Office of Personnel Management

§ 591.218 How does OPM compute price indexes?

(a) Washington, DC, area. For each survey item except shelter, OPM averages separately the prices collected in each of the DC survey areas identified in §591.215(a) and then averages these average prices together using equal weights to compute an overall average by item for the DC area.

(b) Rest of the State of Alaska COLA area. OPM may collect survey data on-site, use alternative indicators of relative living costs (e.g., price and cost information published by the University of Alaska), or both. If the use of alternative indicators would result in a COLA rate reduction, OPM will conduct onsite surveys in one or more locations in the Rest of the State of Alaska COLA area, before making a reduction, to ensure that the reduction is warranted.

§ 591.217 In which outlets does OPM collect prices?

OPM collects prices in popular outlets in each survey area. OPM selects these outlets based on their proximity to the housing data collection areas, accessibility by road, physical size, advertising, and other characteristics that reflect sales volume. To the extent practical, OPM prices like items in the same types of outlets in the COLA areas and the Washington, DC, area. As warranted, OPM also may conduct point-of-purchase surveys and select outlets based on the results of those surveys.

§ 591.216 How does OPM combine survey data for the DC area and for COLA areas with multiple survey areas?

(a) Washington, DC, area. For each survey item except shelter, OPM averages separately the prices collected in each of the DC survey areas identified in §591.215(a) and then averages these average prices together using equal weights to compute an overall average by item for the DC area.

(b) COLA areas with multiple survey areas. OPM computes weighted average indexes at the item, PEG, MEG, and/or overall level by using the corresponding indexes and Federal employment weights from each survey area within the COLA area.

§ 591.218 How does OPM compute price indexes?

Except for shelter and energy utilities, OPM averages by item the prices collected in each survey area. For the Washington, DC, area, OPM computes a