

## Escalation Rate Assumptions For DOE Projects (November 27, 2009)

The following rates are to be used for the FY 2011 Congressional Budget Call  
These rates are to be used starting with CD-0.

If an escalation rate other than the above is being used, the project must provide the CFO, Office of Cost Analysis (CF-70) with the following information:

- (a) project title,
- (b) total project cost or cost range, as appropriate,
- (c) reason for the alternative escalation rate along with substantiating data

Office of Cost Analysis approval is not required for use of an alternative escalation rate.  
Additional advice and assistance can be obtained from the CF-70 point of contact:  
Francis G. Hall, Jr at 202-586-4071.

The CEPCI is heavily influenced by steel prices. Although steel prices increased during the first two quarters of FY10 we expect the prices to fall during the latter part of FY10 and even more so in FY11 as global steel production exceeds 2008 peak levels and supply exceeds demand. As a result of this analysis, the quarterly update analysis in June 2010 indicated that no change to escalation rates is required as this time.

Escalation Rates - Base Year 2011 (Nov 27, 2009)								
	Nuclear		Scientific Laboratory		Admin/ Warehouse		Remediation/ D&D	
FY	Rate	Index	Rate	Index	Rate	Index	Rate	Index
1990	1.2	0.635	2.0	0.573	2.6	0.531	2.5	0.523
1991	0.9	0.640	1.9	0.584	2.6	0.544	3.4	0.541
1992	0.0	0.640	1.9	0.595	3.5	0.563	3.1	0.558
1993	2.0	0.653	3.5	0.616	4.8	0.590	4.2	0.581
1994	3.0	0.672	3.3	0.636	3.5	0.611	3.5	0.601

1995	2.7	0.691	1.4	0.645	0.4	0.613	1.0	0.607
1996	1.0	0.697	2.6	0.662	4.0	0.637	3.5	0.629
1997	1.9	0.711	2.8	0.681	3.5	0.660	3.0	0.647
1998	0.5	0.714	1.1	0.688	1.5	0.670	1.9	0.660
1999	1.2	0.723	2.0	0.702	2.7	0.688	2.8	0.678
2000	1.0	0.730	1.2	0.710	1.3	0.696	1.6	0.689
2001	0.1	0.731	1.3	0.719	2.2	0.712	2.7	0.707
2002	1.8	0.745	2.1	0.734	2.4	0.728	3.1	0.729
2003	1.0	0.752	1.6	0.746	2.0	0.743	2.3	0.746
2004	12.7	0.848	10.8	0.827	9.3	0.812	8.3	0.807
2005	2.1	0.866	2.8	0.850	3.4	0.839	3.3	0.834
2006	8.1	0.936	5.3	0.895	3.0	0.865	3.0	0.859
2007	3.1	0.965	3.4	0.925	3.7	0.897	3.7	0.891
2008	7.0	1.033	5.0	0.972	3.5	0.927	3.3	0.920
2009	-3.2	1.000	0.9	0.981	4.2	0.966	4.7	0.963
2010	-1.9	0.981	-0.3	0.977	0.9	0.974	0.9	0.972
<b>2011</b>	<b>2.0</b>	<b>1.000</b>	<b>2.3</b>	<b>1.000</b>	<b>2.6</b>	<b>1.000</b>	<b>2.9</b>	<b>1.000</b>
2012	1.9	1.019	2.2	1.022	2.4	1.024	2.4	1.024
2013	1.9	1.038	2.4	1.046	2.8	1.052	2.8	1.053
2014	1.9	1.058	2.4	1.071	2.8	1.082	2.8	1.083
2015	1.9	1.078	2.4	1.097	2.8	1.112	2.8	1.113
2016	1.9	1.099	2.4	1.123	2.8	1.143	2.8	1.144
2017	1.9	1.119	2.4	1.150	2.8	1.175	2.8	1.176
2018	1.9	1.141	2.4	1.178	2.8	1.208	2.8	1.209
2019	1.9	1.162	2.4	1.206	2.8	1.242	2.8	1.243
2020	1.9	1.184	2.4	1.235	2.8	1.277	2.8	1.278

Each index is applicable to a different type of project. The types of projects are as follows:

- Construction of Nuclear Facilities

- Construction of scientific/laboratory facilities
- Construction of all other types of facilities, such as administrative buildings and warehouses
- Remediation/Decontamination and Demolition (D&D)

The index for the different classes of construction projects are based on blends of three commercial construction cost indexes.