

Draft Bond Rate Guidelines for 2004

Bond rate guideline calculations were completed using the previously established procedure. The data used was for the contracts for the 2000 through 2002 contract years. Weighted averaging was used.

The following table summarizes the new guidelines and provides a comparison with the previous guidelines:

| | Unit | BRG 8/01 | 2003 BRG | Proposed 2004 BRG |
|----------------|-------|------------|------------|----------------------|
| Grading1 | Yd | \$0.50 | \$0.55 | \$0.55 |
| Grading2 | Yd | \$0.80 | \$0.80 | \$0.80 |
| Select Grading | Acre | \$625.00 | \$800.00 | \$875.00 |
| Reveg | Acre | \$1,000.00 | \$1,160.00 | \$1,210.00 |
| Trees | each | \$0.15 | \$0.15 | \$0.15* |
| Ditch Ex | Yd | \$3.19 | \$4.50 | \$4.50 |
| Jute | sq yd | \$1.62 | \$2.00 | \$2.00 |
| HV Erosion | sq yd | \$1.71 | \$2.40 | \$2.40 |
| R3 | sq yd | \$16.00 | \$16.00 | \$18.50 |
| R4 | sq yd | \$16.14 | \$20.00 | \$19.50 |
| R5 | sq yd | \$20.00 | \$18.50 | \$19.00 |
| Geotex | sq yd | \$0.75 | \$1.50 | \$2.50 |
| PVC lining | sq yd | \$5.38 | \$8.00 | \$11.00 |
| Subdrain | foot | \$7.75 | \$15.00 | \$16.00 |

*Awaiting confirmation from DCNR for tree costs.

The primary increases are in the select grading and revegetation.

For the 2002 contract year there were only two contracts which included select grading for a total of 13 acres. This may tend to skew the data and suggests that a longer-term average should be calculated. Additional calculations were done using a four-year and five-year average. These calculations resulted in a slightly higher per-acre cost (+\$25). Therefore, the three-year average was used.

For the BAMR contracts, the revegetation costs are bid on a per-acre basis or broken down to the components of the planting (e.g. seed, mulch, fertilizer). To account for all of the data, for the contracts bid by the components, a per-acre cost was calculated and then used in the weighted average. For example, for fertilizer, contracts were bid in terms of pounds of Nitrogen, Phosphate and Potassium or at a per acre rate for commercial fertilizer. The increase in the per-acre cost for revegetation is related to increases in costs for seed bed preparation, mulch and lime.

The analysis of the grading costs shows a similar pattern to previous years with peaks at \$0.50 per yard and \$0.60 per yard and a cluster around \$0.80 per yard. Therefore these rates will remain the same.