

Table 1: Cost Analyses

POGO’s study evaluated whether the current practice of outsourcing federal services to contractors is actually cost beneficial. To do this, POGO compared the average of the General Services Administration’s listed annual contractor billing rates (which we referred to throughout the *Bad Business* report as “average annual contractor billing rates”) with the full costs of federal employee annual compensation for comparable services. POGO also compared federal employee full annual compensation with private sector employee full annual compensation, as well as average annual contractor billing rates with private sector employee full annual compensation, in order to evaluate the validity of the current private sector versus federal employee debate. These three comparisons are set forth below in Table 1.⁵¹

OPM Series Description	Federal to Private*	Contractor to Federal†	Contractor to Private‡	Full Federal Annual Compensation	Full Private Sector Annual Compensation	Contractor Annual Billing Rates††
Accounting	1.50	2.40	3.60	\$124,851	\$83,132	\$299,374
Auditing	1.47	2.31	3.40	\$122,373	\$83,132	\$283,005
Budget Analysis	.89	2.75	2.43	\$110,229	\$124,501	\$302,661
Building Management	.62	2.38	1.48	\$111,564	\$179,740	\$265,242
Cartography	1.47**	1.46	2.14**	\$116,481	\$79,219	\$169,520
Cemetery Administration Services	1.12	2.83	3.17	\$106,124	\$94,485	\$299,832
Claims Assistance and Examining	.76	4.83	3.66	\$57,292	\$75,637	\$276,598
Computer Engineering	1.04	1.97	2.04	\$136,456	\$131,415	\$268,653
Contracting	.98	2.29	2.24	\$113,319	\$115,596	\$259,106

⁵¹ Table 1, along with its accompanying “sources” and “notes” descriptions, were pulled directly from POGO’s study. Project On Government Oversight, *Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors*, September 13, 2012. <http://www.pogo.org/pogo-files/reports/contract-oversight/bad-business/co-gp-20110913.html#Government%20Cost%20Studies>

Correctional Officer	2.17	1.15	2.49	\$72,977	\$33,598	\$83,803
Environmental Protection Specialist	1.20	1.40	1.68	\$127,247	\$105,964	\$177,570
Equal Opportunity Compliance	1.40	2.05	2.87	\$125,368	\$89,394	\$256,381
Facility Operations Services	.90	1.66	1.50	\$108,060	\$119,449	\$179,254
Financial Analysis	1.24	1.30	1.61	\$132,262	\$106,679	\$171,288
Financial Management	1.13	2.05	2.32	\$164,218	\$145,486	\$337,002
Fire Protection and Prevention	1.04**	1.25	1.29**	\$65,452	\$63,105	\$81,702
Food Inspection	1.04**	1.29	1.34**	\$58,090	\$55,883	\$74,963
General Attorney	.79	3.17	2.51	\$175,081	\$220,924	\$554,923
General Inspection, Investigation, Enforcement, and Compliance	1.17	1.62	1.90	\$104,712	\$89,394	\$169,666
Groundskeeper	2.00	.80	1.60	\$64,896	\$32,396	\$51,709
Human Resources Management	1.11	2.05	2.27	\$111,711	\$100,465	\$228,488
Information Technology Management	1.09	1.59	1.73	\$124,663	\$114,818	\$198,411
Language Specialist	1.80**	1.92	3.46**	\$110,014	\$61,010	\$211,203

Logistics Management [Deployment]	.94	1.76	1.66	\$116,047	\$123,349	\$204,443
Logistics Management [Planning]	1.19	1.46	1.74	\$116,047	\$97,269	\$168,938
Management and Program Analysis	1.15	2.15	2.48	\$124,602	\$108,132	\$268,258
Mechanical Engineering	1.15	1.50	1.72	\$126,177	\$109,961	\$189,197
Medical Records Technician	1.26	.99	1.24	\$58,641	\$46,705	\$57,782
Nurse	1.16	1.65	1.92	\$105,714	\$91,042	\$174,803
Police	1.24	1.34	1.66	\$71,256	\$57,533	\$95,659
Program Management	.97	1.56	1.50	\$173,551	\$179,740	\$269,901
Quality Assurance	.94	1.09	1.03	\$98,939	\$104,891	\$107,786
Security Guard	1.53	1.36	2.08	\$50,257	\$32,953	\$68,515
Statistics	1.15	1.66	1.91	\$125,192	\$108,586	\$207,563
Technical Writing and Editing	1.25	1.08	1.35	\$103,801	\$82,873	\$112,091
Average Cost Premiums	1.20	1.83	2.09			

Sources:

The full methodology, data descriptions, and complete data tables for how the figures in this table were obtained are provided in the *Bad Business* report at Appendices A, B, C, and D. Appendix B contains a table of the 35 occupational classifications (including OPM, BLS, and GSA identification codes) with the base salaries and full compensation paid to federal employees and private sector employees (according to two BLS surveys), as well as the GSA billing rates for specified contracts. Appendix C contains the job titles and descriptions provided by OPM, BLS, and GSA for the 35 matching GS occupational series, SOC codes, and GSA SINs. Appendix D contains a table of the GSA contracts and the 35 occupational classifications covering over 550 service activities selected for calculating the average hourly and annual contractor billing rates for the various SINs used for comparing costs, along with the listed hourly billing rates. Annual

dollar figures are rounded to the nearest dollar. For the contractor rates, while POGO used an average annual billing rate, agencies do not necessarily purchase services over a full year's period of time.

Notes:

The comparisons in this table are expressed as ratios in accordance with the following calculations:

* The federal to private comparisons are calculated by dividing the average annual full compensation paid to federal employees by the average annual full compensation paid to private sector employees performing similar services.

† The contractor to federal comparisons are calculated by dividing the average annual contractor billing rate for performing these services by the average annual full compensation paid to federal employees performing similar services

‡ The contractor to private sector comparisons are calculated by dividing the average annual contractor billing rate by the average annual full compensation paid to private sector employees performing similar services.

†† Average annual contractor billing rates are typically based on a 2,087-hour conversion method, but for the sake of comparison to total government compensation, POGO used a 2,080-hour conversion. As a result, POGO multiplied the average hourly contractor billing rate by 2,080 to calculate the average annual contractor billing rate.

** No National Compensation Survey data were available for comparison; therefore Occupational Employment Statistics data were used.