

This updated newsletter supersedes the PAX Newsletter No. 3.2.2, 10 July 2001, and updates the Appendixes A and C, 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 2004/2005 and beyond unless otherwise noted. This newsletter is also published and maintained on the web page at <http://www.hq.usace.army.mil/cemp/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, March 1998. 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 forecasted to an assumed midpoint of construction date of 1 October 2004 (MCP Index = 2239) for an area cost factor (ACF) of 1.00. 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, including family housing, are applied to the building gross areas.

f. Building unit cost included installed building equipment 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 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 herein in Appendix A is for an assumed midpoint of construction date of 1 October 2004 (MCP Index = 2239) as described in paragraph 1.b above. For a project with an anticipated midpoint of construction date other than 1 October 2004, a cost escalation factor can be determined from this appendix as follows:

Project Anticipated Midpoint Date - 1 October 2005 (MCP Index = 2279)
Cost Escalation Factor = 2279/2239 = 1.018

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 2002 THRU FY 2007 PROGRAMS

Dates	<u>INDEX</u>	<u>ESCALATION PERSENTAGE FOR FISCAL YEAR</u>
1-Oct- 1998	2048	-----
1-Jan- 1999	2054	FY 99
1-Apr- 1999	2060	
1-Jul- 1999	2066	1.1%
1-Oct- 1999	2071	-----
1-Jan- 2000	2079	FY 00
1-Apr- 2000	2086	
1-Jul- 2000	2093	1.4%
1-Oct- 2000	2100	-----
1-Jan- 2001	2110	FY 01
1-Apr- 2001	2119	
1-Jul- 2001	2129	1.8%
1-Oct- 2001	2138	-----
1-Jan- 2002	2147	FY 02
1-Apr- 2002	2156	
1-Jul- 2002	2165	1.7%
1-Oct- 2002	2174	-----
1-Jan- 2003	2181	FY 03
1-Apr- 2003	2188	
1-Jul- 2003	2195	1.3%
1-Oct- 2003	2202	-----
1-Jan- 2004	2212	FY 04
1-Apr- 2004	2221	
1-Jul- 2004	2230	1.7%
1-Oct- 2004	2239	-----
1-Jan- 2005	2249	FY 05
1-Apr- 2005	2259	
1-Jul- 2005	2269	1.8%
1-Oct- 2005	2279	-----
1-Jan- 2006	2290	FY 06
1-Apr- 2006	2301	
1-Jul- 2006	2312	1.9%
1-Oct- 2006	2322	-----
1-Jan- 2007	2333	FY 07
1-Apr- 2007	2344	
1-Jul- 2007	2355	1.9%
1-Oct- 2007	2366	-----

Notes

1. Use 1.9% per fiscal year for projection beyond FY 2007
2. Tri - Service MCP Index (1,000) = 1 October 1979 ENR Historical Building Cost Index (1,900)
3. The MCP indexes were derived based on the Price Escalation Indices (annual Rates in Percentages) for **Budget Authority** in the memorandum dated 8 January 2002, from the Comptroller of the Under Secretary of Defense, Subject: Revised Inflation Guidance and the Department of the Army, DACS-PPBC PPBC MEMO 2000-004 of 14 January 2002, Subject Revised Inflation Indices for FY 03 President's Budget.
4. This revised index table supersedes the index table published on 10 April 2001