

Part I and II (Building and Support Facilities)

This Newsletter Supersedes the Army Facilities Pricing Guide, PAX Newsletter No. 3.2.2, revision dated 30 Sept 2015, and updates Primary & Support Facilities Unit Cost Tables, Tri-Service Military Construction Program (MCP) Index, and Table-1, Size Adjustment Factors. These costs will be used as a guide for preparation and/or review of Budget Submission of the FY18 Army Military Construction (MCA) and Army Family Housing (AFH) projects' parametric cost estimates and ENG3086s unless otherwise noted. These facility unit costs may not be directly applicable for those facilities that consist of unique requirements. 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 16 May 2016

A.1. The Unit Costs in Part-1 Table represent the dollar per square foot cost as of 1 October 2018 for various CONUS Army facility types (to include projects from Alaska and Hawaii) that were awarded between FY 2013-15 and at least 3 projects per building type were entered into the Historic Analysis Generator (HII) database by 15 Nov 2015. When less than three (3) recent projects were awarded and entered into the HII database between 2013-2015 for a specific facility type (CatCode), then the last four (4) years (2012-2015) projects' data were considered. Only new construction projects located within the Continental United States (CONUS), to include projects in Hawaii and Alaska, were utilized to develop facility specific unit costs, except for Army Family Housing and DoD Schools where OCONUS projects were also considered. Addition-alteration projects, less than 25% of the Standard Reference Size for that facility type, were not included in the database.

A.2. Methodology and Escalation Factor: Facility-specific bid data were normalized to the average number of bidders for that specific facility type, Area Cost Factor of 1.0, Reference size for that facility type, and 1 Oct 2015 price level using the actual construction inflation index. Unit Costs in the PAX Newsletter Table are escalated to 1 Oct 2018, the assumed mid-point of construction for a typical FY 2018 MILCON project using Appendix-C, Military Construction Program (MCP) Index. Appendix-C, MCP Index should be used for determining Cost Escalation Factor when a project's mid-point of construction is different than 1 Oct 2018, as shown in the following example for a project with a mid-point of 1 April 2019:

Anticipated Midpoint of Construction for a given project = 1 April 2019

MCP Indexes for 1 Oct 2018 and 1 Apr 2019 from Appendix-C, are 2930 and 2960 respectively

Cost Escalation Factor = 1 Apr 2019 MCP Index / 1 Oct 2018 MCP Index = 2960/2930 = 1.0102

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(s) shall be added for the following features:

- a. Minimum antiterrorism design features inside the building, when minimum set back/stand-off distance is achieved.
- b. Progressive Collapse premiums for specific facility types that are normally designed with 3 or more stories, such as Inpatient Hospitals/Medical Centers, Primary Care Clinic (attached), Major Command Headquarters, Barracks/Trainee Barracks, etc.

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- c. Building Information Systems (e.g. conduits, racks, trays, telecommunication rooms) for facilities without any Special Communications Requirements.
- d. Energy Management Control System (EMCS) Connections.
- e. Intrusion Detection System (IDS) infrastructure, to include conduits, racks and trays.
- f. Sustainable Design and Development features for criteria in effect from September 2007 thru September 2012 (e.g. LEED Silver Rating, Energy Policy Act of 2005).
- g. Built-in Equipment and furnishings normally funded by MILCON funds,
- h. Standard uncomplicated foundation systems (e.g. Strip/Spread-footings, thickened edge slab for slab on grade). Any Special Foundations, such as Pile Foundations and Structural Fill cost should be listed separately.
- i. Contractor's mark-ups for overhead, and profit.
- j. 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 2012.
- d. Inside the building or Built-in Renewable and alternative Energy features (e.g. ground source heat pumps, roof mounted Solar Panels).
- e. Special Foundation cost (e.g. cost of pre-stressed concrete pile foundation or caissons).
- f. Special Architectural features to comply with the Historic Preservation Guidelines.
- g. Equipment acquired with non-MILCON fund sources (e.g., intrusion detection systems, pre-wired workstations).
- h. Construction Contingency and Supervision, Inspection, and Overhead (SIOH) allowances.
- i. Design-Build Contract 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, such as extreme material or labor shortages at the project location.

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

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B. PART-II – SUPPORT FACILITIES UNIT COSTS, dated 15 May 2016

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. 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 16 May 2016
 TRI-SERVICE MILITARY CONSTRUCTION PROGRAM (MCP) INDEX FOR FY 2017-21 PROGRAMS
 Based on Interim Inflation Guide - 2017 Pres Bud Published by OUSD (Comptroller) on 12 Feb 2016**

<u>FISCAL YEAR (FY)</u>	<u>DATES</u>	<u>INDEX</u>	<u>ESCALATION PERCENTAGE FOR FISCAL YEAR</u>
FY 2015	1-Oct- 2014 -----	2715	-----FY15 (1.6%)
	1-Jan- 2015 -----	2726	
	1-Apr- 2015 -----	2737	
	1-Jul- 2015 -----	2748	
FY 2016	1-Oct- 2015 -----	2758	-----FY16 (1.8%)
	1-Jan- 2016 -----	2771	
	1-Apr- 2016 -----	2783	
	1-Jul- 2016 -----	2796	
FY 2017	1-Oct- 2016 -----	2808	-----FY17 (1.9%)
	1-Jan- 2017 -----	2822	
	1-Apr- 2017 -----	2835	
	1-Jul- 2017 -----	2848	
FY 2018	1-Oct- 2017 -----	2861	-----FY18 (2.0%)
	1-Jan- 2018 -----	2876	
	1-Apr- 2018 -----	2890	
	1-Jul- 2018 -----	2904	
FY 2019	1-Oct- 2018 -----	2918	-----FY19 (2.0%)
	1-Jan- 2019 -----	2933	
	1-Apr- 2019 -----	2947	
	1-Jul- 2019 -----	2962	
FY 2020	1-Oct- 2019 -----	2976	-----FY20 (2.0%)
	1-Jan- 2020 -----	2991	
	1-Apr- 2020 -----	3006	
	1-Jul- 2020 -----	3021	
FY 2021	1-Oct- 2020 -----	3036	-----FY21 (2.0%)
	1-Jan- 2021 -----	3052	
	1-Apr- 2021 -----	3067	
	1-Jul- 2021 -----	3082	
FY 2022	1-Oct- 2021 -----	3097	

Notes

1. Use **2.0%** per fiscal year for projection beyond **FY 2021**
2. Tri - Service MCP Index (1,000) = 1 October 1979 ENR Historical Building Cost
3. The MCP indexes after 1 Oct 2013 were derived using the Price Escalation Indices (Annual Rates in Percentages) for Budget Authority published in the 12 Feb 2016 Interim Inflation Guidance - Fiscal Year (FY) 2017 President's Budget.
4. This revised index table supersedes the MCP index table published as Appendix-C to PAX Newsletter 3.2.2, dated **30 September 2015**.