

CITY OF AUSTIN
PUBLIC WORKS DEPARTMENT

BOND OVERSIGHT COMMISSION

CONSTRUCTION COST INFLATION

16 February 2022

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**PUBLIC
WORKS**



WHAT IS THE ENR COST INDEX?

Engineering News Record

- CCI – Construction Cost Index
- BCI – Building Cost Index



Prices a “basket of goods” including labor, concrete, steel, and lumber

Similar to Consumer Price Index (CPI) for measuring inflation across the economy

Measured on a monthly basis, 20 individual cities used to create an “industry average”. Unless in the specific market of the individual city, industry average is most accurate

INDUSTRY AVERAGE COST INDEX

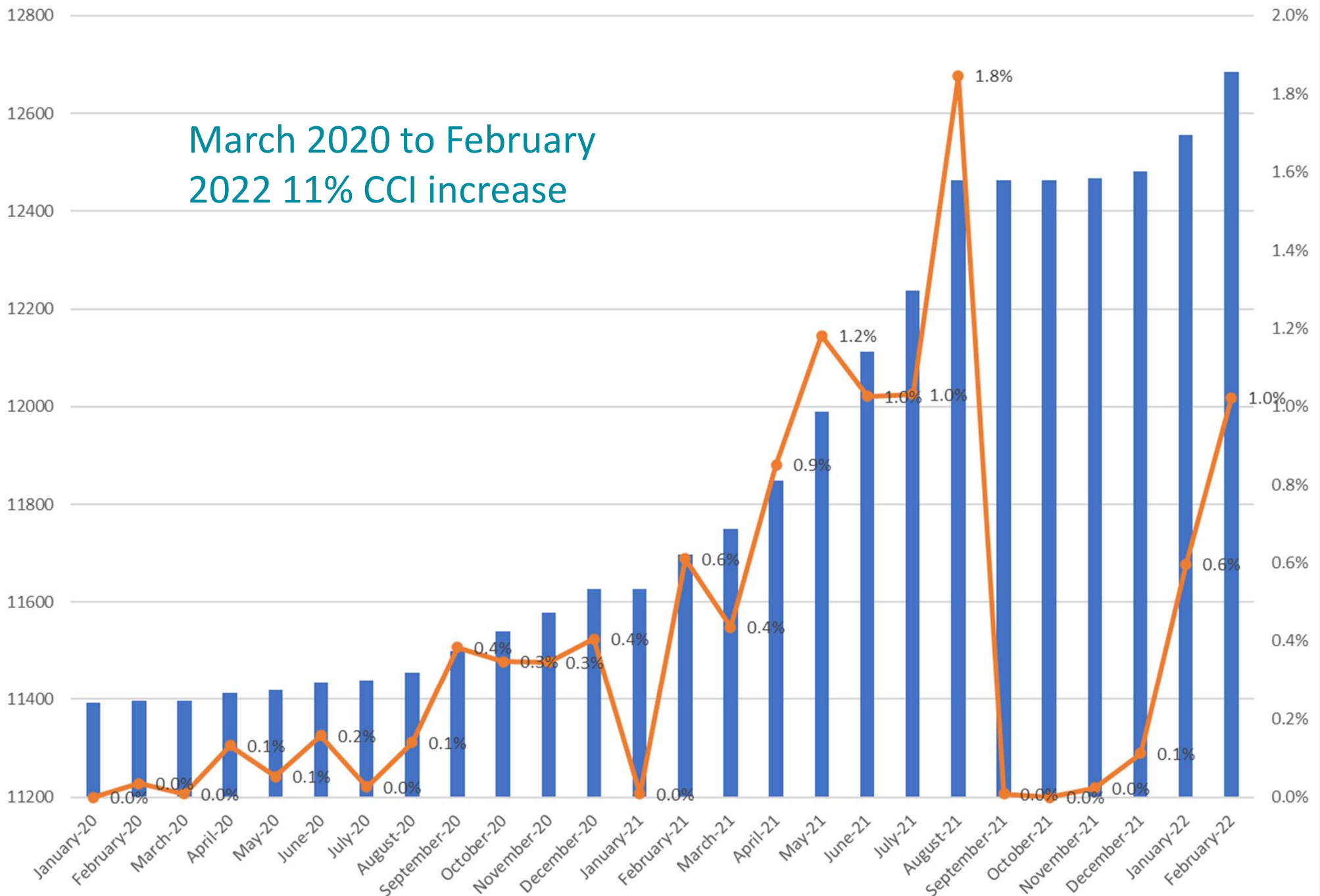
January 2020 – February 2022

Construction Cost Index Data													
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG.
2022	12556	12684											
2021	11627	11698	11749	11849	11989	12112	12237	12463	12464	12464	12467	12481	12133
2020	11392	11396	11397	11412	11418	11436	11439	11455	11499	11539	11579	11626	11466
2019	11206	11213	11228	11228	11230	11268	11293	11311	11311	11326	11381	11381	11281
Building Cost Index Data													
YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG.
2022	7359	7458											
2021	6459	6493	6545	6612	6754	6876	7006	7201	7214	7244	7255	7289	6912
2020	6214	6217	6218	6234	6239	6247	6258	6268	6300	6344	6392	6445	6281
2019	6107	6108	6110	6110	6112	6118	6131	6147	6147	6169	6179	6199	6136

CONSTRUCTION COST INDEX

January 2020 – February 2022

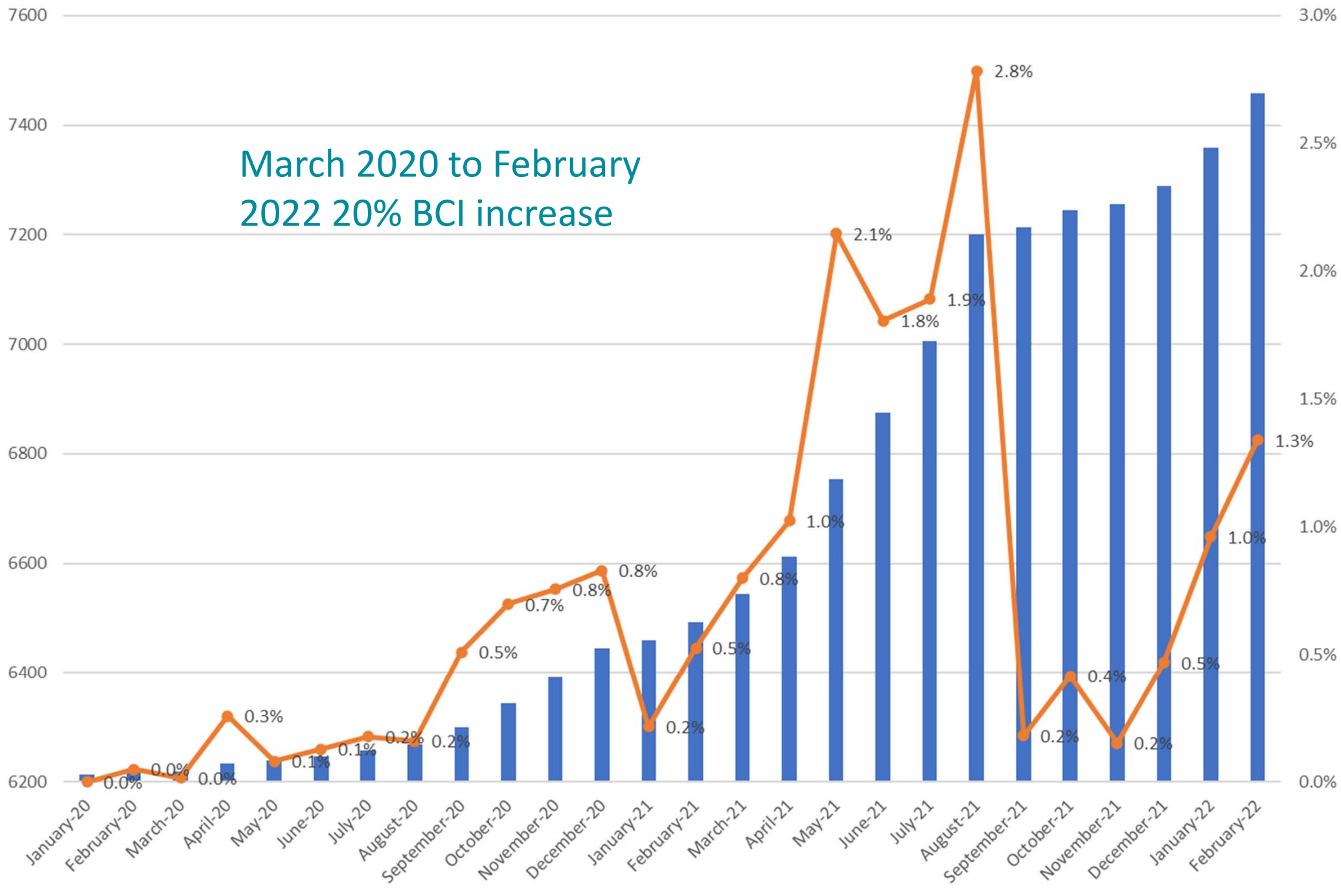
March 2020 to February
2022 11% CCI increase



BUILDING COST INDEX

January 2020 – February 2022

March 2020 to February
2022 20% BCI increase



INFLATION IS REAL

WHAT CAN THE CITY DO?

As an individual actor in the construction economy, there isn't much the City can do about industry-wide inflation:

- Delay construction projects until inflation corrects
 - Deadlines on implementation of bond projects “Contract with the Voters”
- Lock in pricing via contracts/bid guarantee
- Update project budgets on a regular basis
- Update Engineer's Estimates as bid time approaches and ensure inflation costs are included.



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