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Fermilab Escalation Rates for Projects

Mu2e Independent Cost review

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Fermilab escalation rate evaluation and updates

- Fermilab uses information from the Congressional Budget Office (CBO) annual pricing forecast done in February
- CFO and Budget office interpret trends in prices and normalize for lab expectations and DOE funding constraints
- CBO Labor escalation assumptions seem high given lab expectations of future increases
- Fermilab's actual salary increase experience
 - October 2013 was average of 2.5%
 - Requested October 2014 at 2.75%.
- DOE must approve Fermilab's request for annual increases given to employees. Contractor increases are influenced by market conditions and federal workforce increases.
- Budget office works with Project Support Services to update escalation rates in October

Congressional Budget Office Price forecasts

Employment Cost index for Labor cost escalation:

	2015	2016	2017	2018	2019	2020	2021+
CBO Feb 13	3.7	4.0	4.1	4.1	3.9	3.7	3.6
Fermilab	2.7	2.8	3.0	3.1	3.3	3.4	3.6
CBO Feb 14	2.9	3.4	3.8	3.9	3.8	3.8	3.8



Almost 1%
increase in 2 years
seems unlikely



Price Index, PCE (excluding food and energy) for Materials cost escalation:

	2015	2016	2017	2018	2019	2020	2021+
CBO Feb 13	1.9	1.9	2.0	2.0	2.0	2.0	2.0
Fermilab	1.9	1.9	2.0	2.0	2.0	2.0	2.0
CBO Feb 14	1.7	1.9	1.9	1.9	2.0	2.0	2.0