



United States
Office of Personnel Management

Office of Merit Systems Oversight and Effectiveness
Digest of Significant Classification Decisions and Opinions
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Standard: [Contracting Series, GS-1102](#) (December 1988)
Factor: Factor 3, Guidelines
Issue: Use of historical data

Identification of the Classification Issue

This issue arose in an Office of Personnel Management region's adjudication of a classification appeal. The appellants were Contract Price/Cost Analysts, analyzing and evaluating contractor proposals for ship construction and repair to determine whether price/cost estimates were fair and reasonable. The appellants contended that Level 3-3 was inappropriate for Factor 3, Guidelines, because they did not use historical data in preparation of their reports.

The appellants stated that because previous contracts were out-of-date, historical cost data were no longer relevant for reference. Furthermore, because these contracts were stored at another location, it was quicker for the appellants to develop an estimate without referencing them.

The appellants also maintained that because a ship was being repaired for the first time, or being fitted with a new piece of equipment, these were "prototype" changes involving novel situations, requiring the appellants to work from "scratch" to develop cost estimates. They contended that each project was unique; therefore, there could be no fully applicable precedent for pricing the full scope of work.

For these reasons, the appellants contended that evaluation of Factor 3, Guidelines, at Level 3-4 was appropriate.

Resolution

Under the Factor Evaluation System, for a position factor to warrant a given point value, it must be fully equivalent to the overall intent of the selected factor-level description. If the position factor fails in any significant aspect to meet a particular level in the standard, the lower point value must be assigned, unless the deficiency is balanced by an equally important aspect that meets a higher level.

Level 3-4 describes a situation in which pricing data are incomplete or limited. The scarcity of pricing data at this level is due to changes in material and manufacturing processes, or the involvement of unprecedented economic issues. Because of the lack of applicable guidance and the numerous and diversified issues, the employee must deviate from traditional techniques and develop new approaches, criteria, or proposed policies.

The appellants based their argument on a single phrase rather than the entire text of the factor-level description. The appellants' work situation did not approach Level 3-4 because of the applicability of available cost data and routine procedures characteristic of Level 3-3. For example, the appellants verified costs by consulting with vendors, subcontractors, and other technical personnel of the agency. Furthermore, they used standards for routine items (e.g., piping, valves, hardware) and for routine tasks (e.g., welding, plumbing, painting), which comprised the bulk of the work. They also accessed audit reports and agency manuals with formulas commonly used to verify that pricing was fair.

The Office of Personnel Management concurred with the agency that comparable work had been done before. There were applicable precedents and experience, as well as current cost data and agency guidelines for use in verifying the costs. Factor 3, Guidelines, was properly evaluated at Level 3-3.