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Acquisition & Assistance Policy Directive (AAPD)

From the Director, Office of Acquisition & Assistance

AAPD No. AAPD 22-02

Telework and Remote Work Policy for U.S. Personal Services Contracts with Individuals (PSCs)

Issued: July 13, 2022

AAPDs provide information of significance to all Agency personnel and partners involved in the Acquisition and Assistance process. Information includes (but is not limited to): advance notification of changes in acquisition or assistance regulations; reminders; procedures; and general information. AAPDs may be used to implement new requirements on short notice, pending formal amendment of acquisition or assistance regulations. Each AAPD is effective as of the issuance date on its cover page unless otherwise noted elsewhere in the AAPD guidance; the directives remain in effect until the specified expiration date (if any) or M/OAA/Policy issues a rescission.

This AAPD is: New Replaces:

Category: Acquisition Assistance PSCs

This AAPD applies to: Solicitations New awards Existing awards
 Modification required

This AAPD precedes changes to:

FAR _____ AIDAR Appendix D CFR _____
 ADS _____ Other _____ No change to regulations

Clause/Provision: New Provision/Clause Provided Herein Available in GLAAS

Contains a deviation? No Yes: Deviation No. M-OAA-DEV-AIDAR-22-11c
effective until: July 12, 2024

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I. Purpose

The purpose of this AAPD is to provide guidance and announce revisions to the AIDAR to implement telework and remote work arrangements for U.S. personal services contractors (USPSCs), as a matter of policy, in accordance with approved deviation **#M-OAA-DEV-AIDAR-22-11c**. This AAPD is effective as of the date of issuance and will remain in effect **until July 12, 2024**, or the date when the AIDAR final rule becomes effective, whichever is earlier.

II. Required Actions

- A. **New awards:** Contracting Officers, including warranted Executive Officers, (COs) must prepare all new solicitations and awards using the updated templates available in GLAAS (also available only in viewable format on the M/OAA Policy Website). COs must incorporate the deviated General Provision Contract Clause (GP) 4 (see **Attachment 2**) in all new awards to USPSCs made on or after the effective date of this AAPD. This deviated AIDAR clause has also been updated in GLAAS.
- B. **Existing awards:** COs must modify existing contracts with USPSCs as described below:
1. For **domestic USPSCs** authorized to **remote work**, COs must execute bilateral contract modifications using the language provided in **Attachment 1**, which also includes the replacement of the AIDAR clause “4. Workweek and Compensation (Pay Comparability Adjustments) (JUL 2007)” with the revised AIDAR clause “4. Work Schedule and Compensation (Pay Comparability and Locality Pay Adjustments) (JUL 2007) [Deviation (JUL 2022)]”. These modifications must be done as soon as possible, as the modification is required prior to the Supervisor’s approval of remote work agreements. The CO must follow the steps outlined in the Guidance section below.
 2. For **domestic USPSCs** authorized to **telework**, COs must replace the “4. Workweek and Compensation (Pay Comparability Adjustments) (JUL 2007)” with the revised AIDAR clause “4. Work Schedule and Compensation (Pay Comparability and Locality Pay Adjustments) (JUL 2007) [Deviation (JUL 2022)]” in **Attachment 2**. The replacement of this clause does not require a bilateral modification and can be done when the contract is next modified to add incrementally funding, exercise an option or make any other changes to the contract. The language in Attachment 1 is not required for these modifications.
 3. For **overseas USPSCs** authorized to **remote work** only if authorized by Mission policy, COs must execute bilateral contract modifications using the language provided in **Attachment 1**, except for the paragraph as noted regarding locality pay, as overseas USPSCs are not entitled to locality pay and as such any approval of remote work within the overseas country of performance will not change the USPSC’s compensation. Prior to executing a modification, COs must

prepare a J&A to address the Competition in Contract Act (CICA) requirements associated with the modification. These modifications must be fully executed prior to the Supervisor's approval of remote work agreements. Once the bilateral modification is fully executed, the USPSC must submit a remote work agreement in LaunchPad for approval by their supervisor.

4. For **overseas USPSCs** authorized to **telework** only when authorized by Mission policy, COs must replace the AIDAR clause "4. Workweek and Compensation (Pay Comparability Adjustments) (JUL 2007)" with the revised AIDAR clause "4. Work Schedule and Compensation (Pay Comparability and Locality Pay Adjustments) (JUL 2007) [Deviation (JUL 2022)]" in **Attachment 2** to allow for a flexible work schedule as applicable and authorized by the Mission. The replacement of this clause does not require a bilateral modification and can be done when the contract is next modified to add incrementally funding, exercise an option or make any other changes to the contract.

III. **Background**

In accordance with the Agency's [Future of Work initiative](#), certain domestic USPSC positions have been designated as suitable for telework or remote work. Recent communications, such as this [May 26, 2022 Agency Notice](#), have shared information with USPSCs regarding procedures for telework and remote work. This AAPD implements the updates to AIDAR Appendix D, Section 12, GP 4 (see **Attachment 2**) to incorporate the telework and remote work flexibilities into U.S. personal services contracts.

IV. **Guidance**

A new mandatory reference for ADS 309, [ADS 309man \("Telework and Remote Work Policy for Personal Services Contracts with Individuals \(PSCs\)"\)](#), was recently issued and contains detailed telework and remote work policies and guidance for PSCs. This mandatory reference replaces all references to ADS 405, which is for U.S. direct-hire employees.

As described in ADS 309man, when a USPSC performing in the United States is authorized to remote work, the approved alternative worksite will determine the locality pay for compensation purposes. This means there are impacts on the compensation rate for the contractor as well as the comprehensive budget.

COs must follow the steps below when modifying existing **domestic USPSC** contracts authorized for remote work:

- a. A class Justification and Approval (J&A) prepared by the M/OAA Evaluation Division will be available to address the Competition in Contract Act (CICA) requirements associated with modifications to these current domestic USPSC contracts. The class J&A will be distributed to COs known to manage domestic

USPSCs authorized for remote work; a copy of the class J&A can also be requested from the J&A mailbox at justificationsanda@usaid.gov. COs must review the class J&A to ensure that the particular contract is listed and if so, they may proceed with the modification. If not, the CO must prepare a specific J&A to address the competition requirements prior to modifying the contract. If the class J&A is used, the CO must file a copy of the class J&A with the contract modification in ASIST.

- b. COs must engage with each USPSC whose position has been designated as suitable for remote work, along with the USPSC's supervisor, to determine the USPSC's alternative worksite that will be authorized through the bilateral modification. The CO must explain to the USPSC that their alternative worksite will determine the locality pay. The CO must use the alternative worksite provided by the USPSC to modify the compensation and contract budget, as applicable.
- c. Once the bilateral modification is fully executed, the USPSC must submit a remote work agreement in LaunchPad for approval by their supervisor. When submitting the remote work agreement, the USPSC must attach a copy of the contract modification to the remote work agreement in order to document the approval of the alternative worksite.
- d. The CO must send a copy of the contract modification to the Office of the Chief Financial Officer, Cash Management and Payment Division (M/CFO/CMP) at uspsc@usaid.gov in order for any adjustment in locality pay to be processed.

In addition to this new mandatory reference, solicitation and award [templates for USPSCs](#) have been updated and are available in GLAAS with language and instructions related to telework and remote work. These updates include incorporation of the deviated AIDAR Appendix D, Section 12, GP 4 clause described in this AAPD (see **Attachment 2**).

V. Point of Contact

COs may direct their questions about this AAPD to the [PSC Policy Mailbox](#).

VI. Attachments

Attachment 1 – Modification Language for USPSCs Authorized for Remote Work

Attachment 2 – Revised AIDAR clause GP4 based on Class Deviation No.

M-OAA-DEV-AIDAR-22-11c

ATTACHMENT 1: Modification Language for USPSCs Authorized for Remote Work

COs must use the language below for the modification of USPSC contracts where **remote work** will be authorized. If the approved alternative worksite requires a revision of the budget or other details in the contract related to compensation, please revise and replace those sections of the contract, as appropriate.

The purpose of this modification is to authorize the contractor to work remotely from the approved alternative worksite at **[specify the approved alternative worksite location in accordance with ADS 309man for domestic USPSCs – e.g., Philadelphia, PA – or the location within the cooperating country for overseas USPSCs]**

Prior to beginning any remote work, the contractor must complete a mandatory training and submit a remote work agreement for approval by their Supervisor. Remote work may not begin until the Supervisor has approved the remote work agreement. The contractor must inform the Supervisor and Contracting Officer in advance of any proposed change to the alternative worksite. The contractor is not authorized to change the alternative worksite without a fully executed modification to this contract issued by the Contracting Officer and a new remote work agreement approved by the Supervisor.

[This paragraph is not applicable to overseas USPSCs and COs must not include it in the contract modification.]

A contractor based in the United States who is authorized to remote work will be entitled to Locality Pay based on the rate for the approved alternative worksite. Accordingly, the Locality Pay is calculated at the rate for **[specify locality from the GS-salary table, e.g., Philadelphia-Reading-Camden, PA-NJ-DE-MD]** based on the approved alternative worksite specified above. Any change in the alternative worksite may result in a change to the compensation as the locality pay will be adjusted accordingly.

In addition, this modification replaces General Provision Contract Clause (GP) 4 (“Workweek and Compensation (Pay Comparability Adjustments) (JUL 2007)”) from Section C (“General Provisions Contracts Clauses USPSC Award”) of the contract with the following revised clause:

[Insert Clause from Attachment 2 of this AAPD]

ALL OTHER TERMS AND CONDITIONS OF THE CONTRACT REMAIN UNCHANGED

ATTACHMENT 2: Revised AIDAR Clause GP4 based on Class Deviation No. M-OAA-DEV-AIDAR-22-11c

[Revised or new text is indicated with yellow highlight - COs must delete the yellow highlight when inserting this clause in the contract/modification]

4. Work Schedule and Compensation (Pay Comparability and Locality Pay Adjustments) (JUL 2007) [Deviation (JUL 2022)]

a) Work **Schedule**. The contractor's work **schedule** shall not be less than **80 hours per pay period**, unless otherwise provided in the Contract Schedule, and shall coincide with the work **schedule** for those employees of the **USAID Mission, Bureau, or Independent Office**, or the Cooperating Country agency most closely associated with the work of this contract. If the contract is for less than full time (**80 hours per pay period**), the annual and sick leave earned shall be prorated (see the General Provision of this contract entitled Leave and Holidays).

b) **USAID promotes telework and remote work as workplace flexibilities for contractors. However, telework and remote work are arrangements to facilitate the accomplishment of work. The ability to telework or remote work is not a right or an entitlement and not all PSC positions will be conducive to telework or remote work. Telework and remote work are discretionary tools and may be terminated for business reasons, performance, operational needs, or a contractor's failure to comply with policy directives and required procedures and protocols. For a position that is authorized for remote work, an approved alternative worksite for the contractor will be approved in the Schedule of the contract. For positions that are not authorized for remote work, the contractor may be authorized to telework at the Agency's discretion based on Agency policy as from time to time amended. If the position is suitable for telework, as telework is not a right or entitlement and is discretionary, the contractor must receive approval from their supervisor by submitting a Telework Agreement in accordance with Agency policy.**

c) **Locality Pay. A contractor based in the United States who is not authorized to remote work will be entitled to locality pay based on the location of the Official USAID Worksite.**

A contractor based in the United States who is authorized to remote work will be entitled to locality pay based on the rate for the approved alternative worksite as specified in the Schedule of the contract. Any change to the approved alternative worksite will require a contract modification and may result in a change to the compensation as the locality pay will be adjusted accordingly.

A contractor serving abroad is not authorized to receive locality pay.

d) **Compensation (Pay Comparability) Adjustments. The contractor's compensation shall be adjusted to reflect the pay comparability adjustments, which are granted from time to time to U.S. direct-hire employees by Executive Order for the statutory pay systems (usually in January). Any adjustments authorized are subject to the availability of funds and shall not exceed that percentage stated in the Executive Order granting the adjustment. Further, the adjusted compensation may not exceed the annual "USAID Contractor Salary Threshold (USAID CST)",**

which is equivalent to the maximum rate for agencies without a certified SES performance appraisal system (or the equivalent hourly rate).

[END DEVIATED TEXT]