

CITY OF PORTSMOUTH
ADMINISTRATIVE PROGRAM

P2

July 2005

SUBJECT: **Employee Incentive Program (EIP)**

PURPOSE:

To develop an incentive program that provides motivational and monetary recognition and encourages employees to recommend valuable suggestions through innovative ideas and cost-saving initiatives in order to:

- Improve the overall operations of the City of Portsmouth;
- Increase the efficiency and effectiveness of the services that we provide our customers;
- Provide the safest possible working environment and community for our employees and citizens; and
- Promote a positive image for the City of Portsmouth.

SUGGESTION CRITERIA:

For purposes of the Employee Incentive Program, “**suggestion**” is defined as a new or original idea or a new or updated application of an existing process or procedure. It must identify and address a specific problem or area for improvement and present a solution and actual benefits, tangible or intangible. All suggestions that are submitted will be categorized into one of the following:

- **Tangible suggestion:** A suggestion resulting in measurable savings or increase in revenue.
- **Intangible suggestion:** Suggestion for which dollar savings cannot be calculated but which results in significant improvements in City operations (i.e., improvement in customer service, employee morale, safety, public relations, etc.).

EMPLOYEE ELIGIBILITY:

All City employees are eligible to submit suggestions and ideas for the Employee Incentive Program, excluding employees in the capacity of Elected Official, Council Appointee, Deputy City Manager and Department Head positions. Submissions may be from individual employees or teams with no restrictions on the number or frequency of submissions.

SUGGESTION ELIGIBILITY:

Eligible suggestions and ideas may include, but are not limited to:

- Providing a monetary savings to the City;
- Increasing the City's capabilities to provide effective services to the community;
- Improving public relations and/or customer service to the public or internal customers;
- Improving methods, procedures, tools and/or materials to increase efficiency and productivity;
- Eliminating unnecessary procedures, records and forms;
- Improving administrative or operational techniques and practices;
- Preventing accidents, delays, duplications and waste;
- Saving time, labor, space, material or supplies;
- Improving safety, health, fire hazards and/or working conditions; and
- New ideas related to the above.

Ineligible suggestions and ideas may include, but are not limited to:

- Proposing salary increases, job reclassifications, lowering standards of policies, and similar changes in compensation, classification and benefit matters;
- Any suggestions that are not within the authority, responsibility or scope of the City's internal operations;
- Proposing stricter enforcement of already existing policies, regulations, rules or laws;
- Relating to grievances or general complaints;
- Duplications of previously submitted suggestions or ideas or those that have already been adopted;
- Changes and/or improvements already under consideration by management;
- Any suggestions that increase the cost to either the taxpayer or City employees;
- Requesting additional equipment of a common nature or for obvious or scheduled replacements, repairs or maintenance;
- Proposing improvements to aesthetics or working conditions (i.e., air conditioning, decorations, furniture, etc.) or routine/normal safety practices;
- Proposing actions to be taken as a result of a survey, study or review being conducted; and
- Any suggestions that identify a problem but does not propose a solution and actual tangible or intangible benefits.

PROGRAM ADMINISTRATION:

The Director of Human Resource Management or a designee will serve as Program Administrator of the Employee Incentive Program (EIP) Committee.

The EIP Committee will consist of the Program Administrator and a Budget representative from the Finance Department in addition to three (3) members that are appointed by the City Manager, of which one must be a management-level employee. The appointed members will serve three fiscal year terms and consist of a diverse, cross representation of departments each term.

The Department of Human Resource Management is responsible for the administration of the Employee Incentive Program, which includes the following:

- Maintaining Suggestion Forms and submission procedures;
- Coordinating meetings of the EIP Committee;
- Acknowledging receipt of suggestions and reviewing for eligibility;
- Notifying employees if additional information is needed;
- Notifying employees if a suggestion does not meet the eligibility criteria and providing the reason(s) why;
- Referring eligible suggestions to the applicable department(s) for review and validation of savings;
- Evaluating responses from the reviewing department(s) to ensure all pertinent information was received;
- Maintaining follow-up procedures to insure all suggestions are reviewed promptly and timely feedback is provided to employees;
- Notifying employees of any delays in the reviewing process;
- Providing periodic status reports to all employees;
- Notifying employees of the outcome of the departmental and EIP Committee decisions;
- Maintaining records on all suggestions received;
- Including all applicable information regarding an awarded suggestion to the employee's personnel file; and
- Preparing annual budget estimates for funding of the Program.

PROCEDURES:

1. The employee/team submits a completed Suggestion Form to the Program Administrator in the Department of Human Resource Management. The employee/team must select the appropriate suggestion criteria for which the suggestion shall be reviewed.
2. The Program Administrator will determine the eligibility of the suggestion. If the suggestion is eligible, the employee/team will receive a letter with the assigned tracking number. If the suggestion is ineligible, the employee/team will receive a letter detailing the reason for ineligibility.
3. The Program Administrator will forward eligible suggestions to the Department Head where the suggestion could be implemented for review to determine originality, practicality, implementation options and projected cost savings.
4. The Department Head will determine whether other departments shall be involved in the evaluation process and provide a response to the Program Administrator. The Program Administrator will contact supplemental departments as necessary for their input.
5. The Department Head will indicate on the form whether or not he/she approves the suggestion by signing the Suggestion Form in the approval section, which will also signify the Department Head's support on implementation of the suggestion. Upon approval determination, signature and date, the complete form should be returned to the Program Administrator.

6. After the completed, signed Suggestion Form is returned by the Department Head, the Program Administrator will place the suggestion on the agenda for the next EIP Committee meeting. Meetings will be held as needed based on the suggestions up for review. Prior to the meeting, the Program Administrator will send each Committee member a copy of the Suggestion Forms to be considered along with any other information.
7. At the meeting, the EIP Committee analyzes the submitted suggestions, responses provided by the reviewing department, determines the feasibility of the suggestion, and if appropriate, the level of award prior to forwarding to the respective Deputy City Manager and City Manager for approval.
8. With the approval of the City Manager, the Program Administrator will notify the employee/team and the respective Department Head of the Committee's decision. The Department Head involved will place adopted suggestions into effect and will notify the Program Administrator once the suggestion has been implemented.
9. Any questions or concerns regarding a suggestion should be referred to the EIP Committee for final determination.
10. If the EIP Committee does not adopt the suggestion, the Program Administrator will provide a notice to the employee/team with an explanation as to why the suggestion could not be adopted.
11. The decisions of the EIP Committee and/or the City Manager will be final and not subject to the City's Grievance Procedure or other appeal processes.

AWARDS:

Awards for suggestions that have been approved by all levels and implemented can be provided for both tangible and intangible suggestions.

Suggestions that are approved but unable to be implemented are not eligible for the monetary awards; however, the employees who submitted them will be recognized for their suggestions.

All monetary awards require the approval of the City Manager before the Finance Department will process the payment and are subject to the availability of funds.

For tangible suggestions:

Suggestions at this level must generate increased revenue or measurable savings for the City. Awards for implemented tangible suggestions will be a minimum of \$100 (after taxes) and a maximum of \$1,000 (after taxes). The amount of the monetary award will be 10% of the projected and documented first-year savings, up to \$1,000. The award will be made to an individual employee or divided equally among the team who submitted the suggestion.

For intangible suggestions:

Suggestions at this level include, but are not limited to those that significantly improve City operations, provide a safer, healthier work environment, create better public relations and enhanced customer service, but do not generate quantifiable savings or income.

The award for an implemented intangible suggestion will be a monetary award of \$75 (after taxes). The monetary award will be made to an individual employee or divided equally among the team who submitted the suggestion.

DEPARTMENT HEAD RESPONSIBILITIES:

It is the responsibility of each Department Head to encourage and promote employee participation in the Employee Incentive Program. Department Heads and their appropriate management staff are expected to devote the necessary time and effort to implement suggestions effectively, consistently, and in a manner that promotes department improvement and employee recognition. Suggestions should be approached with a positive, objective and equitable attitude. Department Heads should review and respond to all suggestions in a timely manner, make necessary determinations about the suggestions, to include implementation, and accurately calculate possible cost savings as a result of the suggestions. The cost savings indicated should be explainable and justifiable in writing with suggestion implementation taken place immediately.

WAIVER OF RIGHTS AND INTEREST

The submission of a suggestion pursuant to this policy will constitute a waiver of any and all claims of rights or interest in the suggestion by the eligible employee, his/her heirs, or assigns against the City except as provided herein, unless the suggestion is deemed by the City to be patentable, whereupon the provisions of the following subparagraph shall govern.

PATENTABLE SUGGESTIONS

If a suggestion is submitted pursuant to this policy which is deemed by the City to be patentable, the employee eligible for the award will retain all rights or interest in the suggestion except for a royalty-free, non-exclusive license to use the suggestion which shall be retained by the City before a patent application may be filed, while the patent is pending, and/or after the patent is granted.

**CITY OF PORTSMOUTH SUGGESTION FORM
EMPLOYEE INCENTIVE PROGRAM (EIP) – AP #P2**

PLEASE SELECT APPROPRIATE CATEGORY:

- Tangible Suggestion**
 Intangible Suggestion

FOR HRM USE ONLY:
Assigned Tracking #: _____

DATE OF SUBMISSION: _____

SUBMITTED BY:

Name: _____
 Name: _____
 Name: _____
 Name: _____

Div./Dept: _____
 Div./Dept: _____
 Div./Dept: _____
 Div./Dept: _____

Please give a detailed description of the suggestion/idea, with emphasis on how the suggestion/idea would save money or otherwise meet the criteria of this program. Attach additional pages if necessary.

Please give a description of how the suggestion/idea would be implemented. Attach additional pages if necessary.

Please give as much detail as possible on how much money the suggestion/idea would save and how. Attach additional pages if necessary.

APPROVAL OF SUBMISSION:

<input type="checkbox"/>	Approved	_____	_____
<input type="checkbox"/>	Disapproved	Director of Human Resource Management	Date

<input type="checkbox"/>	Approved	_____	_____
<input type="checkbox"/>	Disapproved	Department Head	Date

<input type="checkbox"/>	Approved	_____	_____
<input type="checkbox"/>	Disapproved	Deputy City Manager	Date

<input type="checkbox"/>	Approved	_____	_____
<input type="checkbox"/>	Disapproved	City Manager	Date