

Producing organisation: INSEE

## Introduction

The indices concerning road transport, various overheads, landscape architecture, engineering and road marking are cost indices of the various activities in the construction sector, mainly used for the indexing of contracts. [These indices](#) (in French only), up until January 2014 covering the distribution of the indices of October 2013, were published and calculated by the Department for the economy, evaluation and integration of sustainable development of the Ministry for Ecology, Sustainable Development and Energy. Decree No. 2014-114 of February 7, 2014 on the national building index for all trades and the circular of February 21 from the Ministry of Economy and Finance, NOR EFIS 1404646 C, transferred that responsibility to INSEE. As from February 2014, as far as the distribution of indices of November 2013 are concerned, the general methodology, the weightings and the period of reference have been kept, but the basic indices have all been chosen from among the indices drawn up by the public statistics authority for calculation of variations. These indices are used in the calculation of the Building and Public Works indices but can be used individually or combined.

## Goals

**These indices enable firms and local authorities to index contracts.**

Firms and local authorities can use these official indices for contracts concerning landscape architecture (parks and gardens), road marking, road transport of people and equipment, various overheads covering a manager in charge of a building site or of a landscaping site (various costs), the cost of the work of an engineer on a worksite, including miscellaneous costs (engineering). The indices covering the Provision of Plants (FV) and the Provision of grains (FG) are used to calculate the indices for the work of landscaping (parks and gardens). They can also be used directly in combination with other elements in the formulae used for price review. The [fascicle 35](#) (pdf file - in French only) of the “technical and general clauses of public works contracts covering landscaping, sports grounds and open air leisure facilities” sets out the definitions and recommendations for use of these indices related to landscaping. These “indices” consist of parametric formulae of the variations in the costs of various inputs, as recommended in [the guide “Prices in public procurement”](#) (pdf file - in French only) published by the legal affairs division of the Ministry for the Economy and Finance in April 2013 (version 1.1.). However, other more suitable parametric formulae can be used as well as the items “miscellaneous costs” and “transport” published in the “various indices of construction”.

## Statistical field and list of the calculated indices

The list below gives the various indices in construction by code of activity in NAF 2008 and CPF 2008 so as to facilitate the choice of the right index thanks to the reading notes of the classification available on the INSEE web site:

## List of various indices

NAF / CPE, rev. 2 of 2008	Various indices	
01.19	FG	Provision of grains
01.30	FV	Provision of plants
42.11.20	PMR	Road marking products
49.3	TR	Road transport
71.1	ING	Engineering
81.3	EV1	Greening work
	EV2	Application of crop protection products
	EV3	Creation of parks and gardens
	EV4	Maintenance of parks and gardens
	FD	Miscellaneous costs

## Technical characteristics

### Methodology

The other indices are cost indices of the various activities in the construction and landscape architecture sectors listed under 6 items according to an approach towards analytical accounting: “cost of labour” now called “wages and charges”, “materials”, “equipment”, “energy”, “transport”, “miscellaneous costs”, similar to the “KLEMST” approach used by productivity economists ( $K = capital$  for “equipment”,  $L = labour$  for “labour”,  $E = energy$  for “energy”,  $M = materials$  for “materials”,  $S = services$  for “miscellaneous costs”,  $T = transport$  for “transport”).

The correspondence between the items of the indices and the accounts of the general accounting plan is as follows, given that subcontracting can be removed from production, that the item “miscellaneous costs” is capped and that only costs linked to a worksite are taken into account:

Items	General financial accounting	
<b>K Capital</b>	605	Purchase of capital assets, equipment and work
	606 \ 6061	Purchases not stored (small items)
	612 \ partial	Leasing excluding transport equipment
	6131 \ partial	Equipment hire excluding transport equipment
	615 \ partial	Maintenance and repairs excluding transport equipment
	68 \ partial	Depreciation and amortisation of fixed assets excluding transport equipment
<b>L Labour</b>	604	Purchases of services
	621	Temporary staff
	6311	Payroll tax
	64	Personnel expenses
<b>E Energy</b>	60221 \ partial	Combustibles excluding fuels
	6061	Non-stockable supplies (water, energy, electricity)
<b>M Materials</b>	601	Stored purchases
	602 \ 60221	Other supplies
	609	Rebates and allowances on purchases

<b>S Services (miscellaneous costs)</b>	61	External services minus 611 “general subcontracting”, minus 612 “leasing”, minus 6131 “Equipment hire”, minus 615 “maintenance and repairs”, minus 6163 “transport insurance”
	622	Remuneration of intermediaries and professional fees
	623	Advertising, public relations
	625	Travel and entertaining
	626	Postal and telecommunication charges
	68 \ partial	Depreciation and amortisation of fixed assets
<b>T Transport</b>	60221 \ partial	Fuel
	Part of 612	Leasing transport equipment
	Part of 6135	Hire of trucks without drivers
	Part of 6155	Maintenance and repair of transport equipment
	6163	Transport insurance
	624	Transport of goods and employee transport
	68 \ partial	Depreciation and amortisation of transport equipment

Each item consists of basic indices, now all derived from public statistics. The weighting of the items and basic indices is set for the duration of the base.

### Aggregation and reference

The items are calculated according to a Lowe's aggregation-chaining technique. The index level of the item in the previous month is multiplied by the weighted mean of the variations in prices of the basic indices making up the item. Although the structure and weighting of the other indices and index have been periodically revised, the periods of reference have remained unchanged.

### Weighting

The current weightings are the result of work undertaken by the general commissariat for sustainable development of the Ministry of ecology, sustainable development and energy. The [Annual sectoral survey](#) on construction and services, enclosed with the fiscal data forwarded to INSEE, forms the basis of the weightings of the items and basic indices.

### Weighting of other indices, item by item

Pondérations (en%)

Index		Items						Total
		Cost of labour	Equipment	Transport	Energy	Misc. costs	Materials	
ING	Engineering	70.0	15.9			14.1		100.0
FD	Miscellaneous costs	5.0	26.0	27.0		26.0	16.0	100.0
TR	Road transport	40.0	40.0		20.0			100.0
PMR	Road Marking Products	20.0					80.0	100.0
EV1	Greening work	40.0	20.0		5.0		35.0	100.0
EV2	Application of crop	40.0	20.0		5.0		35.0	100.0

	protection products							
EV3	Work for the creation of parks and gardens	55.0	18.0		6.0		21.0	100.0
EV4	Maintenance work of parks and gardens	75.0	15.0		10.0			100.0
FG	Provision of grains						100.0	100.0
FV	Provision of plants						100.0	100.0

## Composition of the various indices

### 1. Parks and Gardens “EV”

These indices are monthly.

- EV1: Greening work  
Materials consist of the “provision of grains”, equipment of “agricultural equipment (10%) and vans” (10%), and the source of energy is diesel fuel.
- EV2: Application of crop protection products  
Materials consist of “agrochemical products for agriculture”, equipment of “motor vehicles” (10%) and of “agricultural equipment” (10%). The source of energy is diesel fuel.
- EV3: Work for the creation of parks and gardens  
Materials consist of the “provision of plants” (18%) and the “provision of grains” (3%). Equipment consists of “agricultural equipment” (9%) and “motor vehicles” (9%). The source of energy is diesel fuel.
- EV4: Maintenance work of parks and gardens  
Equipment consists of “agricultural equipment”. The source of energy is unleaded petrol with a 98 octane index.

### 2. Transport “TR”

The variation in road transport costs is tracked with the “TR” index.

This index was established by the general commissariat for sustainable development in concert with the representatives of professionals in the sector of Building and Public Works, on the basis of a parametric formula.

Equipment consists of “vans” (35%) and tyres (5%). The source of energy is diesel fuel.

### 3. Miscellaneous costs “FD”

This item was defined to provide a lump-sum representation of the miscellaneous management costs of a firm in the Building and Public Works sector.

Materials consist of “stationery”. Equipment consists of the “cost of construction” (21%) and office equipment (5%). Transport consists of transport services (14%) and vehicles (13%). The miscellaneous costs consist of communication costs (21%) and catering costs (5%).

### 4. Engineering “ING”

The Engineering index is calculated monthly.

Equipment consists of the “cost of construction” (3%) and of the MIG EBIQ - Energy, intermediary goods and capital goods (12.9%). The miscellaneous costs consist of the consumer price index of

“Transport, communications and hotel and catering costs”.

### **5. Road Marking Products “PMR”**

Metal containers account for 10 points in the “materials” item, which consists of a large number of basic indices.

### **6. Provision of grains “FG”**

This index is calculated on the basis of information provided quarterly by the National Professional Group of Grains and Plants.

It represents the variations in the prices of a sample of grains, including English rye-grass, red fescue, smooth-stalked meadow-grass, timothy and reed fescue.

### **7. Provision of plants “FV”**

This index is calculated annually.

It represents the variations in the prices of a sample of large trees, roadside trees, evergreen and deciduous shrubs and conifers.

### **8. Sources of information**

The item “wages and charges” consists of the index of the hourly cost of labour in the corresponding sector, with a lag of 3 months.

The basic indices of the other items consist essentially of producer price indices, and in particular those for the [Producer price indices of French industry for the French market - Purchaser's price \(for contract escalation\)](#).

All the other indices have been derived from public statistics.

### **Statistical unit surveyed**

The other indices and index do not entail a new survey but use the existing public statistics and in particular the [OPISE](#) programme to create the basic indices.

Conceptually, the unit observed for its costs is a branch or sub-branch of activity of French construction firms.

### **Frequency of the operation**

Monthly.

### **Dissemination**

The various construction indices are distributed three months after the month reviewed on the [BDM website](#)

They are also published in the *Journal Officiel*.

### **Background**

- [“PsdA - Miscellaneous products and services” index replaced by: Transport \(TR\), Miscellaneous costs \(FD\) and Energy.](#)
- [Circular of 29/02/08 on the creation of indices for parks and gardens.](#)

