



August 3, 2020

The Nevada Division of Environmental Protection, Bureau of Mining Regulation and Reclamation (BMRR) and Bureau of Land Management have been updating the Standardized Reclamation Cost Estimator (SRCE) cost data file since at least 2010.

After the SRCE cost data file is published each August, BMRR uses a reference Reclamation Cost Estimate (RCE) to compare the current cost data file against previous years (excluding Mob/Demob and Process Fluids Cost Estimator (PFCE) tools). Here are the results over the last five years:

| Annual Comparison | Percent |
|-------------------|---------|
| 2020 - 2015       | +9.23%  |
| 2020 - 2016       | +13.55% |
| 2020 - 2017       | +11.20% |
| 2020 - 2018       | +6.08%  |
| 2020 - 2019       | -0.21%  |

The 2020 cost data file reflected an overall decrease of 0.21% from 2019, primarily attributable to the following items:

- Minimal change (0.35% increase) in labor costs.
- 2.53% overall increase in materials costs.
- 0.87% overall decrease in equipment costs, including a 16.7% decrease in fuel prices, 12% average increase in tire costs, and average 2.7% increase to monthly rental rates for equipment.

Labor rates were almost unchanged between 2019 and 2020. Out of 41 Davis-Bacon Act job classifications for Elko and Clark Counties, only two wage rates changed.

Individual material unit costs were somewhat variable from 2019 to 2020, without any obvious trend. The result was a modest increase of 2.53% overall. Of interest, material costs for 60 mil HDPE liner increased 7% per square foot, from \$0.53 to \$0.57.

Most equipment rental rates saw a 2% increase from 2019 to 2020. A few pieces of equipment increased more than 2%, resulting in an overall average increase of 2.7% from 2019. The "Equipment" category also includes fuel, tires, and other maintenance items. Fuel prices decreased by 16.7% (from \$2.63 per gallon to \$2.19 per gallon). Most tire prices increased by 5% from 2019 to 2020, with three exceptional increases greater than 80% on small front-end loader tires, which bumped the average for all tires up to 12%. It appears that the small increases in rental rates, tire costs, and other maintenance costs generally offset the reduced fuel price in the "Equipment" category.

The price of fuel generally affects the price of tires, lubricants, and other petroleum-based products like HDPE piping and liner. The attached graph depicts the correlation in overall RCE values in relation to fuel prices.

