

**UNIT COSTS for The ARMY FACILITIES - MILITARY CONSTRUCTION PROGRAM**  
**PAX NEWSLETTER 3.2.2, Revised 15 May 2007**

**APPENDIX - A, PART - I & II ( Buildings and Support Facilities)**

This updated newsletter supersedes the PAX Newsletter No. 3.2.2, **30 March 2006**, and updates the Appendix A, Facility Unit Cost Table, Appendix C, Tri-Service Military Construction Program (MCP) Index, Table 1, and the 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 the preparation and/or review of the Army military construction cost estimates for programming and budgeting purposes for FY **2009/2010** 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/ec\\_new.htm](http://www.hq.usace.army.mil/cemp/e/ec/ec_new.htm)

**1. APPENDIX A - FACILITY UNIT COST TABLE (FOR FY09 and later MILCON, BRAC, GTF (Grow The Force) Projects)**

a. Most unit costs are based on historical construction award data from FY2003 to 2006 projects, with a few exceptions. If awarded project data were not available or a very limited number of projects awarded during FY03-06 for a category code, historical data were adjusted as follows: old data were normalized from 7 to 3 bidders to reflect what is being experienced in the current bidding climate, actual construction inflation rate were incorporated thru Oct 2006, and then escalated to the assumed mid-point of construction of October 2009 using the OSD escalation rates (Reference Appendix-C). The unit cost database include only new construction projects, and does not include data from renovation or addition/alteration projects. The unit cost and the reference building size for the same facility type is identical in both the PAX Newsletter and DoD Pricing Guide, UFC 3-701-07.

b. 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, dated 11 Apr 2006. The five (5) digit category code is designated by adding XX behind the three (3) digit main category code for this group where unit costs span a group of subcategories or cat code is still not officially established. For example, 851XX and 852XX are designated for roads, streets, parking, apron and sidewalks pavements.

c. Escalation - Unit costs are escalated to 1 October **2009**, the assumed midpoint of construction for **FY09** projects, with an area cost factor (ACF) of 1.00. The MCP inflation indices shown in **Appendix C** should be used to escalate the **FY09** unit costs beyond **1 Oct 09**. These unit costs include installed (built-in) building equipment and furnishings normally funded by the MILCON funds as described in AR 415-15, contractor's markup cost for overhead & profit, but do not include allowances for construction contingencies and supervision, inspection, and overhead (SIOH), or construction cost growth resulting from user changes, unforeseen site conditions, or contract document errors and omissions. Unit costs for DoD medical facilities include category A and B equipment, but do not include category E and F equipment costs.

d. The unit costs for Primary Facilities (buildings) in Appendix A, Part I, are for the primary facilities gross areas only, and do not include costs for support facilities, equipment acquired with other fund (non-MILCON) sources, anti-terrorism/force protection, sustainable construction features, or construction cost growth resulting from unforeseen site conditions or user requested change orders. For medical facilities, the building costs include Categories A and B equipment, but exclude Categories E and F equipment.

e. Unit costs 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.

f. Size Adjustment Tables, Table -1: Building size identified in Part I of Appendix A is a reference size, and may not represent the standard size shown in the Army Standard Facilities design criteria. Table I, Size Adjustment Factors, shows a correlation between project size and construction cost, and is used to determine an appropriate size adjustment factor for the proposed facility.

**APPENDIX C To TM 5-800-4  
TRI-SERVICE MILITARY CONSTRUCTION PROGRAM (MCP) INDEX  
FOR FY 2008 THRU FY 2013 PROGRAMS**

<u>FISCAL YEAR (FY)</u>	<u>DATES</u>	<u>INDEX</u>	<u>ESCALATION PERCENTAGE FOR FISCAL YEAR</u>
<b>2006</b>	<b>1-Oct- 2005</b>	<b>2301</b>	
	1-Jan- 2006	2315	
	1-Apr- 2006	2328	
	1-Jul- 2006	2341	<b>2.3%</b>
<b>2007</b>	<b>1-Oct- 2006</b>	<b>2354</b>	
	1-Jan- 2007	2367	
	1-Apr- 2007	2380	
	1-Jul- 2007	2393	<b>2.2%</b>
<b>2008</b>	<b>1-Oct- 2007</b>	<b>2406</b>	
	1-Jan- 2008	2419	
	1-Apr- 2008	2432	
	1-Jul- 2008	2445	<b>2.1%</b>
<b>2009</b>	<b>1-Oct- 2008</b>	<b>2457</b>	
	1-Jan- 2009	2470	
	1-Apr- 2009	2483	
	1-Jul- 2009	2496	<b>2.1%</b>
<b>2110</b>	<b>1-Oct- 2009</b>	<b>2509</b>	
	1-Jan- 2010	2522	
	1-Apr- 2010	2534	
	1-Jul- 2010	2547	<b>2.0%</b>
<b>2111</b>	<b>1-Oct- 2010</b>	<b>2559</b>	
	1-Jan- 2011	2572	
	1-Apr- 2011	2585	
	1-Jul- 2011	2598	<b>2.0%</b>
<b>2112</b>	<b>1-Oct- 2011</b>	<b>2610</b>	
	1-Jan- 2012	2623	
	1-Apr- 2012	2636	
	1-Jul- 2012	2649	<b>2.0%</b>
<b>2113</b>	<b>1-Oct- 2012</b>	<b>2662</b>	

**Notes**

1. Use **2.0%** per fiscal year for projection beyond FY **2013**
2. Tri - Service MCP Index (1,000) = 1 October 1979 ENR Historical Building Cost Index (1,900)
3. The MCP indexes after 1 October 2006 were derived based on the Price Escalation Indices (Annual Rates in Percentages) for Budget Authority published in the Memorandum, dated 18 January 2007, from the Under Secretary of Defense (Comptroller), Subject: Inflation Guidance - Fiscal Year (FY) 2008-09 President's Budget.
4. This revised index table supersedes the index table published on **30 March 2006**