OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Procurement Policy

Determination of Executive Compensation Benchmark Amount

AGENCY: Office of Federal Procurement Policy, OMB.

ACTION: Notice.

SUMMARY: The Office of Management and Budget (OMB) is hereby publishing the attached memorandum to the heads of executive departments and agencies concerning the determination of the maximum benchmark compensation amount that will be allowable under government contracts during contractors FY 2006—$546,689. This determination is required under Section 39 of the Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 435), as amended. The benchmark compensation amount applies equally to both defense and civilian procurement agencies.


Clay Johnson III,
Acting Director.

Memorandum for the Heads of Executive Departments and Agencies

From: Clay Johnson III, Acting Director.

This memorandum sets forth 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. Under Section 39, the benchmark compensation amount is the median amount of the compensation provided for all senior executives of benchmark corporations for the most recent year for which data is available. The benchmark compensation amount established by Section 39 limits the allowability of compensation costs under government contracts. The benchmark compensation amount does not limit the compensation that an executive may otherwise receive. This amount is based on data from commercially available surveys of executive compensation that analyze the relevant data made available by the Securities and Exchange Commission. More specifically, as required by Section 39 of the OFPP Act, the data used is the median (50th percentile) amount of compensation accrued over a recent 12 month period for the top five highest paid executives of public-traded companies with annual sales over $50 million. After consultation with the Director of the Defense Contract Audit Agency, we have determined pursuant to the requirements of Section 39 that the benchmark compensation amount for contractors’ Fiscal Year 2006 is $546,689. This amount is for Fiscal Year 2006 and subsequent contractor fiscal years, unless and until revised by OMB. The benchmark compensation amount applies to contract costs incurred after January 1, 2006, under covered contracts of both the defense and civilian procurement agencies as specified in Section 39 of the OFPP Act (41 U.S.C. 435), as amended.

Questions concerning this memorandum may be addressed to Julia B. Wise, Office of Federal Procurement Policy, on (202) 395–7561.

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MILLENIUM CHALLENGE CORPORATION

[MCC FR 06–08]


AGENCY: Millennium Challenge Corporation.

SUMMARY: The Millennium Challenge Corporation (MCC) is reporting for the quarter January 1, 2006 through March 31, 2006 with respect to either assistance provided under section 605 of the Millennium Challenge Act of 2003 (Pub. L. 108–199, Division D [the Act]), or transfers of funds to other Federal agencies pursuant to section 619 of that Act. The following report shall be made available to the public by means of publication in the Federal Register and on the Internet Web site of the MCC (http://www.mcc.gov) in accordance with section 612 (b) of the Act.

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