

The image features a large, light gray watermark of the USAID seal in the background. The seal is circular and contains the text "UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT" around the perimeter. In the center of the seal is a shield with a map of the United States, and the word "USAID" is written in a large, bold, sans-serif font across the middle of the shield. There are three stars at the bottom of the seal.

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**TITLE: CIB 96-08 - Determining a Market Value for PSCs Hired Under Appendix D, HB 14**

February 23, 1996

MEMORANDUM TO ALL CONTRACTING OFFICERS AND NEGOTIATORS

FROM: DAA/M, Michael D. Sherwin

SUBJECT: Determining a Market Value for Personal Services  
Contractors Hired Under Appendix D, Handbook 14

**CONTRACT INFORMATION BULLETIN 96-8**

This supersedes CIB 91-28 dated November 1, 1991. The intent of the previous CIB was to clarify the requirement that the Contracting Officer or the Executive Officer jointly determine with the Technical Officer the correct market value for each position to be filled and express that market value as a salary range. However, guidance on how to arrive at the salary range was not discussed in either CIB 91-28 or Appendix D of Handbook 14.

The attached Guide for Salary Class Determination of U.S. Personal Services Contractor Positions is provided for this purpose. It is designed to assist the user in determining a GS grade for the position being reviewed, a grade which will yield an appropriate salary range for use in searching for candidates. The GS grade represents the market value of the work to be performed, and the GS salary range represents agreement within the U.S. Government as to approximately what USAID should be paying to have that work accomplished. All contract files must be documented to indicate that a grade-level review was performed, and the results of that review.

Once the market value has been established and a suitable candidate is identified, 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. USAID/Washington 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 Contracting Officer or Executive Officer and the technical 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, the market value should be paid. It is expected that such a circumstance will be unusual and will require careful attention and verification of the market value.

On the other hand, there may be circumstances where, after continuing efforts to locate suitable candidates at the market value, a position can not be filled within the salary range determined by application of the attached Guide. In such cases

the Contracting Officer or Executive Officer is expected to negotiate a fair and reasonable salary and to document the negotiations completely in the contract file. In all such cases the actual market value of the position should be kept clearly in mind. In no such case will the candidate's salary history be the determining factor in exceeding the market value of the position.

Negotiating salary based solely on the applicant's current earnings without reference to market value of the job is acceptable only if specifically approved in writing by the Mission Director or cognizant Assistant Administrator.

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 or Executive Officer, not the technical officer. If the Contracting Officer or Executive Officer has grounds for doubting the reasonableness of the market value established for a given job, he or she can not be required to accept the assessment and execute a contract based on such an assessment.

If at any time during the determination process assistance is needed, contact M/HR/POD/PMC.

Attachment: a/s

**GUIDE FOR SALARY CLASS DETERMINATION OF  
U.S. PERSONAL SERVICES CONTRACTOR POSITIONS**

This guide is appropriate for use in determining the "market rate" range for all U.S. Personal Services Contractors (USPSCs) engaged by USAID (the Agency) to perform work in the United States and overseas. It is to be used primarily by Contracting Officers in USAID/Washington and by Contracting Officers and/or Executive Officers (or designees) overseas, who have the authority to determine and negotiate the appropriate salary class (grade) for USPSC positions. All USAID Bureaus/Offices and overseas posts are encouraged to review and become familiar with the guide.

The purpose of this guide is to meet the requirements of the AIDAR (HB-14), Appendix D, to determine the "market rate" range for work to be performed by USPSC's. It is not intended to substitute for or preclude negotiation on the part of Contract Officers, Executive Officers, and contractors.

This guide is divided into four parts:

- A. Preparation of Scopes of Work
- B. Determination of Salary Class (Grade)
- C. Salary Class Benchmarks
- D. Salary Class Review

Attachment to CIB 96

A. Preparation of Scopes of Work

In order to establish uniformity and ease of review, scopes of work will be prepared by the originating offices using the following standard format. The scope of work should be limited to two pages.

1. Recommended Position Title
2. Organizational Location of Position  
(Bureau/mission, office, division, etc.)
3. Position Title/Grade of Direct Supervisor
4. Supervisory Controls  
(How are assignments made and how much review/control will be provided by the supervisor.)
5. Introduction  
(Short review of the program and the role of the position within the program.)
6. Duties and Responsibilities of the Position  
(Work to be performed must be defined in objective, mission-related, output terms which emphasize what

needs to be done.)

7. Supervision/Oversight Over Others  
(Whom, including grade level/how, if any.)
8. Education/Experience Required for the Position

## **B. Determination of Salary Class (Grade)**

The contracting official (Contracting Officer and/or Executive Officer) will review scopes of work and determine the appropriate salary class, in consultation with the technical officer. Positions held by USPSCs are considered "rank-in-position"; that is, the work to be performed is assessed, not the person proposed for the position (see exception for trainee levels, below). As a result, the Agency uses the General Schedule (GS) scale as a basis for salary negotiation for these kinds of positions.

If a preferred or acceptable candidate does not warrant the proposed grade of the position, due to lack of qualifications, work experience, or for other appropriate reasons, the technical officer can either rewrite the position to a lower grade or consider the use of a trainee level (one grade below), until such time as the incumbent can perform the duties and responsibilities of the position at the full performance level.

## **C. Salary Class Benchmarks**

Most USPSC positions will fall between the GS-5 and GS-13 grade levels of the GS scale. Generic benchmarks have been designed for ease in use at levels GS-5, GS-9, and GS-13. Instructions for interpolating between these levels are provided. Instructions for consideration of positions above GS-13 are provided in Part D of this Guide.

Benchmarks are to be considered and interpreted as guides to judgments made about the appropriate GS grade level (salary range) for the position. Positions at higher levels in overseas USAID establishments are typically involved with program or project development and management, thus the benchmarks are tailored to those functions. The absence of a specific benchmark at a particular level for other kinds of work does not preclude a position being evaluated to that grade level.

### **BENCHMARK: GS-5**

Occupations at this level involve structured work in support of office operations. Clerical work is performed in accordance with established policies, procedures, or techniques. The work requires knowledge of an organization's rules, some degree of subject matter knowledge, and skill in carrying out the full range of clerical assignments. Positions at this level normally require at least one year of substantive general office, administrative, or clerical experience.

Clerical work typically involves general officer or program support duties, such as preparing, receiving, reviewing, and verifying documents; processing transactions; maintaining tracking systems; maintaining office records; locating and compiling data or information from files; keeping a calendar and informing others of deadlines and other important dates; and using keyboards to prepare typewritten material or to store or manipulate information for data processing use. Incumbents follow accepted practices in resolving non-recurring problems and meeting deadlines.

Work is assigned by a supervisor, with on-the-job training provided as needed. Work is reviewed for accuracy, format, etc. Supervisor is kept informed of work progress. Contacts at the GS-5 level are typically limited to agency personnel to obtain and provide information of a procedural nature.

**BENCHMARK: GS-9**

Positions at this level require the exercise of analytical ability, judgment, discretion, and personal responsibility, and the application of a substantial body of knowledge of principles, concepts, and practices applicable to administrative and program issues or studies. While these positions do not require specialized education, they do involve the type of skills (analytical, research, writing, judgment) typically gained through a college level education consisting of two full years at the graduate level or a Master's Degree, or through three years of progressively responsible experience equivalent to this level. This kind of work is typically a service function which supports the Agency's mission or program. Work principally involves dealing with problems and relationships of a procedural nature, rather than the substance of work operations, issues, or other subjects studied.

Incumbents typically prepare program documentation; maintain tracking systems to monitor goals and expenditures; and draft recurring reports. Incumbents are required to brief managers on study findings and recommendations. These reports and recommendations influence decisions by managers concerning the internal operations of the organization and the activities studied.

Contacts at this level are typically made to obtain or exchange factual information and to provide advice to managers on non-controversial issues and concerns. Contacts are usually limited to immediate Agency personnel and include minimal substantive contacts with the general public.

The supervisor typically assigns projects and sets deadlines for completing the work. Findings and recommendations developed by the incumbent are reviewed for appropriateness prior to release or discussion with management officials.

Knowledge of established management/program principles, pertinent regulations, and internal guidelines, plus skill to conduct fact-finding studies, are required.

**BENCHMARK: GS-13**

Typical of this level are professional/technical assignments involved with project or program management, and with project development. Although not a policy maker, at this level the incumbent influences program policy by reason of recognized expertise in the particular field of development assistance.

Professional work requires knowledge in a field of science or learning characteristically acquired through education or training equivalent to the graduate or higher degree, with significant study in or pertinent to the specialized field, as distinguished from general education, or five years of progressively responsible experience equivalent to this level in the professional or technical field. Work requires the exercise of discretion, judgment, and personal responsibility.

At this level, work typically includes planning, organizing, directing, designing, and coordinating development programs and/or projects, requiring diverse creative and support efforts contributed by others; or the work entails conducting evaluations to determine the feasibility of various advanced approaches to define concepts and criteria for future programs or to resolve major controversial problems in current programs. Typical assignments require developing detailed plans, goals, and objectives for the long-range implementation and administration of the program, or developing the criteria for evaluating the effectiveness of the program.

Technical work at this level requires expertise in specialized fields. Assignments include providing technical advice in the formulation of overall country programs and strategies and in the planning, development, design, evaluation, and implementation of activities.

Incumbents typically identify and develop ways to resolve problems or cope with issues which directly affect the accomplishment of principal program goals and objectives. Incumbents may develop new ways to resolve major problems, or plan the most significant aspects of professional or scientific programs.

Incumbents may work as a team leader, guiding and coordinating the work of other professional or technical staff.

Assignments are generally received in terms of general objectives. Typically, incumbents confer with other professional or technical personnel, and user organizations, to develop the objectives in more detail and to reconcile



conflicts. Technical problems are generally resolved without reference to supervisors. Recommendations of incumbents at this level are normally accepted by others as those of a specialist. Completed work is reviewed for feasibility in relation to requirements, and for conformance with overall policy and program objectives.

The work includes representing the organization in high-level conferences and meetings, explaining and interpreting policies and requirements to others, and negotiating important issues with other groups.

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Contracting Officers and/or Executive Officers can determine if the positions falls above or below the grade levels described in the benchmarks by extending the criteria as needed to meet specific job situations. In order to interpolate between the levels provided, the contracting official(s) must consider the following:

- The degree of responsibility for decision making assigned to the position;
- The level of resources allocated to the assignment;
- The complexity of the host government's organizational structure, and its resultant effect on the incumbent's responsibilities;
- The level of management expertise in host-country offices;
- The stage of the activity (formative or established);
- The level of contacts outside the Agency;
- The level of work assignments (is the assignment a portion of larger study or activity, or an entire results package);
- The level of supportive work in a professional or administrative field;
- The level of knowledge/experience required to perform work assigned; and/or,
- The level of supervision required over the position.

**D. Salary Class Review**

When the position being reviewed appears to warrant a grade above the GS-13 level, the scope of work must be forwarded to M/HR/POD/PMC for review and appropriate salary class (grade) determination. This review is mandated because positions at levels above GS-13 typically include governmental functions the Agency may determine not to perform with contractors. In addition, positions which are determined to be above the GS-13 level will also be reviewed by M/HR/POD/S for the possible assignment of direct-hire employees.

Upon request, M/HR/POD/PMC is available to assist Contracting Officers and/or Executive Officers in determining the appropriate grade level of positions at all grade levels.