



# Requesting Approval to Negotiate a USPSC above GS-15 and CST

A Mandatory Reference for ADS Chapter 309

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## **APPROVAL PROCESS FOR NEGOTIATING A USPSC SALARY ABOVE THE GS-15 GRADE AND CST**

Because the market value of USAID USPSC positions cannot exceed the GS grade 15 (GS-15), step 10 equivalent level, a Contracting Officer (CO) must obtain approval from the Mission Director or Assistant Administrator (AA) before negotiating a USPSC salary above the GS-15, step 10 equivalent level.

The CO must obtain approval from the Director of the Office of Acquisition and Assistance (Director, M/OAA) before negotiating a salary above the contractor salary threshold (CST) (consistent with [ADS 302.3.6.10](#) and [302.3.8.4](#)).

The USAID CST is the equivalent of the Office of Personnel Management (OPM) maximum rate of pay for agencies without a certified SES performance appraisal system. Future 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 OPM and published in the Federal Register. Because M/OAA will no longer issue AAPDs updating the rate, COs and negotiators can find the applicable OPM rate at <http://www.opm.gov/oca/>.

To find the rate, follow these steps:

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

To request approval, the CO must follow the procedures below:

1. The CO must prepare a memorandum supporting the CO’s determination that the proposed salary is fair and reasonable in accordance with applicable [FAR](#) and [AIDAR](#) guidance. The memorandum must include discussion of the following items:
  - Comparison of the proposed salary to the CO-approved position level,
  - Comparison of the proposed salary with the individual’s salary history for similar work, and
  - The specific basis upon which the proposed rate is considered fair and reasonable in accordance with the applicable [FAR 31](#) and [AIDAR 731](#) cost principles.
2. The CO must forward the memorandum to the Requestor for concurrence. The Requestor must prepare a supplemental memorandum indicating concurrence or non-concurrence, discussing relevant technical issues, such as

- Technical competence of the individual compared to that required for the work,
  - Scope of responsibility, and
  - Any inconsistencies with the position level.
3. **Approval for a Salary above the GS-15, but below the CST.** The Requestor must forward both the CO's and the Requestor's memoranda to the cognizant Mission Director, Assistant Administrator (AA), or Head of an Independent Office (IO), for approval for a salary above the GS-15, step 10, and below the CST.
  4. **Approval for a Salary above the CST.** If the proposed salary is above the CST, then the Requestor must obtain Mission Director, AA, or Head of IO clearance before submitting the request to the Director, M/OAA for approval.
  5. The CO must document the actions required in this section in the contract file. The approval document must also be included in the contract file.
  6. **NOTE:** An increase in the maximum annual rate for the GS-15, step 10 or USAID CST cannot, by itself, be the basis for salary increases for a USPSC. Any revisions to salaries should only be considered along with changes to the scope of work or in accordance with other contract terms. Salary increases should not be granted without corresponding increases in the quality or quantity of services rendered.

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