



USAID
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USAID CONTRACTOR SALARY THRESHOLD (USAID CST)

An Additional Help document
for ADS Chapter 302

New Reference: 06/14/2007
Responsible Office: OAA/P
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BACKGROUND:

AAPD 04-11, issued August 31, 2004, revised the Agency policy for the reasons stated in its background section, and set a new standard for establishing the threshold for M/OAA Director approval of contractor salaries. Until AAPD 04-11 was issued, ADS 302, USAID Direct Contracting, contained Agency policy directives and required procedures regarding the threshold at which contract salaries required M/OAA Director approval and established a rate equivalent to Office of Personnel Management's (OPM's) Executive Service (ES)-6 level as the threshold. The USAID Acquisition Regulation (AIDAR) cost principles and certain clauses also referred to the "ES-6 policy." Since the issuance of AAPD 04-11 there have been a number of questions indicating that an update to and clarification of the policy and its references will help USAID contracting staff more effectively apply the policy.

AAAPD 06-03 established the new threshold as discussed in the guidance below. This new policy has now been incorporated into ADS 302.

GUIDANCE:

The standard that USAID uses as the threshold beyond which approval of the Director, M/OAA is required is the equivalent of the OPM maximum rate of pay for agencies without a certified SES performance appraisal system. This threshold will now be referred to as the "USAID contractor salary threshold" or "USAID CST."

In future years, changes to the salary approval threshold will be applicable as of the effective date of a new maximum rate for agencies without a certified SES performance appraisal system. New maximum rates are announced by the Office of Personnel Management and published in the Federal Register. Because M/OAA will no longer issue annual AAPDs updating the rate, COs and negotiators can find the applicable OPM rate at <http://www.opm.gov/oca/>.

When researching the rate, follow these steps:

1. At the Web site, click on "Salaries and Wages."
2. Click on "Senior Executive Service."
3. Click on Schedule for "Basic Rates of Pay for Members of the Senior Executive Service."
4. The "USAID CST" will be the amount established for Agencies **without** a Certified SES Performance Appraisal System.

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