

Part I and II (Building and Support Facilities)

This Newsletter Supersedes the PAX Newsletter No. 3.2.2, dated 18 Mar 2012, and updates Primary & Support Facilities Unit Cost Tables, Tri-Service Military Construction Program (MCP) Index, and Table-1, Size Adjustment Factors that used to be contained in presently deleted TM 5-800-4, Programming Cost Estimates for Military Construction, dated May 1994. These costs will be used as a guide for preparation and/or review of Budget Submission of the FY15 Army Military Construction (MCA) and Army Family Housing (AFH) projects' parametric cost estimates, ENG3086, etc, unless otherwise noted. This Newsletter is published and maintained on the web page at:
<http://www.usace.army.mil/CostEngineering/ProgrammingAdministrationandExecutionSystemNe.aspx>

A. PART-I – PRIMARY FACILITIES UNIT COSTS, dated 2 MAY 2013

A.1. Most of the costs are based on historic construction award data from FY 2010-12 projects entered into the Historic Analysis Generator (HII) database by 1 Jan 2013. In instances, where at least 3 recently awarded (2010-12) project data for a facility-type are not available/entered in the HII database, last 4-years' (2009-2012) award data were considered. Only new construction projects in the Continental United States (CONUS), to include projects in Hawaii and Alaska, were utilized to develop facility specific unit costs, except for Family Housing and DoD Schools where OCONUS projects were also considered. Renovation and addition-alteration projects were not included in the database.

A.2. Each facility-specific bid data were normalized to 5 bidders reflecting the current bidding trend, Area Cost Factor of 1.0, Reference size, and 1 Oct 2012 price level using the actual construction inflation index. Unit Costs in the PAX Newsletter Table are escalated to 1 Oct 2015, the assumed mid-point of construction for a typical FY 2015 MILCON project using the Military Construction Program (MCP) Index.

A.3. Facilities with PAX Newsletter guidance unit costs are assumed to include the costs of the following features/requirements. Therefore NO Separate Line Item shall be added for the following features:

- a. AT-FP features inside the building, when minimum set back/stand-off distance is achieved,
- b. Building Information Systems (e.g. conduits, racks, trays, telecommunication rooms) for facilities without any Special Communications Requirements,
- c. Energy Management Control System (EMCS) Connection,
- d. Intrusion Detection System (IDS) infrastructure, to include conduits, racks and trays,
- e. Sustainable Design and Development features for criteria in effect from September 2007 thru September 2010 (e.g. LEED Silver Rating, Energy Policy Act of 2005, etc),
- f. Built-in Equipment and furnishings normally funded by MILCON funds,
- g. Uncomplicated Strip/Spread-footing type foundation. Any Special Foundations, such as Pile Foundations and Structural Fill cost should be listed separately,
- h. Contractor's mark-ups for overhead, and profit
- i. An average sales tax on building materials.

A.4. PAX Guidance Unit costs do NOT generally include the following feature/requirement costs. Therefore, these costs are to be added as a Separate Line Item(s) in the budget estimate:

- a. Inside the building AT-FP features when minimum stand-off distance cannot be achieved or when enhanced AT-FP features are required due to the height of the building, such as for 3 or more storied buildings when the past designs did not require Progressive Collapse measures. Progressive Collapse premium for 3 or higher storied Standard Designs that have been previously built, e.g., barracks/dormitories, are assumed to be built-into the award data.
- b. Specialized/Secured Building Information System costs
- c. Sustainable Design and Development features for criteria mandated since September 2011,
- d. Inside the building or Built-in Renewable and alternative Energy features (e.g. roof mounted Solar Panels)
- e. Special Foundation cost, e.g. cost of pre-stressed concrete Pile foundation or Structural Fill,
- f. Special Architectural features to comply with the Historic Preservation Guidelines
- g. Equipment acquired with non-MILCON fund sources, e.g., intrusion detection systems,
- h. Construction Contingency and Supervision, Inspection, and Overhead (SIOH) allowances,
- i. Design-Build Design Cost,
- j. State imposed Gross Receipt Taxes (also referred to as General Exercise Tax),
- k. Construction Cost Growth resulting from Unforeseen Site Conditions, Change Orders, Contract document Errors and/or omissions, or Unusual Market Conditions.

A.5. User Generated Unit Costs (UGUC): User Generated Unit costs may be used when PAX UC is not available or when it is not completely applicable for the project. UGUC requires an explanation of how the unit cost was derived. When UGUC is used NO adjustments for ACF, size adjustment, and escalation shall be made for all line items in the cost estimate that are based on UGUC. The ACF and Size Adjustment Factor shall set as 1 in PC-Cost/ENG3086 software.

A. 6. Reference or Standard Size shown in Part-I, Table may or may not be identical to the size/sizes listed in the Center of Standardization (COS) websites. Table-1, Size Adjustment Factor, which shows correlation between project size and construction cost, should be used to determine the appropriate project cost.

A.7. PAX listed Unit costs are escalated to 1 Oct 2015. Appendix-C, Tri-Service Military Construction Program (MCP) Index should be used for determining Cost Escalation Factor when a project's mid-point of construction is different than 1 Oct 2015, as follows:

Anticipated Midpoint of Construction for given project = 1 April 2016

MCP Indexes for 1 Oct 2015 and 1 Apr 2016 from Appendix-C are 2778 and 2805 respectively

Cost Escalation Factor = MCP Index, 1 Apr 16 / MCP Index, 1 Oct 15 = 2805/2778 = 1.0097

B. PART-II – SUPPORT FACILITIES UNIT COSTS, dated 2 MAY 2013

B.1. Support Facilities unit costs are based upon National Average Davis Bacon wages and material pricing. The Area Cost Factor (ACF) for this database is 1.0. The Support Facility unit costs should be adjusted for the project location only when guidance unit costs are used; when local cost data (user generated cost data) is used, no ACF adjustments should be made.

B.2. All pricing includes the installing contractor's Overhead and Profit (O&P). General Contractor's mark-up is Not included. The installing contractor's O&P includes the following factors:

- a. Employees wage rate and fringe benefits
- b. Workmen's compensation insurance
- c. Social Security and Federal and State Unemployment taxes
- d. Contractor's Overhead (11%) and Profit (10%)
- e. Data incorporates an average 6% Sales Tax.

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APPENDIX C (UFC 3-700- 01, Table 4-2), PAX Newsletter 3.2.2, dated 5 May 2013
TRI-SERVICE MILITARY CONSTRUCTION PROGRAM (MCP) INDEX FOR FY 2014-18 PROGRAMS
Based on Annual Rates for Budget Authority Published by USD (Comptroller), dated 27 February 2013

<u>FISCAL YEAR (FY)</u>	<u>DATES</u>	<u>INDEX</u>	<u>ESCALATION PERCENTAGE FOR FISCAL YEAR</u>
FY 2011	1-Oct- 2010 -----	2528	-----FY11
	1-Jan- 2011 -----	2540	
	1-Apr- 2011 -----	2552	
	1-Jul- 2011 -----	2564	
FY 2012	1-Oct- 2011 -----	2576	-----FY12 (1.9%)
	1-Jan- 2012 -----	2589	
	1-Apr- 2012 -----	2601	
	1-Jul- 2012 -----	2613	
FY 2013	1-Oct- 2012 -----	2625	-----FY13 (1.9%)
	1-Jan- 2013 -----	2638	
	1-Apr- 2013 -----	2650	
	1-Jul- 2013 -----	2663	
FY 2014	1-Oct- 2013 -----	2675	-----FY14 (1.9%)
	1-Jan- 2014 -----	2688	
	1-Apr- 2014 -----	2701	
	1-Jul- 2014 -----	2714	
FY 2015	1-Oct- 2014 -----	2726	-----FY15 (1.9%)
	1-Jan- 2015 -----	2739	
	1-Apr- 2015 -----	2752	
	1-Jul- 2015 -----	2765	
FY 2016	1-Oct- 2015 -----	2778	-----FY16 (1.9%)
	1-Jan- 2016 -----	2792	
	1-Apr- 2016 -----	2805	
	1-Jul- 2016 -----	2818	
FY 2017	1-Oct- 2016 -----	2831	-----FY17 (1.9%)
	1-Jan- 2017 -----	2845	
	1-Apr- 2017 -----	2858	
	1-Jul- 2017 -----	2872	
FY 2018	1-Oct- 2017 -----	2885	-----FY18 (1.9%)
	1-Jan- 2018 -----	2899	
	1-Apr- 2018 -----	2913	
	1-Jul- 2018 -----	2927	
FY 2019	1-Oct- 2018 -----	2940	-----FY19 (1.9%)

Notes

1. Use **1.9%** per fiscal year for projection beyond FY **2018**
2. Tri - Service MCP Index (1,000) = 1 October 1979 ENR Historical Building Cost Index (1,900)
3. The MCP indexes after 1 Oct 2011 were derived using the Price Escalation Indices (Annual Rates in Percentages) for Budget Authority published in the 27 Feb 2013 Inflation Guidance - Fiscal Year (FY) 2014 President's Budget.
4. This revised index table supersedes the MCP index table published as Appendix-C to PAX Newsletter 3.2.2, dated **28 Mar 2012**