

**HEADQUARTERS
POLICY FLASH**

POLICY FLASH 2003-19

DATE: August 26, 2003
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, ME-61
Office of Procurement and Assistance Management

SUBJECT: **Office of Federal Procurement Policy (OFFP) Determination of Executive Compensation Benchmark Amount**

SUMMARY: The Administrator of OFFP has determined that the "benchmark compensation amount" allowable under government contracts is \$405,273 costs incurred during a contractor's fiscal year (FY) 2003. This determination was made pursuant to Section 39 of the OFFP Act (41 U.S.C. 435) and was published in the Federal Register Vol.68, No.85, May 2, 2003.

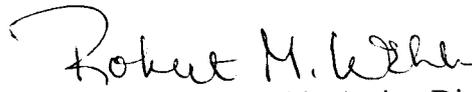
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This "benchmark compensation amount" is to be used for contractor FY 2003 and subsequent contractor FYs unless and until revised by OFFP. This benchmark compensation amount applies to contract costs incurred after January 1, 2003, under covered contracts of both defense and civilian procurement agencies, as specified in Section 808 of Pub. L.105-85.

This "benchmark compensation amount" supersedes the amount cited in Headquarters Policy Flash 2002-18, May 14, 2002.

Applicability of the FAR to M&O contracts is addressed at 48 CFR 31.205-6(p) and 48CFR 970.3102-05-6(p), respectively.

For questions related to this Flash, contact Terry Sheppard at (202) 586-8193 or via e-mail at terry.sheppard@hq.doe.gov


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Cc: PPAG Members