

**1. PURPOSE**

To establish a pay for performance incentive program that promotes Houston Public Works (HPW) culture of customer service excellence, drives productivity, enhances efficiency, retains high performing employees and controls operational costs

**2. SCOPE**

Applies to all Houston Public Works employees that meet the individual eligibility requirements (see section 4.2.2). This program will supersede any existing HPW performance-based incentive program/s; however, it is not intended to effect existing incentive programs targeted towards attainment of specific certifications or licenses.

**3. DEFINITIONS**

The following terms are used in this document.

TERM	DEFINITION
Incentive Pool	A grouping of Team Members for performance assessment and ranking that align with or to a specific Incentive Target.
Incentive Target	A specific goal that must be met by an Incentive Pool to qualify for a PPIP reward.
Pay for Performance Incentive Program (PPIP)	This incentive program as established by policy and procedure.
Team Member	Any active full-time City employee who works for HPW during the incentive period and at the time of distribution of the incentive and is not a member of the Executive Senior Leadership Staff.

**4. PAY FOR PERFORMANCE INCENTIVE PROGRAM**

The PPIP is designed to reward individual employee performance that is beyond standard expectations and thereby played a key role in the attainment of HPW goals. The award will be a quarterly lump sum, performance-based-pay incentive that is not integrated into the employee recurring pay structure. Each incentive pool will have one or more goals which must be met for any members to qualify for a PPIP award. Within the pool, individual qualifications must be met for the employee to receive an award.

**4.1 GENERAL**
**4.1.1 FUNDING**

Funding for this program is subject to the availability of funds and approval by the Director of Houston Public Works

APPROVED:	DATE APPROVED:
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**4.1.2 ADMINISTRATION**

Houston Public Works (HPW) shall have responsibility for consistent application, development and administration of the program to ensure the targets and incentives are fair, transparent, and non-discriminatory. The Pay for Performance Incentive Program as approved by the Director of Houston Public Works shall conform to and be approved under the City of Houston Administrative Procedure 3.8 Performance Incentive Pay Plans For Municipal Employees. The program will be reviewed annually for modifications and adjustments.

**4.1.3 FEATURES**

The award shall be a quarterly lump sum, performance-based-pay incentive that is not integrated into the employee recurring pay structure. The plan is based on a standardized appraisal of employee job performance and requires an evaluation process that meets the following standards:

- Objective and uniform appraisal criteria consistent with the existing Talent Management System (HEAR)
- Comprehensive standards of measurement
- Systematic transparent observation of performance
- Streamlined appraisal process to minimize administrative requirements

**4.1.4 ELIGIBLE FUNDS AND AWARDS**

Eligible Funds shall be determined by the total eligible team members times the per employee incentive amount. Upon official notice by HPW Executive Leadership to the Service Line/s or Department/s, of the achievement of quarterly incentive target/s, each eligible HPW team member will receive a lump sum award of \$700 (before applicable taxes).

**4.2 REQUIREMENTS****4.2.1 INCENTIVE POOLS AND TARGETS**

- Approval of Incentive Metrics shall follow the existing COH approval process.
- Incentive Target/s shall be developed by each Service Line.
- Each Service Line shall establish a consistent metric methodology that measures achievement of specific event/s, activity, unit output, or labor hours.
- Evaluations shall include Attendance, Safety, and Job Performance as 3 of the four behavioral factors.
- Service Line Incentive Target/s must be Specific, Measurable, Achievable, Realistic, and Timely (SMART).
- Service Lines shall assign all team members to an appropriate Incentive Pool.
- An Incentive Pool shall include a minimum of five (5) employees.
- Incentive Pool/s shall be predetermined and aligned with a specific Service Line or Departmental Incentive Target.

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**4.2.2 INDIVIDUAL ELIGIBILITY**

To be eligible for an incentive, recognition, or award, team members must meet all the following criteria:

- Be a team member who is Pay Grade 29 and below.
- Be a non-probationary new hire during the incentive period or at the time of the awarded distribution.
- Be actively on the HPW payroll during the incentive period and at the time of the incentive distribution, recognition or award.
- Be in good standing with no active Written Reminder/Level I or above disciplinary action, or a sustained Office of the Inspector General (OIG) ruling during incentive period or at the time of award distribution.
- Be a team member of an Incentive Pool that has achieved all Incentive Targets set by the Deputy Director for their Service Line.
- The employee must have received a performance rating of 3.70 or above in the most recent HEAR evaluation.
- Be in the 80<sup>th</sup> percentile or higher ranking for their Incentive Pool.

**5. COMPLIANCE**

Adherence to the Program is mandatory. Any employee who violates this policy may be subject to corrective action.

**6. APPENDIX**
**6.1 REVISION HISTORY**

DATE	REVISED BY	SECTION	CHANGES
02/14/2020	Matthew Thomas and Charlie. Domino	All Service Lines	Initial Policy