

CONSTRUCTION COST TRENDS COMPUTATIONS

Bureau of Reclamation - Technical Services Center

The Bureau of Reclamation's *Construction Cost Trends [CCT]* were developed to track construction relevant to the primary types of projects being constructed by the organization. All the various cost indexes consist of two elements, contractor labor and equipment costs, and contractor supplied materials and equipment.

When the indexes were originally developed, the substantial amount of construction work being performed by the Bureau provided a large data reference for the 35 construction categories. Actual field cost data were used to develop the costs baselines and their respective incremental increases over time.

Since the early to mid 1980's, the number and magnitude of construction projects being performed by the Bureau has declined. There are fewer construction projects in general and no new large dam or hydroelectric projects. The number of data references from our own construction has therefore declined as well.

Despite this reduction in the construction program, the *Construction Cost Trends* is still considered a valuable asset used by many within Reclamation as well as numerous clients in other government entities and the private sector. In order to perpetuate the *CCT* in as a meaningful and professional manner as possible, cost models consisting of appropriate labor, equipment, and materials types are now used as the principal costs reference in lieu of actual field data. Data for the models are primarily extracted from

- C Producer Price Indexes [PPI], US Department of Labor, Bureau of Labor Statistics
- C Price Trends for Federal-Aid Highway Construction, US Department of Transportation
- C *Engineering News-Record*, weekly publication of McGraw-Hill

Actual field data, when available, is used to confirm the reasonableness of the models. Engineering judgment may also be used to adjust the results.