

DEPARTMENT OF THE ARMY  
Corps of Engineers, Portland District  
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CENWP-RM-B  
Regulation  
No. 5-1-2

31 October 2001

Management  
QUALITY IMPROVEMENT PROCESS

**History.** This printing publishes a revision to this regulation.

**Summary.** This revision updates the District's Quality Improvement Process (QIP). It also includes expanded information on awards & therefore also supersedes NWPR 690-1-20. The establishment of Process Action Teams is discontinued and the Quality Caring Award and Annual Quality Awards are also discontinued.

1. PURPOSE. The purpose of this regulation is to describe the submittal, review, decision, award, implementation and follow-up procedures for the District's Quality Improvement Process (QIP). The QIP is the implementation system for Total Quality Management in the Portland District. Its purpose is to encourage all employees to propose improvements to present policy, procedures, systems, practices, and to identify regulatory and legal constraints that can be forwarded to higher headquarters for change consideration.

2. APPLICABILITY. This regulation is applicable to all employees of the Portland District (NWP).

3. REFERENCES.

- a. Required Publication. NWPR 690-1-1 (Incentive Awards). Cited in paragraph 7g(1).
- b. Related Publications.
  - (1) AR 5-17, The Army Ideas for Excellence Program (AIEP).
  - (2) AR 672-20, Incentive Awards.

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\*This regulation supersedes NWPR 5-1-2, 30 January 1999 and NWPR 690-1-20, 30 January 1999.

4. SUBMITTAL.

a. QIP submittals are to focus on clear identification of a problem, which is making it difficult to do the job right, and/or an idea for improving a work process or work place. Other information can be included such as: policy or regulation affected; explanation of a proposed method or change; and a statement of known or estimated benefits. The evaluation process can be expedited when the submission includes more detail regarding ideas, alternatives and information about costs and benefits.

b. QIP submittals are to be prepared on NWP Form 5-1-R, Quality Improvement Process, available in the QIP holders next to each Quality Bulletin Board; from the Resource Management Office, CENWP-RM-B, or on the LAN (Form Flow). A sample form is shown at Appendix A. Once the self-explanatory form is completed it is signed by the suggestor (individual employee or all members in the case of a group submittal), and sent to the Resource Management Office. QIP submissions may also be made electronically by e-mail. Electronic transmission of a QIP action will have the same effect as a signed submission of NWP Form 5-1-R.

c. The QIP Coordinator in CENWP-RM-B will review submittals. A submittal will be returned without action if: it appears to be a complaint; duplicates a problem already under consideration; or duplicates a QIP for which the two (2) years proprietary rights have not expired.

d. Employees are encouraged to submit all their ideas, even if an idea has been implemented without having gone through the formal QIP process. Implemented QIP ideas should be submitted within 90 days of implementation for documentation and possible monetary award.

e. The name of the submitter(s) will be kept confidential until a decision is made if the submitter marks the appropriate box on the bottom of the form.

5. REVIEW.

a. An effective review is the bridge between identification of a problem and the implementation of an improvement in a work process. The QIP encourages communication between all elements of the organization. Evaluators should be predisposed to adoption, and be willing to work with submitters to clarify elements in the submission. Any questions or requests for additional information regarding the submission can be directed to the submitter, the submitter's supervisor, or the QIP Coordinator. In order to encourage a prompt review, a suspense date is established for each review request and will be continually monitored by the QIP Coordinator and periodically by the Deputy Commander.

b. DA Form 2440, Suggestion Evaluation, is used to document the recommended action. All completed DA Form 2440s are to be sent to CENWP-RM-B, ATTN: QIP Coordinator.

c. There are three review categories: single office review; multiple office review and informal teams. The procedure for each type of review is:

(1) Single Office Review. When a single office is identified as responsible for the function addressed in the submittal, it is designated as the Responsible Office. The Responsible Office is responsible for reviewing the QIP submittal and making one of the following decisions as applicable:

(a) Approve the QIP submittal and implement it. Note, division and staff office chiefs have approval authority. Complete DA Form 2440 including the proposed implementation date in block 3a, identification of tangible and/or intangible benefits in block 5, and an award amount recommendation if there are intangible benefits. Instructions for completion of a DA Form 2440 are attached at Appendix B. As an aid to reviewers/approvers, attached at Appendix C is a time management matrix, which can be used to determine a realistic time frame for proposed implementation of an approved QIP.

(b) Request wider review by affected District organizations when the problem and/or solution crosses organizational lines and cannot be resolved informally. Check box 3e, Other, on DA Form 2440. Explain rationale in block 4 including a list of recommended review offices.

(c) Initiate a test of a proposed resolution. Complete DA Form 2440 including the proposed implementation date in block 3a and specific test criteria and test time frame in block 4. At the conclusion of the test, complete a second DA Form 2440 with identification of tangible and/or intangible benefits in block 5, and an award amount recommendation for any intangible benefits in block 5b(3).

(d) Recommend forwarding the QIP submittal to higher headquarters for adoption. Check box 3d on DA Form 2440, include reasons for recommendation in block 4, and complete benefits category in block 5 for anticipated savings to Portland District only. If intangible benefits are identified, check appropriate box for value, and "Limited" box for "Extent of Application." The District is only allowed to use NWP savings and "Limited" category even though other districts may benefit. HQNWD or HQUSACE will evaluate for "Extended" or "Broad" benefits, if either is applicable and the suggestor paid accordingly.

(e) Recommend disapproval of the QIP submittal when no alternative is feasible. This recommendation must be fully justified and supported by specific rationale. Check box 3c. on DA Form 2440 and provide an explanation in block 4. The Deputy Commander will make final decisions on recommendations for disapproval.

(2) **Multiple Office Review.** When a submittal affects more than one organization, the QIP Coordinator will request a review from each organization. Upon completion of all reviews, a Decision Paper will be prepared by the QIP Coordinator for the Deputy Commander's decision.

(3) **Informal Team.** An informal team is normally initiated and facilitated by the Responsible Office as a result of their evaluation of the idea or problem. An informal team can also be initiated and facilitated by the Resource Management Office at the request of the Deputy Commander.

6. DECISION.

a. **Within District Authority.**

(1) The chief of the Responsible Office has the authority to approve and implement those QIP submissions that fall under his/her functional authority.

(2) The Deputy Commander makes the decision for issues that require multiple office review or when disapproval is recommended.

b. **Higher Authority Required.** Recommendations for approval when higher authority approval is required are forwarded to HQNWD by CENWP-RM-B through the Deputy Commander. The recommendation must include a completed DA Form 2440 that includes sufficient rationale to support the recommendation, identifies tangible and intangible benefits if possible, and makes a recommendation for award based on the value of the QIP submittal to NWP.

7. AWARDS.

a. **Award Selection.** Selection and procurement of promotional items is the responsibility of the Resource Management Office.

b. **Participation Recognition.** When a completed NWP Form 5-1-R is submitted to the Resource Management Office, CENWP-RM-B, a promotional item will be sent to the submitter in recognition of his/her participation. The promotional item will be awarded regardless of whether or not the submitted proposal is ultimately approved and implemented.

c. **Achievement Recognition.** When QIPs are approved and documented on DA Form 2440 (Suggestion Evaluation) and submitted to the Resource Management Office, CENWP-RM-B, the proposer qualifies for receipt of an achievement item. The proposer will

select an achievement item from among a variety of items maintained by the Resource Management Office. This is in addition to monetary or time-off award based on tangible and/or intangible benefits.

d. Eligibility. A monetary or time-off award for approved QIPs can be granted only to the following employees.

(1) Direct-hire Army Civilian personnel who are paid from appropriated funds.

(2) Military members of the Active Army and military members of the other armed services including those in active reserve status.

(3) Retired or otherwise separated employees and soldiers whose QIP submittal was entered into the QIP system while they were in an eligible status.

e. Group Awards. In cases of award for a group idea, the award will be divided equally among all award-eligible group members, or as appropriate based on the relative contributions of each award-eligible group member.

f. Monetary Awards.

(1) Monetary awards are based on the actual or estimated savings realized through the implementation of the QIP submittal.

(a) Tangible Benefits Award. Whenever possible, awards will be based on tangible benefits. Tangible awards are based on the savings, or cost avoidances, that can be measured as a result of the problem's resolution. If implementation costs exceed 50 percent of first-year benefits, calculations may be based on an average of net benefits for the first three (3) to five (5) years. The following scale is used to calculate a monetary award based on tangible benefits:

<u>Estimated First Year Benefits</u>	<u>Amount of Award</u>
Up to \$10,000	10% of benefits
\$10,001 - \$100,000	\$1,000 for first \$10,000 plus 3% of benefits over \$10,000 up to \$100,000
\$100,001 or more	\$3,700 for the first \$100,000 plus 0.5% of benefits over \$100,000

Awards of over \$10,000 require the approval of the Office of Personnel Management.

(b) Intangible Benefits Award. If tangible benefits cannot be measured for all or part of the approved QIP submittal, intangible benefit calculations will be used. Intangible benefits will be estimated on the basis of judgment rather than precise facts or calculations. The evaluator must clearly indicate the value of the benefit and recommend a precise award amount. The "Extent of Application" for the Portland District is always "Limited". We are not allowed to estimate the benefit to other organizations. If the idea is approved at higher headquarters or implemented by other Corps organizations, they will determine the value based on their evaluation and recommend an award for the Portland District submitter. A scale of awards based on intangible benefits follows:

<u>Value of Benefit</u>	<u>Amount of Award</u>
MODERATE Change or modification of an operating principle or procedure which has moderate value sufficient to meet the minimum standard for a cash award; an improvement of rather limited value of a product activity, program or service to the public.	\$25.00 - \$100.00
SUBSTANTIAL Substantial change or modification of an operating principle or procedure; an important improvement to the value of a product, activity, program, or service to the public.	\$100.00 - \$250.00
HIGH Complete revision of a basic principle or procedure; a highly significant improvement to the value of a product, major activity, or program, or service to the public.	\$250.00 - \$500.00
EXCEPTIONAL Initiation of a new principle or major procedure; a superior improvement to the quality of a critical product, activity, program, or service to the public.	\$500.00 - \$1,000.00

(c) Joint Tangible and Intangible Awards. A QIP submittal may have both tangible and intangible benefits. The submitter will be paid an award commensurate with both tangible and intangible benefits realized.

(2) The Deputy Commander may disapprove payment of an award on the grounds that the QIP submittal falls wholly within the submitter's job duties. If the approved idea falls

partly within job duties or exceeds performance standards, an award will be paid. The award may be reduced by the Deputy Commander by a percentage consistent with the extent of the job duties involved. A job duty determination does not preclude award payment if any of the following apply to the adopted idea:

- (a) Is not explicitly stated in the job description.
- (b) Is implemented at a level beyond the individual's authority.
- (c) Provides tangible benefits that are so superior or meritorious that it warrants special recognition.

g. Time-Off Awards: Time-Off Awards (TOA) may be granted for QIP submittals which result in tangible or intangible benefits. The QIP submittal form contains an option for employees to indicate their preference for cash or time-off awards. If no choice is made, a monetary award will be given if applicable.

(1) TOA based on Tangible Benefits will be calculated by dividing the employees effective hourly rate into the Tangible Award amount that was identified for this action as described in paragraph 7.f. (1)(a). The total award is subject to the limitations stated in NWPR 690-1-1.

(2) TOA based on Intangible Benefits will be determined using the following scale:

<u>Value to the Organization</u>	<u>Number of Hours</u>
<u>MODERATE</u> A contribution to a product, activity, program, or service to the public, which is of sufficient value to merit formal recognition. Beneficial change or modification of operating principles or procedures.	1 to 10
<u>SUBSTANTIAL</u> An important contribution to the value of a product, activity, program, or service to the public. Significant change or modification of operating principles or procedures.	11 to 20

<u>Value to the Organization</u>	<u>Number of Hours</u>
<u>HIGH</u> A highly significant contribution to the value of a product, activity, program, or service to the public. Complete revision of operating principles or procedures, with considerable impact.	21 to 30
<u>EXCEPTIONAL</u> A superior contribution to the quality of a critical product, activity, program, or service to the public. Initiation of a new principle or major procedure, with significant impact.	31 to 40

h. Funding Awards. Awards are funded by the submitter(s) and informal team member's individual office awards budget. If the action benefits another organization, and the amount of the award exceeds \$250.00, funds may be transferred from the benefiting organization to the submitter's organization awards budget.

8. FOLLOW-UP EVALUATION. At the conclusion of the implementation date specified on the DA Form 2440 or a three month implementation period, if a specific date (month/year) is not identified in the initial approval, Responsible Offices will receive a follow-up status tasking for adopted actions. The QIP Coordinator will send the follow-up tasking. The purpose is to assure that implementation has taken place. If it has not, the action will be resuspended to the anticipated implementation date. At that time another follow-up evaluation will be made. If the Responsible Office recommends withdrawal or disapproval, the QIP Coordinator for the approval of the Deputy Commander prepares a letter to the submitter. If the Deputy Commander does not approve the disapproval or withdrawal recommendation, the submittal will be re-opened and a new review requested from the Responsible Office.

9. REQUESTS FOR RECONSIDERATION. Within 60 days of the final disapproval decision, the submitter can request reconsideration of the proposal by providing additional information or rationale. The request will be reviewed by the QIP Coordinator to determine if reconsideration is justified. Dissatisfaction or disagreement with the previous decision without supporting rationale is not a valid reason for reevaluation of the proposal. If the action qualifies for reconsideration, the Deputy Commander will make the decision.

10. **PROPRIETARY RIGHTS.** Submitters retain proprietary rights to their idea for two years after the date of final action.

FOR THE COMMANDER:

3 Appendices  
App A - Sample NWP Form 5-1-R  
App B - Sample and Instructions  
for DA Form 2440  
App C - Time Management Matrix

  
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DISTRIBUTION:

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All Employees



**PORTLAND DISTRICT  
QUALITY IMPROVEMENT PROCESS (CONTINUED)**

Please check the phrases that best describe your proposal and indicate whether you consider your proposal a "suggestion" or a "process improvement" on the line provided below. We would also appreciate feedback on the design of this form.

**12. SUGGESTION CHARACTERISTICS**

- A. Tends to concern one discrete action.
- B. Tends to be specific.
- C. Improves efficiency or safety.
- D. Concerns one organization.
- E. Solution is obvious.
- F. Simple definition of the problem, corrective action, and evaluation and follow-up required to solve the problem.
- G. Level of effort required for TQM analysis is not cost-effective in this instance.

**13. PROCESS IMPROVEMENT CHARACTERISTICS**

- A. Tends to concern a chain of actions.
- B. Tends to be generalized.
- C. Fundamentally changes the way we do business.
- D. Concerns more than one organization.
- E. Solution is not obvious.
- F. Definition of the problem through measurement, a temporary fix, and identification of root causes also required.
- G. Level of effort required for TQM analysis is a good investment in this instance.

14. I consider this proposal to be a  suggestion.  
or  
 process improvement.

15. Comments:

*For Illustration Purposes Only*

## APPENDIX B

### HOW TO COMPLETE A DA FORM 2440

Have a constructive attitude for every submittal. Even if the submittal is not initially practical, it can trigger a related idea which solves the problem. As an evaluator, you should explore possible ways to add to, modify, or even completely change the original solution to find the best way to resolve the problem. The Responsible Office should ensure that sufficient data to support the recommendation and payment of an award is included.

The following instructions refer to the appropriate block on the following copy of a DA Form 2440:

TO: QIP Coordinator, ATTN: CENWP-RM-B

FROM: Your title and office symbol

Block 3a: Adoption Information. Can the submittal be adopted as presented, partially, or with modification? If partially or modified, explain the variation in the section titled, "Reasons For Action Taken or Recommended" Block 4. Be sure to complete the date the suggestion was or will be put into effect. See Appendix C for the time management matrix which can be used to establish an implementation time frame.

Blocks 3b through 3e: Action Taken or Recommended Section are used when the QIP is recommended for disapproval or must be sent to higher authority. If "Already in Use or Under Consideration" is selected, provide specific proof of previous consideration such as correspondence and dates. If the action is a duplicate of a previous action (and does not go beyond the scope of the first submittal), identify the earlier submittal. If the previous suggestion was closed prior to two years earlier, the current idea must be considered on its own merits.

Block 5a: Whenever possible, awards will be based on tangible benefits. If implementation costs exceed 50% of first year benefits, calculations may be based on an average of net benefits for the first 3 to 5 years.

Block 5b: Intangible benefits will be estimated on the basis of judgment. Consideration should be given to the quality of the submittal (i.e., well thought-out problem statement and solution, identification of benefits, etc.). The "Extent of Application" is always "Limited".

Block 5b(3): Explain the rationale and justification used to determine the intangible benefit recommendation. The evaluator must clearly indicate the value of the benefit and recommend a precise award either in dollars or time-off hours according to the preference shown on the submittal. Award scales are found in Paragraph 7.c.(1)(b) and (d).

Block 6: Date of the evaluation.

Block 7: Name, title and telephone ext. of evaluator.

Block 8: If the evaluator has the authority to adopt the idea and authorize an award, the name of the evaluator and the responsible official will be the same; otherwise there will be a separate responsible official. The responsible official for recommendations to disapprove or forward to higher authority must be the division or separate office chief or the project manager or his/her designee.

Sample DA Form

SUGGESTION EVALUATION							
FOR USE OF THIS FORM, SEE AR 5-17; THE PROPONENT AGENCY IS OCCSA.							
TO: (Include ZIP Code)				FROM: (Include ZIP Code)			
1. SUGGESTION TITLE						2. SUGGESTION NUMBER	
3. ACTION TAKEN OR RECOMMENDED							
a. APPROVED FOR ADOPTION <input type="checkbox"/> TOTALLY <input type="checkbox"/> PARTIALLY OR WITH MODIFICATION (Explain in Item 4.) DATE SUGGESTION WAS OR WILL BE PUT INTO EFFECT: <input type="checkbox"/> ALSO RECOMMEND CONSIDERATION FOR WIDER APPLICATION AS INDICATED IN ITEM 4.							
b. ALREADY IN USE OR UNDER CONSIDERATION (Explain in Item 4, indicating whether this suggestion contributed to the action in any way.)							
c. NOT APPROVED FOR ADOPTION FOR REASONS SHOWN IN ITEM 4.							
d. RECOMMEND ADOPTION, BUT APPROVAL NOT WITHIN JURISDICTION OF THIS OFFICE. (Explain in Item 4.)							
e. OTHER (Specify in Item 4.)							
4. REASONS FOR ACTION TAKEN OR RECOMMENDED. INCLUDE A STATEMENT AS TO HOW THE SUGGESTION WAS OR WILL BE IMPLEMENTED IF IT IS ADOPTED. (If more space is needed, continue on reverse.)							
FOR ILLUSTRATION PURPOSES ONLY							
5. BENEFITS (Complete for all suggestions adopted or recommended for adoption.)							
a. <input type="checkbox"/> TANGIBLE (Show actual or estimated dollar savings, including the cost of conversion and first year savings.)							
(1)	LABOR			MATERIEL			TOTAL COST OF LABOR AND MATERIEL
	FACTORS	MAN-HOURS INVOLVED	COST PER MAN-HOUR	TOTAL COST	NUMBER OF UNITS	COST PER UNIT	
	FORMER METHOD						
	NEW METHOD						
					TOTAL DOLLAR BENEFITS		
(2) COST OF CONVERTING TO NEW METHOD: LABOR \$ _____ MATERIEL \$ _____ TOTAL \$ _____ <input type="checkbox"/> ACTUAL <input type="checkbox"/> ESTIMATED				(3) TOTAL FIRST YEAR NET DOLLAR BENEFITS (Labor and materiel savings less cost of conversion.) \$ _____ - \$ _____ = \$ _____			
b. <input type="checkbox"/> INTANGIBLE (Describe effect on operations, health, safety, welfare, or morale; and number of people and specific organizations affected. Based on criteria in paragraph 2-8, AR 672-20, indicate the value of the benefit and the extent of application.)							
(1) VALUE OF BENEFIT IS: <input type="checkbox"/> MODERATE <input type="checkbox"/> HIGH <input type="checkbox"/> SUBSTANTIAL <input type="checkbox"/> EXCEPTIONAL				(2) EXTENT OF APPLICATION: <input type="checkbox"/> LIMITED <input type="checkbox"/> BROAD <input type="checkbox"/> EXTENDED <input type="checkbox"/> GENERAL			
(3) EXPLAIN THE FACTORS SELECTED IN (1) AND (2). INDICATE AMOUNT OF AWARD RECOMMENDED FOR INTANGIBLE BENEFITS.							
6. DATE		7. NAME, TITLE & TELEPHONE EXTENSION OF SUGGESTOR			8. SIGNATURE & TITLE OF RESPONSIBLE OFFICIAL		

APPENDIX C

TIME MANAGEMENT MATRIX

<b>1</b> <b>URGENT</b> <b>IMPORTANT</b>  <b>0 - 6 Mos.</b>	<b>2</b> <b>NOT URGENT</b> <b>IMPORTANT</b>  <b>6 - 12 Mos.</b>
<b>3</b> <b>URGENT</b> <b>NOT IMPORTANT</b>  <b>1 - 3 Yrs.</b>	<b>4</b> <b>NOT URGENT</b> <b>NOT IMPORTANT</b>  <b>3 - 10 Yrs.</b>

NOTE: Other time frames than those listed above can be used if circumstances warrant. Proposed implementation dates (month and year) are to be noted in block 3a of DA Form 2440 at the time of proposal review if at all possible.