

CALENDAR ITEM

C59

MINUTE ITEM

This Calendar Item No. C59 was approved as Minute Item No. 59 by the State Lands Commission by a vote of 3 to 0 at its 3/8/94 meeting

A)
S) N/A

03/08/94
W 22649
Martinez
Frey

CONSIDERATION OF CHANGE IN COMPETITIVE BID LEASING PRACTICE

Pursuant to Public Resources Code Section 6897, when there is a known deposit of commercially valuable minerals present under a parcel of land the Commission can, at its discretion, lease the lands by competitive bid or by negotiated lease. Traditionally the Commission has elected to lease by competitive bid. Generally the bid process is set in motion when a parcel is nominated for lease by a third party.

Presently, when the staff receives a letter of nomination of a parcel for bid, the nominator is required to submit a detailed project description and processing fees. The nomination is then processed and an environmental document is prepared. Next, staff petitions the Commission for authority to certify the environmental document and offer the parcel for lease by competitive bid. After the authorization has been obtained and the bid process has been conducted, staff returns to the Commission for awarding of the lease to the highest bidder.

The current leasing practice has been found to be very time consuming and has been criticized as such by several nominators. In an effort to streamline the process and thereby reduce the processing time, the staff suggests an alternative procedure be implemented.

The proposed procedure would authorize the staff to process nominations, prepare an environmental document and prepare a lease bid package prior to consideration by the Commission. In this manner the Commission would have an opportunity to review the environmental document, consider the proposed terms of the lease, and then make a determination whether it is in the State's best interests to proceed with the leasing. In addition the staff proposes that the Commission delegate authority to the Executive Officer or a designate to execute the lease upon completion of the bidding process.

After the Commission has granted its approval of the project and the Executive Officer's authority to execute the lease, Commission staff would proceed with the bidding process. The lease would be awarded to the highest responsible bidder.

Staff believes that the proposed procedure could save up to 90 days of processing time and also reduce the amount of staff time put into document preparation.

AB 884:
N/A

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY P.R.C. 21065 AND 14 CAL. CODE REGS. 15378.
2. AUTHORIZE THE COMMISSION TO IMPLEMENT A NEW PROCESSING PROCEDURE FOR COMPETITIVE BID MINERAL LEASES PURSUANT TO PUBLIC RESOURCES CODE SECTION 6897 COMPOSED OF THE FOLLOWING TWO STEPS.
 - A. STEP 1: ACCEPTANCE AND PROCESSING OF NOMINATIONS OF PARCELS FOR COMPETITIVE BID FOR THE LEASING AND DEVELOPMENT OF MINERAL RESOURCES. COMPLETION OF AN ENVIRONMENTAL ANALYSIS OF THE PROPOSED PROJECT. PREPARATION OF A COMPETITIVE BID LEASE PACKAGE. PRESENTATION OF THE SAME TO THE COMMISSION FOR ITS CONSIDERATION AND APPROVAL.
 - B. STEP 2: CONDUCT THE COMPETITIVE BID PROCESS AND AWARD THE LEASE TO THE HIGHEST RESPONSIBLE BIDDER.
3. AUTHORIZE THE EXECUTIVE OFFICER OR A DESIGNATE TO EXECUTE ANY LEASES TO BE ISSUED UNDER THE ABOVE DESCRIBED PROCESS.