

UNIT COSTS for The ARMY FACILITIES - MILITARY CONSTRUCTION PROGRAM
PAX NEWSLETTER 3.2.2, dated 11 Feb 2008

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

This updated newsletter supersedes the PAX Newsletter No. 3.2.2, **15 May 2007**, 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 **2010/2011** 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

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 historic construction award data from FY2005 to 2007 projects, with a few exceptions. If we did not have at least three recently (during FY 2005-07) awarded projects for a facility-type, we sought out FY 2004 awards. All bid data was normalized for 3 (instead of 7 bidder traditionally used) bidders reflecting in the current bidding climate, incorporated actual construction inflation rate (from Engineering News Record Building Cost Index) thru 30 Sep 2007, and escalated from 1 Oct 2007 to the assumed mid-point of construction of October 2010 using the recent OSD escalation rates, in 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 are identical in both the PAX Newsletter and DoD Pricing Guide, UFC 3-701-08, unless the Army facility-type is modified under Military Transformation.

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 **2010**, the assumed midpoint of construction for **FY10** projects, with an area cost factor (ACF) of 1.00. The MCP inflation indices shown in **Appendix C** should be used to escalate the **FY10** unit costs beyond **1 Oct 10**. 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.

d. 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.

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e. 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.

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

Unit costs are escalated to 1 Oct 2010, the assumed midpoint of construction for a typical FY09 MCA project at a location with an Area Cost Factor of 1. The Military Construction Program (MCP) cost index for 1 October 2010 is 2553. For a project with an anticipated midpoint of construction date other than 1 October 2010 a cost escalation factor can be determined from this appendix as follows:

Project Anticipated Midpoint Date - **1 Apr 2011 (MCP Index = 2579)**

Cost Escalation Factor = MCP Index **1 Apr 2011 / MCP Index 1 Oct 2010 = 2579/2553 = 1.0101**

3. The Point of Contacts for this Newsletter letter at HQUSACE can be reached at (202) 761-7503, DSN-763-7503, or (202) 761-5887, DSN 763-5887.

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**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>
FY 2007	1-Oct- 2006	2354	
	1-Jan- 2007	2367	
	1-Apr- 2007	2380	
	1-Jul- 2007	2393	
FY 2008	1-Oct- 2007	2406	FY 06
	1-Jan- 2008	2419	
	1-Apr- 2008	2430	2.2%
	1-Jul- 2008	2442	
FY 2009	1-Oct- 2008	2454	FY 07
	1-Jan- 2009	2467	
	1-Apr- 2009	2479	2.0%
	1-Jul- 2009	2491	
FY 2010	1-Oct- 2009	2503	FY 08
	1-Jan- 2010	2516	
	1-Apr- 2010	2528	2.0%
	1-Jul- 2010	2541	
FY 2011	1-Oct- 2010	2553	FY 09
	1-Jan- 2011	2566	
	1-Apr- 2011	2579	2.0%
	1-Jul- 2011	2592	
FY 2012	1-Oct- 2011	2604	FY 10
	1-Jan- 2012	2617	
	1-Apr- 2012	2630	2.0%
	1-Jul- 2012	2643	
FY 2013	1-Oct- 2012	2656	FY 11
	1-Jan- 2013	2670	
	1-Apr- 2013	2683	2.0%
	1-Jul- 2013	2696	
FY 2014	1-Oct- 2013	2709	FY 12

Notes

1. Use **2.0%** per fiscal year for projection beyond FY **2014**
2. Tri - Service MCP Index (1,000) = 1 October 1979 ENR Historical Building Cost Index (1,900)
3. The MCP indexes after 1 Oct 2007 were derived based on the Price Escalation Indices (Annual Rates in Percentages) for Budget Authority published in the Memorandum, dated 23 January 2008, from the Under Secretary of Defense (Comptroller), Subject: Inflation Guidance - Fiscal Year (FY) 2009 -10 President's Budget.
4. This revised index table supersedes the index table published on **15 March 2007**