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**TO:** Ms. Debra A. Carr  
Director, Division of Policy, Planning, and Program Development  
Office of Federal Contract Compliance Programs  
Department of Labor

**FROM:** OMB Watch

**RE:** Public Comments on RIN 1250-AA03, Compensation Data Collection Tool

**DATE:** October 11, 2011

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OMB Watch is a nonpartisan, nonprofit policy organization committed to increasing government transparency and accountability, and to ensuring sound, equitable regulatory and budgetary processes and policies. These comments are submitted in response to Regulation Identifier Number (RIN) 1250-AA03, regarding development of a compensation data collection tool to help the Department of Labor (DOL) enforce non-discriminatory compensation practices in federal contracting.<sup>1</sup>

OMB Watch is a strong supporter of collecting data necessary for analyzing federal contractor wage and hiring practices to ensure that contractors adhere to federal law, and identify firms that are leaders in fair employment practices in their respective industries. The proposed data collection tool could be an important source of this information. Moreover, it would provide DOL with the necessary information to ensure contractor compliance with federal laws and regulations and provide valuable information to the public about pay differences, including trends and developments within the federal contracting community and between public sector workers and contract workers.

Therefore, OMB Watch recommends that the Office of Federal Contract Compliance Programs (OFCCP) create the most robust data collection tool possible and make the results of these data collection efforts available to the public (with proper protection of personally identifiable information and sensitive business information) in searchable, web-based and electronically readable formats. Making the data collection efforts publicly available would provide another layer of oversight and spur further compliance with nondiscrimination compensation policies by giving advocates, the media, and the public information that would allow them to call attention to unfair practices.

The compensation data tool should collect as much information as possible – with all the necessary elements of compensation collected to provide that information. The data elements collected should include at least the base salary or hourly wage combined with the gender and race/ethnicity of each employee. A full picture of compensation, however, should also include holiday pay, shift differentials,

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<sup>1</sup> Federal Register 76, no. 154 (2011), 49398-401, <http://www.gpo.gov/fdsys/pkg/FR-2011-08-10/pdf/2011-20299.pdf>.

commissions, stock options, and other non-monetary forms of compensation, such as paid leave, and health and retirement benefits, broken down by employee as well. The tool should also seek to identify geographic discrimination by collecting the nine-digit ZIP code of each employee.

The data collection tool should require businesses to supplement the above data elements with the average starting compensation rates, average pay raises, and average bonuses of each gender and race/ethnicity category, along with the total number of workers in each gender and race/ethnicity category. The compensation data tool should break down job categories based on the General Service Administration's (GSA) Special Item Number (SIN) schedule, which would provide a standard format for comparison, helping to facilitate easier assessment across industries, and offer a more typical snapshot of the federal contracting industry as a whole.

OFCCP should also begin requiring businesses that are bidding on future federal contracts to submit compensation data as part of the Request for Proposal (RFP) process. Not only would this requirement help to set a standard among contractors – allowing contracting officials to compare non-discrimination compliance between competing bids – but also the practice would provide valuable experience to businesses, preparing them for future submission procedures.

In the publicly available results of the data collection tool, OFCCP should include industry-wide compensation trend analyses along with establishment specific analyses. OFCCP should also expand the reach of the data collection tool to include the largest pool of contractors possible, including not only supply and service contractors, but construction contractors as well.

Thank you for your consideration of these comments,

Craig Jennings

A handwritten signature in black ink, appearing to read 'Craig Jennings', with a stylized flourish at the end.

Director of Federal Fiscal Policy  
OMB Watch