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Acquisition & Assistance Policy Directive (AAPD)

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AAPD 06-07

AIDAR, APPENDIX D: CONTRACT BUDGET, SALARY DETERMINATION AND SALARY INCREASES

Subject Category: ACQUISITION MANAGEMENT, PERSONAL SERVICES CONTRACTS
Type: Policy

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. Also, AAPDs may be used to implement new requirements on short-notice, pending formal amendment of acquisition or assistance regulations.

AAPDs are EFFECTIVE AS OF THE ISSUED DATE unless otherwise noted in the guidance below; the directives remain in effect until this office issues a notice of cancellation.

This AAPD: Is New Replaces CIB 98-16

Applicable to:

Existing awards; Modification required

- No later than
- As noted in guidance below
- RFPs/RFAs issued on or after the effective date of this AAPD; all other Pending Awards, i.e., 8(a), sole source, IQC
- Other or N/A

Precedes change to:

- AIDAR Appendix D
- USAID Automated Directives System (ADS) Chapter
- Code of Federal Regulations
- Other
- No change to regulations

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PURPOSE: The purpose of this AAPD is to:

1. change the Agency for International Development Acquisition Regulations (AIDAR), Appendix D budget process for all US-citizen Personal Services Contracts (PSCs)—Washington-based, resident-hire, and internationally recruited (offshore), and non-USPSCs paid under the AIDAR; and
2. change the AIDAR, Appendix D salary determination process and salary increases for all USPSCs, and non-USPSCs paid under the AIDAR, Appendix D.

ACTION REQUIRED: Effective immediately and as noted in the AAPD, Contracting Officers must implement the changes, as prescribed in the Guidance section below.

BACKGROUND: As part of the ongoing efforts to implement financial changes, USAID's Appendix D PSCs are being modified to meet those changes in the contract budget format and awarding of PSCs.

GUIDANCE:

1. BUDGETS FOR PSCs WRITTEN UNDER THE AIDAR, APPENDIX D.

For all new personal services contracting actions, including extensions and renewals, written under Appendix D of the AIDAR, budgets contained in the contracts will include only those line items paid directly to the contractor or to the Internal Revenue Service. Such line items should include, for example, salary, insurance reimbursements, and certain differentials and allowances. Please see Attachment 1 for an example of an USPSC budget. Other line items previously contained in contract budgets for budgetary reasons, and/or not paid directly to the contractor should, as a rule, be excluded from the contract. Such support costs will be incurred via separate obligations (e.g. Lease Agreements - SF 1190, ICASS, etc.). Operating Units will continue to budget and make funding available for both direct reimbursable costs to the Contractor and costs incurred by the Operating unit in support of the Contractor. Exceptional circumstances may arise which require inclusion of specific selected support costs in the PSC contract. In these rare circumstances a written justification will be provided to the Contracting Officer (CO) for the CO's approval and be placed in the official contract file.

2. AIDAR, APPENDIX D SALARY SETTING AND SALARY INCREASES

Currently, PSCs compensated under AIDAR, Appendix D receive two salary increases yearly: the pay comparability increase is paid on the same basis as that paid to US Direct Hire employees in the first pay period of a new calendar year, so long as money is available and such adjustment is paid to US Direct Hire (USDH) employees. The other salary increase is usually paid on/about the anniversary date of the PSC's contract for satisfactory performance or better based on the written evaluation of the PSC's Cognizant Technical Officer (CTO).

Since all Washington-based and offshore USPSC payrolls will soon be outsourced, the following changes are to be made in negotiating USPSC salaries and in determining USPSC salary increases for satisfactory or better performance. These changes apply to all new personal services contracting actions, including extensions and renewals, written under Appendix D of the AIDAR:

- a) All AIDAR, Appendix D PSC positions will continue to be classified based on the General Service (GS) schedule to determine what the USAID considers to be the market value and salary range of the PSC position. However when the salary is negotiated and agreed upon, the salary will be fixed at a specific step within the salary range, as classified at the GS-equivalent grade, for the specified position (e.g., GS-13, step 5).
- b) Future salary increases based on satisfactory performance or better will no longer be based on the current 3% salary increase, but instead will be fixed at the next "step" for that specific GS-equivalent grade. For example, a PSC whose salary is started at the GS-equivalent 13, step 5 will receive a performance-based salary increase on the contract's anniversary date equivalent to a GS-equivalent 13, step 6. For extensions and renewals, when a PSC's current salary is between steps (for example between a step 5 and a step 6), the base for extension or renewal will be established at the higher step (for example, step 6), and the "step increase" will be to step 7. Once an individual reaches the upper limit of a position's market value, i.e., the top of the GS-equivalent grade, the individual's salary will be "capped" in the same way as that of a USDH salary. This does not affect the annual pay comparability adjustment.

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ATTACHMENT 1

United States Personal Services Contractor (USPSC)
Contract Budget

EOCC	Budget Category	Annual Budget
	Compensation:	
1130008	Basic Compensation	\$
1150108	Overtime	
1150158	Holiday Pay	
1150208	Sunday Pay Differential	
1150258	Night Work Differential	
1150308	Danger Pay Differential	
1150358	Post Differential	
1150558	Monetary Awards	
1150958	Other Premium Compensation	
	Total Compensation	\$
	Other Reimbursable Costs:	
1210408	Health Insurance	\$
1210508	Life Insurance	
1210608	Medical Evacuation Insurance	
1210658	Professional Liability Insurance	
	Total Reimbursable Costs	\$
	Reimbursement Pre-Contract Costs:	
2560100	Medical Examination Fees	\$
2100900	Visas and Miscellaneous Travel Costs	
	Total Pre-Contract Costs	\$
	Tax Payments for Benefit of Employee:	
1210307	FICA/Medicare	\$
	Total Contract Budget	\$

