

This updated newsletter supersedes the PAX Newsletter No. 3.2.2, **20 March 2003**, and updates the Appendix A, Facility Unit Cost Table, Appendix C, Tri-Service Military Construction Program (MCP) Index, and Table 1, Size Adjustment Factors, contained in TM 5-800-4, Programming Cost Estimates for Military Construction, dated May 1994. It may be used as a guide for preparation and/or review of the Army military construction cost estimates for programming and budgeting purposes for FY **2006/2007** and beyond unless otherwise noted. This newsletter is also published and maintained on the web page at <http://www.hq.usace.army.mil/cemp/e/ec/pax/paxtoc.htm>.

1. APPENDIX A - FACILITY UNIT COST TABLE

a. The tabulation is arranged numerically by category codes. Category code series descriptions are contained in DA Pamphlet 415-28, Guide to Army Real Property Category Codes, 3 October 2003. Where unit costs span a group of subcategories, the five (5) digit category code is designated by adding XX behind the three (3) digit main category code for this group. For example, 851XX and 852XX are designated for roads, streets, parking, apron and sidewalks pavements.

b. Unit costs reflected herein are escalated to 1 October **2006** (MCP Index = **2309**), the assumed midpoint of construction for FY06 projects, with an area cost factor (ACF) of 1.00. The MCP inflation indices shown in Appendix C should be used to escalate the FY06 and future unit costs beyond 1 Oct 06. These unit costs do not include allowances for construction contingencies and S&A, but do include contractor's markup cost for overhead & profit.

c. Unit costs reflected herein should be adjusted by the appropriate area cost factor, cost escalation factor as described in Appendix C, size adjustment factor in Table I, and other adjustment factors as described in the TM 5-800-4, when applicable. The ACF list is contained in Appendix B, Location Adjustment Factors in the TM 5-800-4, and updated by the latest PAX Newsletter No. 3.2.1, Area Cost Factors Indexes, which is also available on the web page as addressed above.

d. Building size identified in Part I of Appendix A is a reference size, but may not be a standard size from facility standard design criteria. This quantity may be used in conjunction with Table I, Size Adjustment Factors, to determine an appropriate size adjustment factor for the proposed facility.

e. The building unit costs in Appendix A, Part I, are for the primary gross areas only, and do not include support facilities cost, equipment acquired with other fund (non-MILCON) sources, anti-terrorism/force protection costs, or construction cost growth resulting from unforeseen site conditions or user requested change orders.

f. Building unit costs include installed (built-in) building equipment and furnishings normally funded with MILCON funds as described in AR 415-15. For medical facilities, the building costs include Categories A and B equipment, but exclude Categories E and F equipment.

g. Chart A in Appendix A contains unit costs for Sitework Utility Piping. Chart C in Appendix A contains information for unit of measurement conversion factors between Metric and English Systems.

2. APPENDIX C - TRI-SERVICE MILITARY CONSTRUCTION PROGRAM (MCP) INDEX

The base cost index for the unit costs in Appendix A is for an assumed midpoint of construction date of 1 October **2006** (MCP Index = **2309**) as described in paragraph 1.b above. For a project with an anticipated midpoint of construction date other than 1 October **2006**, a cost escalation factor can be determined from this appendix as follows:

Project Anticipated Midpoint Date - **1 January 2008** (MCP Index = **2365**)
Cost Escalation Factor = MCP Index **1 Jan 08** / MCP Index **1 Oct 2006** = $2365/2309 = 1.0243$

3. PROPONENT OF THIS NEWSLETTER: HQUSACE/CECW-EI, 202-761-5545 or DSN-763-5545, and FAX 202-761-0623 and Internet Address: "amitava.ghosh@usace.army.mil".

APPENDIX C (TM 5-800-4)
TRI-SERVICE MILITARY CONSTRUCTION PROGRAM (MCP) INDEX
FOR FY 2005 THRU FY 2010 PROGRAMS

<u>DATES</u>	<u>INDEX</u>	<u>ESCALATION PERSENTAGE</u> <u>FOR FISCAL YEAR</u>
		1.7%
1-Oct- 2002	2174	
1-Jan- 2003	2183	
1-Apr- 2003	2191	FY 03
1-Jul- 2003	2199	1.5%
1-Oct- 2003	2207	
1-Jan- 2004	2215	
1-Apr- 2004	2222	FY 04
1-Jul- 2004	2229	1.3%
1-Oct- 2004	2236	
1-Jan- 2005	2245	
1-Apr- 2005	2253	FY 05
1-Jul- 2005	2262	1.5%
1-Oct- 2005	2270	
1-Jan- 2006	2280	
1-Apr- 2006	2290	FY 06
1-Jul- 2006	2300	1.7%
1-Oct- 2006	2309	
1-Jan- 2007	2320	
1-Apr- 2007	2331	FY 07
1-Jul- 2007	2342	1.9%
1-Oct- 2007	2353	
1-Jan- 2008	2365	
1-Apr- 2008	2377	FY 08
1-Jul- 2008	2389	2.0%
1-Oct- 2008	2400	
1-Jan- 2009	2412	
1-Apr- 2009	2424	FY 09
1-Jul- 2009	2436	2.0%
1-Oct- 2009	2448	
1-Jan- 2010	2461	
1-Apr- 2010	2473	FY 10
1-Jul- 2010	2485	2.0%
1-Oct- 2010	2497	

Notes

1. Use 2.0% per fiscal year for projection beyond FY 2010
2. Tri - Service MCP Index (1,000) = 1 October 1979 ENR Historical Building Cost Index (1,900)
3. The MCP indexes were derived based upon the Inflation Rates (DoD Index, OMB Policy Rates) in Percentages published in PBD dated 24 December 2003 by the Under Secretary of Defense (Comptroller).
4. This revised index table supersedes the index table published on 3 March 2003