Office of Personnel Management

§591.215 Where does OPM collect prices in the COLA and DC areas?

(a) **Survey areas.** Each COLA area has one survey area, except Hawaii County, HI, and the U.S. Virgin Islands COLA areas. Hawaii County has two survey areas: the Hilo area and the Kailua

(b) **Exceptions:** OPM does not collect coupon prices, clearance prices, going-out-of-business prices, or area-wide distress sale prices.

(c) **Detailed expenditure categories.** OPM further subdivides each PEG into other categories down to the detailed expenditure categories (DECs), which are generally equivalent to the most detailed level of tabulated CES categories. OPM classifies each DEC into one of the PEGs to aggregate DECs with similar demand and cost characteristics into PEGs. Alternatively, OPM may remove the DEC entirely from the list of expenditures. Therefore, the classification of the DECs into PEGs and sub-PEGs does not necessarily follow that used in published CES tables.

§591.212 How does OPM select survey items?

(a) OPM selects a sufficient number of items to represent PEGs and reduce overall price index variability. In selecting these items, OPM applies the following guidelines. The item should be:

1. Relatively important (i.e., represent a DEC with a relatively large weight) within the PEG;
2. Relatively easy to find in both COLA and DC areas;
3. Relatively common, i.e., what people typically buy;
4. Relatively stable over time, e.g., not a fad item; and
5. Subject to similar supply and demand functions.

(b) To the extent practical, the items OPM surveys in the COLA area must be identical to the items that OPM surveys in the DC area or be of closely similar quality and quantity, with quantity adjustments as necessary. An example of a quantity adjustment is converting prices for 10 and 12 oz. packages to a price per pound.

(c) Within any DEC, OPM may specify items that differ in quality and quantity from other items specified for the same DEC. However, when OPM compares prices for such items between the COLA area and the DC area, OPM compares prices of like products.

§591.213 What prices does OPM collect?

(a) OPM surveys the price charged to the consumer at the time of sale and any discounts, mark-downs, or “sales” in progress at the time the price was collected.

(b) **Exceptions:** OPM does not collect coupon prices, clearance prices, going-out-of-business prices, or area-wide distress sale prices.

(c) OPM prices automobiles at dealers and obtains the sticker (i.e., non-negotiated) price for the model and specified options. The prices are the manufacturer’s suggested retail price (including options), destination charges, additional shipping charges, appropriate dealer-added items or options, dealer mark-up, and taxes.