

# CHANGE REQUEST COVER SHEET

**Change Request Number:** 11-22

**Date Received:** 8/12/2010

**Title:** Contractor reporting of Executive Compensation and Subcontracts

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**Policy OR Guidance:** Guidance

**Section/Text Location Affected:** T3.10.1A.15 (new) plus new AMS clause

**Summary of Change:** Addition of reporting requirements for contractors under most contracts over \$25,000. regarding first- tier subcontracts and executive compensation

**Reason for Change:** Federal Funding Accountability and Transparency Act of 2006 as modified by the Government Funding Transparency Act of 2008 established these requirements. Reporting requirement provides public visibility into contractor subcontracting and executive compensation on FAA Contracts.

**Development, Review, and/or Concurrence:** Acquisition Policy Division; Legal; and Contracting Organizations at FAA HQ, Regions, and Centers (ARC)

**Target Audience:** Contracting Workforce and Program Offices

**Potential Links within FAST for the Change:** See below

**Briefing Planned:** No

**ASAG Responsibilities:** None

**Potential Links within FAST for the Change:** See below

**Links for New/Modified Forms (or) Documents (LINK**

1) <https://conwrite.faa.gov/CWClauseList.cfm?Show=Num,Title,Text,Pers&CatNum=3.13>

**Links for New/Modified Forms (or) Documents (LINK 2)** [null](#)

**Links for New/Modified Forms (or) Documents (LINK 3)** [null](#)

## SECTIONS ADDED:

### Procurement Guidance:

*T3.10.1 Contract Administration*

*Contract Administration*

### **Section 15 : Reporting Executive Compensation and First-Tier Subcontract**

**Awards** [\[New Content\]](#)

## SECTIONS ADDED:

### **Procurement Guidance:**

*T3.10.1 Contract Administration*

*Contract Administration*

### **Section 15 : Reporting Executive Compensation and First-Tier Subcontract Awards**

a. *Scope.* The Federal Funding Accountability and Transparency Act, as amended, requires contractors to report subcontracted award data and the total compensation of the five most highly compensated executives of the contractor and subcontractor(s).

b. *Applicability.* This reporting requirement applies to all contracts with a value of \$25,000 or more, except classified contracts and contracts with individuals. Reporting subcontract information is limited to the first-tier subcontractor(s). As described in AMS clause 3.13-14, there is an additional subcontract reporting exemption for contractors and subcontractors who had gross income in the previous tax year under \$300,000. Specific reporting requirements for executive compensation are also outlined in AMS clause 3.13-14.

c. *Review.* The CO will ensure contractors comply with the reporting requirements of AMS clause 3.13-14. Contractor reports will be reviewed as necessary to ensure the information is consistent with contract information. In such reviews, the CO is not required to address data for which FAA would not normally have supporting information, such as compensation information required of contractors and first-tier subcontractors. However, the CO will inform the contractor of any inconsistencies with the contract information and require that the contractor correct the report, or provide a reasonable explanation why it believes the information to be correct. The reports may be reviewed at [www.fsrcs.gov](http://www.fsrcs.gov).

d. *Failure to Comply.* If the contractor fails to comply with the reporting requirements, the CO will immediately bring this to the contractor's attention. If the contractor still does not comply, appropriate contractual remedies should be taken. In addition, the CO should make the contractor's failure to comply with the reporting requirements a part of the contractor's past performance evaluation.

e. When COs report contracting data to the Federal Procurement Data System (FPDS), certain data will then pre-populate from FPDS to assist the contractor complete and submit the reports.