



POLICY FLASH 2006-34

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DATE: May 25, 2006

TO: Procurement Directors

FROM: Office of Procurement and Assistance Policy, MA-61
Office of Procurement and Assistance Management

SUBJECT: Office of Federal Procurement Policy (OFPP) Determination of Executive Compensation Benchmark Amount for Costs Allowable Under Government Contracts during Contractor's Fiscal Year (FY) 2006

SUMMARY: This flash provides notice of OFPP's determination of the executive compensation benchmark amount applicable to Government contracts during contractor's FY 2006. (OFPP's memorandum was published in the Federal Register on May 3, 2006.)

OFPP has determined the "benchmark compensation amount" as required by Section 39 of the Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 435), as amended. The amount is \$546,689. The cap is for contractor's FY 2006 and subsequent years, unless and until revised by OFPP.

Department of Energy Acquisition Regulation (DEAR) 970.3102-05-6 (p)(1), "Compensation for personal services," states that costs incurred for compensation of a senior executive in excess of the benchmark compensation amount determined applicable for the contractor fiscal year by the Administrator, Office of Federal Procurement Policy, are unallowable.

Questions concerning this policy flash should be directed to Helen Oxberger at 202-287-1332 or helen.oxberger@hq.doe.gov.



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