



February 19, 2005

USAID/Iraq A&A Notice 05-003

TO: USAID/Iraq Mission Staff and Implementing Partners

FROM: Alvera Reichert, office Director-Baghdad

SUBJECT: Post Differential and Danger Pay Allowances under Iraq Reconstruction Cost-Reimbursement Type Contracts

1. **Scope:** This Notice applies to all contracting activities awarding and administering cost reimbursement contracts being performed in Iraq. The clarifications in this Notice also apply to contracts or task orders using other than a cost reimbursement pricing structure but that allow for the reimbursement of costs for the allowances discussed below.

2. **Responsibilities and Requirements:** USAID contracting officers awarding and administering cost reimbursement contracts that include performance in Iraq are to calculate post differential and danger pay under AIDAR clause 752.7028 by applying the percentages established by the Department of State for U.S. Government employees for each allowance to a maximum 40 hour workweek, regardless of whether the contractor has been authorized a workweek in excess of 40 hours. If the contracting officer has authorized a workweek in excess of 40 hours, then additional non-premium pay salary and related fringe benefits may be paid for hours worked, but payments for post differential and danger pay are limited to the percentage rates applied to a maximum of 40 hours. "Non-premium pay" means an hourly rate of pay that is no more than the regular hourly rate of pay for a maximum 40 hour workweek.

NOTE: The "Ceiling on Payment" in Section 552 of the DSSRs does not apply to contractor employees, in accordance with the parenthetical phrase in 752.7028(a) ["(except the limitation contained in Section 552, "Ceiling on Payment")"].

3. **Effective Date:** This Mission Notice is based on a Procurement Executive Bulletin effective February 3, 2005. This Notice is effective February 3, 2005 and shall remain in effect until cancelled by the Procurement Executive, USAID/W. Notwithstanding the effective date of this Notice, to the extent that USAID notified any contractor of this decision before the issuance of this Notice, then the date of such notification is the effective date for calculating danger pay and post differential for that contract.