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Benchmarking for Transport Infrastructure

National Highway Construction Cost Index (NHCCI)

Submitted by the United States of America

This document, submitted by the United States of America, provides information on the National Highway Construction Cost Index published by the Office of Transportation Policy Studies.

1. The Office of Transportation Policy Studies in the Federal Highway Administration (FHWA) prepares and publishes the National Highway Construction Cost Index (NHCCI) on a quarterly basis with a time lag of three months. The NHCCI is a quarterly price index intended to measure the national average changes in the prices of highway construction materials and services over time.

2. FHWA procedure utilizes chained Fisher Ideal Index method and bid tabulations (Bid-Tabs) data to calculate the index. The Bid-Tabs data are collected from State Department of Transportations (DOT) online postings of winning bids on highway construction contracts. The data represent state, and project level details of values, quantities and units of “pay items” for winning contracts on state DOTs projects. Individual “goods” in the Bid-Tabs data are represented by “pay-items”. A “pay item” is a unit of work, construction material, labor, or service for which value and quantity is provided in the contract. The data covers all states, except Hawaii, Alaska and District of Columbia. FHWA purchases the Bid-Tabs data from Oman Systems, Inc.

3. The NHCCI has several uses. The NHCCI helps understand changes in the purchasing power of a dollar of highway construction investment, and changes in highway construction costs over time. It can be used to adjust highway expenditure for the effect of inflation, enabling to compare expenditures made at different time periods. FHWA uses the index to prepare projections of future highway funding needs for its Conditions and Performance (C&P) biennial report to U.S. Congress. Several state agencies use the index for budgeting and funding needs projections. The Bureau of Labor Statistics (BLS) uses the index for preparing productivity measurements. The Bureau of Economic Analysis (BEA) uses the index for preparing constant dollars estimates. Other government agencies, policymakers, planners, trade associations and researchers use the index for monitoring construction costs over time, and other purposes.

4. For additional information, visit the website at <https://www.fhwa.dot.gov/policy/otps/nhcci/>.
