



POLICY FLASH 2010-69

DATE: July 13, 2010

TO: Procurement Directors

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

SUBJECT: Reporting of Executive Compensation and First-Tier Subcontract Awards under the Federal Funding Accountability and Transparency Act of 2006 as amended

SUMMARY: The Federal Funding Accountability and Transparency Act of 2006 (the Act) required the establishment of a free, public, searchable website disclosing information on all Federal awards. Federal awards included both contracts and financial assistance agreements and subcontracts and subawards. The Act was amended in 2008 to require executive compensation information to be included in the disclosure. Information on contracts and financial assistance agreements has been reported into the website, www.USASpending.gov, since December 2007. Information on executive compensation has been reported only for those contracts and agreements funded by the American Recovery and Reinvestment Act of 2009. On July 8, 2008, the Federal Acquisition Regulation (FAR) was changed by an interim final rule to now include reporting on first-tier subcontractors and to expand the executive compensation reporting requirement to all contracts. Contractors will submit reports on the web at www.fars.gov.

Effective immediately, all solicitations and new contracts over \$25,000 must include FAR 52.204-10, Reporting Executive Compensation and First-tier Subcontract Awards. All existing indefinite-delivery, indefinite quantity (IDIQ) contracts and blanket purchase agreements (BPA) must be modified to include the clause for future orders. The only exceptions are for classified work or contracts with individuals. FAR 52.204-10 will be in STRIPES after July 23, 2010.

Contractor reporting requirements under FAR 52.204-10 are being implemented in a phased approach:

- Until September 30, 2010, any newly awarded subcontract must be reported if the prime contract award amount was \$20,000,000 or more;
- From October 1, 2010, until February 28, 2011, any newly awarded subcontract must be reported if the prime contract award amount was \$550,000 or more; and
- Starting March 1, 2011, any newly awarded subcontract must be reported if the prime contract award amount was \$25,000 or more.

By the end of the month following the month of award of a contract, and annually thereafter, the contractor must report the names and total compensation of each of the five most highly compensated executives for the contractor's preceding completed fiscal year.

By the end of the month following the month of award of a first-tier subcontract, the contractor shall report basic information on the subcontract and subcontractor.

By the end of the month following the month of award of a first-tier subcontract, and annually thereafter, the contractor shall report the names and total compensation of each of the five most highly compensated executives for the first-tier subcontractor's preceding completed fiscal year.

Additional information is available in the attached Federal Register Notice. Each Procurement Office will be responsible for data quality and contractor compliance. Submission of the required reports should be considered in past performance evaluations.

Implementation for financial assistance agreements is forthcoming.

This Policy Flash will be available online at the following website:
http://management.energy.gov/policy_guidance/policy_flashes.htm.

Questions regarding this Policy Flash should be directed to Jackie Kniskern at (202) 287-1342 or by email at Jacqueline.kniskern@hq.doe.gov.



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Attachment