

**TITLE: CIB 91-28 Salary Setting for Appendix D, HB 14
Personal Services Contractors**

Agency for International Development
Washington. D.C. 20523

November 1, 1991

MEMORANDUM

TO: Distribution List FAC

FROM: A-AA/FA, John F. Owens, Procurement Executive

SUBJECT: Salary Setting for Appendix D, HB 14
Personal Services Contractors

CONTRACT INFORMATION BULLETIN 91-28

I am concerned that some of our Executive Officers and Contracting Officers seem to have misunderstood the policy guidance regarding salary setting in Handbook 14, Appendix D and CIB 91-24. The intent of both documents is to provide a procedure whereby the contracting officer and the project officer may jointly determine the correct market value for each position to be filled and express that market value as a salary range.

This process does not envision the setting of a salary through an arbitrary determination without benefit of careful evaluation and research before the market value is established. Once the market value has been established, it plus the certified salary history will be considered during the negotiations. Salary history will have an impact on where the individual's salary falls within the range. AID/W believes paying salaries using this method avoids paying "rank in person" salaries which are in excess of the value of the job being contracted for.

In those cases where a candidate's salary history falls below the market value of the job, but where both the project officer and contracting officer agree that the candidate meets the education, experience, and other relevant qualification factors for the position and there is no reason to doubt the validity of the market value established for the job, we believe that in fairness, the market value should be paid. We also believe such a circumstance will be unusual and will require careful attention and verification of the market value.

The crucial point in this process is the establishment of a realistic and reasonable market value for a given job. The final judgement regarding reasonableness of this assessment rests with the contracting officer. If the contracting officer has grounds for doubting the reasonableness of the market value established for a given job, he or she cannot be required to accept the assessment and execute a contract based on such an assessment.