

MINUTE ITEM

34. PROPOSED REJECTION OF BID FOR MINERAL EXTRACTION LEASE, MONTEREY BAY, MONTEREY COUNTY; GRANITE ROCK COMPANY - W.O. 5064, GEO.-MONTEREY CO.

After consideration of Calendar Item 29 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

IN ACCORDANCE WITH SECTION 1907 (c) OF THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION, THE COMMISSION AUTHORIZES THE EXECUTIVE OFFICER TO REJECT THE BID OF GRANITE ROCK COMPANY, THE ONLY BIDDER, FOR A MINERAL EXTRACTION LEASE COVERING APPROXIMATELY 7.33 ACRES OF TIDE AND SUBMERGED LANDS LYING IN MONTEREY BAY, MONTEREY COUNTY, AS DETAILED IN EXHIBIT "A" ATTACHED.

Attachment

Calendar Item 29 (2 pages)

CALENDAR ITEM

29.

PROPOSED REJECTION OF BID FOR MINERAL EXTRACTION LEASE, MONTEREY BAY, MONTEREY COUNTY; GRANITE ROCK COMPANY - W.O. 5064.

On November 5, 1964, one bid was received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for the extraction of sand from approximately 7.33 acres of tide and submerged land in Monterey Bay, Monterey County.

The bid, submitted by Granite Rock Company, offered \$0.06 per cubic yard for all material extracted. The bid conformed with the requirements as specified in the proposal of the State Lands Commission to enter into the lease except that a certified copy of the financial statement establishing conclusively the ability of the bidder to undertake and fulfill all obligations under the prospective lease was not submitted with the bid. The letter of transmittal from the bidder indicated that a statement of financial responsibility from the Wells Fargo Bank would be forwarded, together with the statement of operating ability from an officer of the Company. A letter was received on the day of the bid opening from the Wells Fargo Bank, signed by the vice president and manager, attesting to the financial worth of the bidder, the unsecured credit available to it, and the Bank's opinion that the firm's reputation for financial soundness was unquestioned. No statement has been received from the Granite Rock Company to establish its operating ability. It was requested that Granite Rock Company supplement the financial information submitted with the bid by providing a certified copy of a financial statement establishing conclusively its ability to undertake and fulfill all obligations of the prospective lease in accordance with the bid proposal, including the operating ability of Granite Rock Company. The bidder has failed to submit either the financial statement or a statement of operating ability.

The proposal of the State Lands Commission to enter into the lease provides that the findings of the Commission as to whether a bidder has the financial ability to undertake and fulfill all obligations under the prospective lease shall be final and conclusive. Section 1907 (c) of the Rules and Regulations of the Commission provides that the Commission may reject any bid if the financial status of the bidder is not considered adequate by the Commission.

The office of the Attorney General has advised that with the exception as to the required financial statement, the bid conforms to the applicable provisions of law and to the rules and regulations of the State Lands Commission and that adequacy of the bid is a matter within the discretion of the Commission.

IT IS RECOMMENDED THAT IN ACCORDANCE WITH SECTION 1907 (c) OF THE RULES AND REGULATIONS OF THE STATE LANDS COMMISSION, THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO REJECT THE BID OF GRANITE ROCK COMPANY, THE ONLY BIDDER, FOR A MINERAL EXTRACTION LEASE COVERING APPROXIMATELY 7.33 ACRES OF TIDE AND SUBMERGED LANDS LYING IN MONTEREY BAY, MONTEREY COUNTY, AS DETAILED IN EXHIBIT "A" ATTACHED.

Attachment
Exhibit "A"

EXHIBIT "A"

THAT CERTAIN PARCEL SITUATE IN THE COUNTY OF MONTEREY, STATE OF CALIFORNIA:

COMMENCING AT THE NORTHWESTERLY CORNER OF LOT 86 AS SAID LOT IS DELINEATED AND DESIGNATED (WITHOUT REGARD TO THE SHORE LINE) UPON THAT CERTAIN MAP ENTITLED "LOCKE-PADDON COMPANY'S BAYSIDE SUBDIVISION OF MONTEREY CITY LANDS", FILED FEBRUARY 8, 1916, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AND NOW ON FILE IN SAID OFFICE IN MAP BOOK TWO, MAPS AND GRANTS (OUTSIDE LANDS), AT PAGE 15 THEREIN; THENCE DUE WEST 225 FEET TO A POINT; THENCE SOUTH $6^{\circ} 53'$ WEST A DISTANCE OF 1,161 FEET TO A POINT WHICH IS DUE WEST OF THE SOUTHWEST CORNER OF LOT 91 AS SAID LOT IS DELINEATED AND DESIGNATED ON THE AFORESAID MAP; THENCE DUE EAST 225.73 FEET TO THE SAID SOUTHWEST CORNER OF LOT 91; THENCE ALONG THE SOUTHERLY LINE OF SAID LOT 91 SOUTH $63^{\circ} 42'$ EAST A DISTANCE OF 50 FEET MORE OR LESS TO THE ORDINARY HIGH WATER MARK OF MONTEREY BAY; THENCE IN A NORTHERLY DIRECTION ALONG SAID ORDINARY HIGH WATER MARK A DISTANCE OF 1,161 FEET MORE OR LESS TO THE INTERSECTION OF SAID ORDINARY HIGH WATER MARK WITH THE NORTHERLY LINE OF SAID LOT 86; THENCE ALONG SAID NORTHERLY LINE OF LOT 86 NORTH $67^{\circ} 02'$ WEST A DISTANCE OF 50 FEET MORE OR LESS TO THE POINT OF COMMENCEMENT, CONTAINING APPROXIMATELY 7.33 ACRES.