 MCGEO.

The Rewarding Excellence Coordinator will set up the meeting with the RETAP upon being contacted by the leader that the team is ready. Prior to the work session date, the team should send copies of the team proposal to each member of the RETAP. These work sessions will allow the proposal team to ask questions of the technical panel, and receive assistance in finding and analyzing relevant data, and developing appropriate measures of success. If a question arises that needs to be addressed by one of the above members, the Rewarding Excellence Coordinator should be contacted to coordinate information sharing.

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Proposals should be submitted to this panel and the Rewarding Excellence Coordinator based on an initial schedule. A [RETAP Summary Template](#) located on the Rewarding Excellence Website should be referred to for this Panel to submit their comments individually so the Review Panel can see the RETAP comments and how the team responded. This comment template will also include space for the team to comment on how they addressed the comments of the Panel or why they chose to ignore the RETAP's advice. Each RETAP Member response will be completed within 15 calendar days to insure the application process occurs in a timely manner per UFCW Local 1994 MCGEO Contract.

The Rewarding Excellence Technical Advisory Panel will not make value judgments on the merit of the proposals. The function of this panel will be to point out the technical pros and cons of the proposal, related strictly to performance outcomes, budgetary and procurement considerations. RETAP Members should ask enough questions pertaining to the team's proposal that by the time the Review Panel sees this proposal, the Review Panel could make a decision in that meeting.

The team modifies their proposal as needed based on the comments and suggestions from the RETAP. Comment sheets will follow the team proposal so that all reviewing can see the functional department's responses and how the team chose to respond to those responses.

The Approval Process

Department Director

Team proposals that have been reviewed by a mentor and the RETAP should be submitted electronically to the Department Director for comments. A cover sheet found on the Rewarding Excellence website entitled "Director Letter" should be included on top of the proposal. The Department Director has no more than 15 calendar days per UFCW Local 1994 MCGEO contract to review the Rewarding Excellence proposal, add comments, and forward the document to the Rewarding Excellence Coordinator electronically so the proposal can be distributed to the Review Panel.

Review Panel

The proposal should be submitted to each Review Panel member optimally one week prior to the scheduled Review Panel meeting. A total of 90 minutes will be allotted for this meeting per the Review Panel Ground Rules established

Each Review Panel Member is expected to attend all meetings; therefore, meetings will be scheduled in advance. If a Review Panel Member can not attend, comments should be sent to Rewarding Excellence Coordinator one day prior to scheduled meeting on the [Review Panel Comments Template](#). The Chair will read the comments of the absent member at the scheduled meeting. Consensus will be reached by the attendees. If member can not

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attend meeting on site, member may attend by conference call. Rewarding Excellence Coordinator will obtain presentation materials and forward to missing member in advance of meeting. Presentation materials could include power point presentations, video etc. If Consensus is not reached, then a second meeting will be held. If consensus can not be reached at second meeting, then majority vote will be utilized. If Review Panel Members tie then proposal will be considered to be disapproved.

Team members will meet with the Review Panel to present their proposal. The Review Panel consists of four appointees by the Office of Human Resources Director (Appointees are to be made from the following departments: the Finance Department, the Office of Management and Budget, the Office of Human Resources, and the Office of Procurement) and four officers appointees by the UFCW Local 1994 MCGEO president. The team will have approximately 10 – 15 minutes to make their presentation. The Review Panel will then have 20 minutes to ask questions or offer comments on the team's presentation. The team will then leave and the panel will reach consensus on approving the proposal. The Director of Human Resources is the Chair of this Panel.

Through Consensus the Panel approves or disapproves the Rewarding Excellence/Gainsharing proposals. This panel may consult with the County Executive, the Chief Administrative Officer, County Attorney, Department Directors, Consultants or others in examining the proposal's feasibility, legality, projected cost savings, or in determining whether to implement the submitted proposal. Any proposal/application may be returned to the participants for clarification if there are questions or concerns.

CAO

The Director of Human Resources as the Chair of this Panel will meet with the CAO or send the approved proposal with a transmittal letter as cover within 2 Days to the CAO for review.

The Chief Administrative Office shall issue a decision to approve or disapprove the Review Panel approved gainsharing proposals within 15 calendar days per UFCW Local 1994 MCGEO Contract. The CAO will review the Gainsharing proposal, and return the transmittal memo indication "approved" or disapproved" and any comments to the Director of Human Resources, copy to the Rewarding Excellence Coordinator. The Rewarding Excellence Coordinator will send the team correspondence with notification and a copy will be sent to the Review Panel Members.

As the Design Team implements approved proposal, if County Council action is required to implement a proposal (e.g. legislative change, budgetary appropriation) and the Council fails to take the required action then the proposal is deemed "not approved".

No Appeals

Neither the Union nor a bargaining unit employee may grieve or appeal any decision by the Review Panel relating to the Rewarding Excellence Bonus Incentive Awards Program.

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Proposal Scope, Measurement, Documentation Period, and Subsequent Proposals

Scenario One – The design team creates the scope of the proposal but once the Review Panel reviews the proposal, the Review Panel limits the scope of the team’s proposal to a pilot or a prototype. The team will then measure and document savings during the proof of concept period and after the proof of concept period, the team has one year to submit the remaining scope of the proposal inclusive of the rationale for the expansion of the proposal scope. Both the original proposal and the additional proposal with expanded scope will fall under the UFCW Local 1994 MCGEO Contract Bargaining Agreement (CBA) of \$5,000 per proposal/idea per employee team member. If the team decides not to expand their proposal and decides that the payout should occur sooner based on the proof of concept period only, then the measurement period will begin upon the implementation of proof of concept and continue according to the Rewarding Excellence program guidelines of one year or at the designated time-frame listed in the proposal.

Scenario Two – The design team limits the scope of their proposal based on a proof of concept design. The team will then measure and document savings during the proof of concept period and after the proof of concept period, the team has one year to submit the remaining scope of the proposal inclusive of the rationale for the expansion of the proposal scope. Both the original proposal and the additional proposal with expanded scope will fall under the UFCW Local 1994 MCGEO Contract Bargaining Agreement (CBA) of \$5,000 per proposal/idea per employee team member. If the team decides not to expand their proposal and decides that the payout should occur sooner based on the proof of concept period only, then the measurement period will begin upon the implementation of proof of concept and continue according to the Rewarding Excellence program guidelines of one year or at the designated time-frame listed in the proposal.

Scenario Three – The design team creates the scope of proposal with no mention of extending the concept outside of the nature in which the proposal was submitted. Measurement and documentation will begin upon implementation and continue according to the Rewarding Excellence program guidelines of one year or at the designated time-frame listed in the proposal.

Proposals Beyond Department Boundaries

Teams should work on suggestions/ideas that affect their work process in the area of improving efficiencies, increasing productivity, reducing costs, streamlining operations and enhancing customer service. If the team is working on a process change/enhancement and determines in the research stage that there is another Department who owns a piece of the process as it affects their budget, then the initiating team must collaborate and partner with the Department who co-owns the process if they choose to show savings or revenue enhancements in that department. If the owner of the process is not yet part of the Rewarding Excellence Program, then please call the Rewarding Excellence Coordinator

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Measurement and Documentation Progress Reports will be Handled as follows:

Progress reports should be sent to the Rewarding Excellence Coordinator quarterly unless the savings are accumulated in a different manner, i.e. all at one time. Team leader will be responsible for ensuring that the spreadsheets are updated and sent to the Rewarding Excellence Coordinator on a quarterly basis (beginning after implementation). If there are significant variances in savings projected, please explain on the spreadsheets.

If there is a notable discrepancy or change in the methodology, The Rewarding Excellence Coordinator will inform all of the members of the Measurement and Documentation team inclusive of the Finance Representative, the Budget Representative, and the Division Financial Representative with a copy to the team leader.

Department Balance of Savings will be handled as follows:

The balance should be returned to the source of appropriation (i.e. general fund, enterprise fund, internal service fund etc) and within the generating department.

How would this be accomplished?

After the third-quarter savings reports are generated, the Director of the team submitting proposal would specify to the Director of the Office of Management and Budget his/her recommendation for how any additional departmental funds would be used.

Payout and Distribution

“The Payout and Distribution of Rewarding Excellence Bonus Incentive Awards will occur in the next full payroll period one (1) year after implementation of the project or the next full payroll period after cost savings are realized and confirmed by the Review Panel, whichever is sooner. The parties shall share equally in the total gain. Each employee on the team will receive fifty percent of the gain up to five-thousand dollars (\$5,000) per employee team member. Each team member shall receive the same amount.”

In addition to the design team, individuals who make significant contributions to the proposed work effort (as determined by the design team) should be included as part of the implementation team and will receive an equal share of the gainsharing payout. Design team members and implementation team members should be listed in the proposal with a detailed explanation of their role on the spreadsheet titled “Rewarding Excellence Bonus Checks” as part of the Measurement and Documentation of Savings Plan.

When determining the significant contribution of the implementation team members, the design team will consider the following factors:

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- The skill(s) and work of the team member shall be absolutely necessary to achieve successful results of the team proposal recommendation, and
- The team member shall contribute to the proposal concept and help implement the proposed recommendation from the point of CAO approval to the end of the measurement and documentation period, and
- The team member effort expended shall be for the proposal implementation time-period, and not for work anticipated in the future.

Employees who are part of the design team who transfer to another department will receive their full gainshare as long as they complete the proposal. Employees who are part of the implementation team who transfer to another department will be eligible to gainshare on a prorated basis if they participate in at least 50% of the project. Employees transferring into the Department who become part of the implementation team will be eligible to gainshare on a prorated basis. Employees, who retire during the implementation period and before the pay out, will not be able to be rewarded with a gainshare.

Savings must be demonstrated in full before any payout can be distributed and work effort by implementation team member must be documented as well. The demonstration of savings that begin in one fiscal year and carry over to the next fiscal year, will be paid to employees in accordance with paragraph one above under Payout and Distribution once the full savings are demonstrated. Savings will be documented and monitored via quarterly progress reports. Only significant deviations from the plan will be brought to the attention of the Financial and Budget Representatives who helped to create the plan. Confirmation of the documented savings will be acknowledged by signature of the department financial representative (one week maximum), the Department Director first (one week maximum), and the President of UFCW Local 1994/MCGEO President and the Montgomery County Office of Management and Budget Director concurrently (two weeks maximum). The Office of Management and Budget Representative assigned will review the documented information with the Office of Management and Budget Director.

Payouts for each employee will be distributed from the cost center in which the employee gets paid at the time of the bonus. If the savings created are not in the same budget or if the cost recovery is revenue enhancement in the general fund, the department's budget may be over the planned amount. An example would be a proposal that creates savings in an NDA account that their division impacts, but the payroll is expensed from the general fund. A second example is that a proposal creates cost recovery for their division resulting in revenue accumulated in the "County" general fund, but the payroll is expensed from the particular division creating the impact. There will be no specific appropriation for the Gainsharing distribution. The fund balance would be increased and at the end of the year, the transactions would be identified to the Office of Management and Budget who prepares the appropriate resolution to Council. This would be a normal mode of operation for the end of year budget process.

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Employee bonuses are taxed as supplemental wages as defined by the IRS at the current tax rate (25%) per IRS publication, Circular E.

Remainder of Employee Balance

“Any remaining amount of that fifty percent of the total gain shall be used as start up funding for other approved Gain Sharing proposals in the same department, from the same appropriation fund. The other fifty percent should be returned to the source of appropriation (i.e., general fund, enterprise fund, internal service fund, etc.) and within the generating department.