

This updated newsletter supersedes the PAX Newsletter No. 3.2.2, **09 Jan 2004**, 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 **2007/2008** 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#guide.

1. APPENDIX A - FACILITY UNIT COST TABLE

a. Most unit costs are based on historic construction award data. Unit costs for a category codes have a limited number of awarded projects. The unit cost database includes only new construction projects and does not include data from renovation or addition/alteration projects.

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, 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.

c. Unit costs are escalated to 1 October **2007** (MCP Index = **2391**), the assumed midpoint of construction for **FY07** projects, with an area cost factor (ACF) of 1.00. The MCP inflation indices shown in Appendix C should be used to escalate the **FY07** unit costs beyond **1 Oct 07**. These unit costs include installed (built-in) building equipment and furnishings normally funded with 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.

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.

e. Building size identified in Part I of Appendix A is a reference size, but may not be a standard size from the Army Standard Facilities 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.

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 **2007** (MCP Index = **2391**) as described in paragraph 1.b above. For a project with an anticipated midpoint of construction date other than 1 October **2007**, a cost escalation factor can be determined from this appendix as follows:

Project Anticipated Midpoint Date - **1 January 2009 (MCP Index = 2454)**

Cost Escalation Factor = MCP Index **1 Jan 09 / MCP Index 1 Oct 2007 = 2454/2391 = 1.0263**

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APPENDIX C (TM 5-800-4)
TRI-SERVICE MILITARY CONSTRUCTION PROGRAM (MCP) INDEX
FOR FY 2007 THRU FY 2011 PROGRAMS

<u>DATES</u>	<u>INDEX</u>	<u>ESCALATION PERSENTAGE FOR FISCAL YEAR</u>
1-Oct- 2003	----- 2207	-----
1-Jan- 2004	----- 2218	
1-Apr- 2004	----- 2229	FY 04
1-Jul- 2004	----- 2240	2.0%
1-Oct- 2004	----- 2251	-----
1-Jan- 2005	----- 2263	
1-Apr- 2005	----- 2274	FY 05
1-Jul- 2005	----- 2285	2.0%
1-Oct- 2005	----- 2296	-----
1-Jan- 2006	----- 2308	
1-Apr- 2006	----- 2319	FY 06
1-Jul- 2006	----- 2331	2.0%
1-Oct- 2006	----- 2342	-----
1-Jan- 2007	----- 2355	
1-Apr- 2007	----- 2367	FY 07
1-Jul- 2007	----- 2379	2.1%
1-Oct- 2007	----- 2391	-----
1-Jan- 2008	----- 2404	
1-Apr- 2008	----- 2416	FY 08
1-Jul- 2008	----- 2429	2.1%
1-Oct- 2008	----- 2441	-----
1-Jan- 2009	----- 2454	
1-Apr- 2009	----- 2467	FY 09
1-Jul- 2009	----- 2480	2.1%
1-Oct- 2009	----- 2492	-----
1-Jan- 2010	----- 2505	
1-Apr- 2010	----- 2518	FY 10
1-Jul- 2010	----- 2531	2.1%
1-Oct- 2010	----- 2544	-----
1-Jan- 2011	----- 2558	
1-Apr- 2011	----- 2571	FY 11
1-Jul- 2011	----- 2584	2.1%
1-Oct- 2011	----- 2597	-----

Notes

1. Use **2.1%** per fiscal year for projection beyond FY **2011**
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, Rates in the Alternative) in Percentages published in PBD dated 22 December 2004 by the Under Secretary of Defense (Comptroller).
4. This revised index table supersedes the index table published on **09 January 2004**