

5. PERIODIC UPDATE OF THE GUIDELINES

Since construction costs are not stagnant, we strongly recommend an annual update. Should the SCG (Saylor Cost Guidelines) Material/Labor Index indicate a 6% or greater change per year, we suggest a semi-annual update. The SCG Material/Labor Index will be used as a barometer of the Arizona construction market to assess the fluctuations which occur.

The following will form the basis for the periodic update.

- A. Confirmation of Arizona construction costs in the Phoenix/Tucson and Flagstaff markets by analyzing:
 - (1) The SCG Materials Costs Index (23 selected materials).
 - (2) The SCG Cost Index (9 selected trades).

These will be expressed as a Material/Labor Index which will provide percentages of change for update requirements.

- B. Re-examine and update the inflation adjustment factors for the current five-year period.
- C. Update the Construction Cost Control Guidelines Matrices to reflect the changes in the SCG Indexes.