

**TITLE: CIB 94-14 Approval of Contractor Salaries**

July 7, 1994

MEMORANDUM FOR ALL CONTRACTING OFFICERS AND NEGOTIATORS

TO: Distribution List FAC  
FROM: DAA/M, Michael D. Sherwin, Procurement Executive  
SUBJECT: Approval of Contractor Salaries

**CONTRACT INFORMATION BULLETIN 94-14**

This CIB supersedes and cancels CIB 93-4; it also supersedes AIDAR sections 731.205-6(d), 731.371(b) (1), 731.772, and 752.7007(b); Appendix D, para. 4(e) (4), and Section 11, General Provision 4; and Appendix G. This CIB is effective upon receipt. It takes precedence over the AIDAR sections and appendices cited above until further notice.

This CIB cancels the requirement for AID approval of contractor salaries exceeding the maximum rate for a Foreign Service Officer class FS-1. In lieu of this requirement, AID approval is now required for any contractor salary which exceeds the maximum level for a Senior Executive Service level ES-6. By direction of the Administrator, salaries above ES-6 will be reviewed and approved by the Procurement Executive. Requests for approval of salaries above the ES-6 level should be prepared by the project office just as an FS-1 approval per Appendix G, and should be directed to the Procurement Executive through the cognizant Assistant Administrator or Mission Director.

The current maximums for ES-6 (excluding locality pay) are set forth in Appendix 5B of AID Handbook 26. For your convenience, the current rates are:

ES-6

Hourly	:	\$ 55.44
Daily	:	\$443.52
Annual	:	\$115,700

[Note: the hourly rate is derived by dividing the annual rate by 2087 hours.]

We are considering eliminating all requirements for review and approval of contractors' salaries, and relying instead on contractors' established personnel policies and procedures negotiated with their cognizant audit agency. We will keep you advised.

Please provide a copy of this CIB to your project officers.