

The MEP Cost Index remains at 204.

This represents a projected increase of 10.4% between 2022 and 2023.

MEP equipment manufacturers continue to report record backlog and market growth. Factory loading is not expected to lessen this year and some factories are reporting full bookings into First Quarter 2024.

Lead times for electrical and mechanical equipment have significant ranges depending on features and size. Despite unprecedented orders and backlog, manufacturers are beginning to successfully engage additional suppliers and complete quality testing to utilize varying OEM components. To manage lead times, it is recommended to place orders early and closely coordinate on alternate products.

HVAC equipment manufacturers are reporting an average 5-week improvement for industry-standard equipment configurations. VFD and ECM fans continue to drive the upper range of airside lead-times. Chiller plant loading from large data center and battery projects is affecting the upper lead-time range more so than supply chain constraints. Cooling tower lead-times are generally the same for both galvanized and stainless-steel construction.

Estimated Equipment Lead Times (Varies due to Equipment Sizing)

	Previous Report	Current Report
Cooling Towers	25 - 30 wks	20 - 25 wks
Chillers	25 - 55 wks	20 - 50 wks
Air Handling Units	25 - 65 wks	20 - 65 wks
Generators	51 - 100 wks	45 - 100 wks
Switchgear	65 - 90 wks	65 - 85 wks
Uninterruptible Power Supply	30 - 55 wks	30 - 52 wks
Lighting Controls	-----	16 - 20 wks

Electrical manufacturers continue to expand manufacturing capacity and strengthen supply chains. We are seeing integral improvements in production. These efforts suggest lead times will begin to stabilize and refine at the end of Third Quarter 2023. Some switchgear manufacturers are quoting slight improvements of one to two weeks while others are pushing out lead times by several months depending on gear type. Generator manufacturers continue to receive record orders for units over 1,000kw. The long lead time for UPS continues to be batteries. With current market conditions, we are not anticipating a significant reduction in lead times during the next twelve months.

Standard Lighting Fixture lead times are consistent but may be affected by disruption in the Chinese labor gap moving forward. Specialty light fixtures have varying lead times and can take significantly longer than the 8–12 week lead times of standard fixtures. Lighting control lead times have improved but the recommendation currently is still to stay at the 16–20 week lead time from release. The lead times vary drastically from manufacturer to manufacturer.

The Mechanical/ Electrical supply chain business relationships include over 200 of the leading manufacturers resulting in over \$600 million in annual equipment and product sales. Through providing direct procurement solutions, the Mechanical / Electrical supply chain has developed high level relationships and communications channels with major mechanical, electrical, and plumbing manufacturers. These relationships provide us insight and market information to forecast equipment costs. These forecasts are validated annually through our aggregated purchasing to determine this cost index.

Year	Avg. Index	↔ ↘ ↗
2023	204	10.4%
2022	185	15.1%
2021	161	10.3%
2020	146	2.8%
2019	142	3.0%
2018	138	3.8%
2017	133	3.0%
2016	129	1.5%
2015	127	1.0%
2014	126	2.0%
2013	124	2.5%
2012	121	3.5%
2011	117	2.5%
2010	114	- 4.5%
2004	100	Base Year

Facility Equipment Cost Index

