

**INVITATION FOR BIDS FOR THE MINING OF SAND AND GRAVEL FROM STATE LANDS LOCATED
IN ELMORE COUNTY, ALBAMA**

NOTICE

Notice is hereby given pursuant to Code of Alabama, 1975, Section 9-17-61, *et seq.*, that sealed bids for an exclusive sand and gravel mining lease encompassing State property located in Elmore County, Alabama will be received by the State Lands Director until 4:00 PM August 19, 2024, as detailed below. Also pursuant to the above referenced Code Section, Officers and employees of the Department of Conservation and Natural Resources and the Alabama Department of Corrections (ADOC), as well as members of their families, shall be excluded from bidding.

PREMISES

The tracts of land (Premises) upon which mining will be permitted are more particularly described as follows:

Parcel A - A tract of land depicted in EXHIBIT A and lying in the SW $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Section 33, Township 19 North, Range 17 East, the E $\frac{1}{2}$ of the NE $\frac{1}{4}$ and the East $\frac{1}{2}$ of the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 4, Township 18, North Range 17 East, the SW $\frac{1}{2}$ of the NW $\frac{1}{4}$ and the N $\frac{1}{2}$ of the SW $\frac{1}{4}$ and the SW $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Section 3, Township 18 North, Range 17 East. Excepting established and recognized rights-of-way, Parcel A consists of 364 acres more or less.

Parcel B - All that unexcavated land lying between and due North of two points lying along a diagonal line running between the center of Section 33 Township 19 North, Range 17 East, and the SE corner of Section 3, Township 18 North, Range 17 East; the first point lying 2,500' from the center of Section 33, and the second point lying 3,680' from the center of Section 33. Said parcel is also depicted in EXHIBIT A and consists of 39 acres, more or less.

Any lease is subject to all other reservations and restrictions of record which is the bidder's responsibility to review.

LEASE TERMS

Below represents a list of the basic terms to be included in the resulting agreement.

- 1) The term of this lease will be for four (4) years with an option to renew for three (3) additional two (2) year terms contingent on written approval of the Department of Corrections, to be granted in its sole discretion.
- 2) All properties mined will be done so in compliance with all applicable environmental laws and regulations including, but not limited to, the Clean Water Act and all other governing regulations, both state and federal;
- 3) Production of materials must begin within six (6) months of contract date. A minimum monthly royalty payment of \$3,000 will be due the month following the attainment of all permits required for mining operations to commence;
- 4) The royalty rate (see minimum requirements below) paid for material removed and sold from the Premises will increase each year the lease remains in effect by the following amounts:

- a. Gravel - \$0.010 per ton and
 - b. Sand - \$0.005 per ton.
- 5) Reclamation, restorations and bonding must be performed and provided in compliance with all federal, state, and local laws and regulations in effect at the time of mining. The maximum amount of disturbed/non-reclaimed land at any time during the lease shall not exceed 60% of the total surface acreage.
 - 6) In addition to the minimum state and/or federal requirements for bonding, as a condition of entering the Lease, Lessee shall be required to post a performance bond in the amount of One Million (\$1,000,000.00) Dollars to ensure Lessee's performance of any required term of the lease, performance required by law, and/or required property reclamation and/or property restoration following completion of mining operations and/or expiration of the lease, whichever occurs first.
 - 7) Premises shall be used and occupied solely for sand and gravel mining and processing purposes.
 - 8) Lessee shall be prohibited from assigning or transferring a lease.

BIDDER DUE DILIGENCE

Interested bidders will have an eight-week period beginning 8:00 AM, June, 12, 2024 and ending 5:00 PM August, 7, 2024 to conduct sample borings for assessment of material volume and quality. Boring expeditions must be coordinated through the Department of Corrections Office of Land Management. Agreements stipulating conditions for entry and indemnifying the Department against any damages or loss must be executed before any boring activities can commence. Interested parties may contact Andy Farquhar in the Department of Corrections Land Management Office at 1400 Lloyd Street Montgomery, Alabama 36107-0084 or (334) 224-2186 to make application for boring expeditions.

MINIMUM BID REQUIREMENTS

Acceptable bid submittals shall be a production royalty offered as a dollar amount per ton of material mined by the Lessee and sold. The minimum bids shall be **\$0.520 per ton for gravel**, and **\$0.250 per ton for sand**. Specification of a minimum bid amount to be considered does not suggest acceptance of any bid which may equal or exceed that amount. The State reserves the right to reject any or all bids and further reserves the right to negotiate a higher royalty with the highest bidder.

Each bid package submitted must also be accompanied by a certified or cashier's check in the amount of \$3,000.00 as a **bid deposit** made payable to the Alabama Department of Corrections which will be forfeited if the bid is accepted and the Bidder does not complete the transaction. Any bid submitted without such check will not be considered. Unsuccessful bidders' deposits will be returned promptly following the bid opening. The successful bidder's deposit will be applied to the first royalty payment due upon commencement of production or towards the minimum royalty payment due seven (7) months after contract award.

EACH bid must be submitted in a sealed envelope and the exterior of each envelope must be clearly marked on the outside "**SEALED BID FOR SAND AND GRAVEL MINING RIGHTS - DRAPER CORRECTIONAL FACILITY, DO NOT OPEN.**" and delivered to: State Lands Division, Room 464, Folsom Administrative Building, 64 North Union Street, Montgomery, Alabama 36130-1901. (36104 IF DELIVERED BY PRIVATE COURIER).

NO BID SHALL BE RECEIVED FOR ANY REASON ANY TIME AFTER 4:00 P.M. August 19, 2024. IT SHALL BE THE SOLE RESPONSIBILITY OF THE BIDDER TO ENSURE ACTUAL RECEIPT OF THE BID BY THE STATE LANDS DIVISION PRIOR TO THE ADVERTISED DEADLINE. All bids received by this

deadline will be publicly opened and read the following day, August 20, at 2:00 p.m. in the office of the State Lands Division, Room 464, Folsom Administrative Building, 64 North Union Street, Montgomery, Alabama 36130-1901. If ADA accommodations are needed as to the bid opening, please contact Delicia Baker at (334) 242-3484. Requests should be made as soon as possible but at least seven days prior to the bid opening date.

The successful bidder shall reimburse the Alabama Department of Corrections for any advertisement fees and bid evaluation costs that might be incurred for this notice, which may be deducted from the bid deposit.

The successful bidder must complete the transaction within 30 days of award or forfeit the bid deposit.

LEGAL DISCLAIMERS

This lease is conducted pursuant to the provisions of Section 9-17-61 of the Code of Alabama 1975 and/or other laws of the State of Alabama governing this transaction whether or not included in this notice.

The State of Alabama, Department of Conservation and Natural Resources, and the ADOC do not discriminate on the basis of race, color, religion, age, gender, pregnancy, national origin, genetic information, veteran status, or disability in its hiring or employment or leasing practices nor in admission to, access to, or operations of its programs, services, or activities.

The State does not warrant nor guarantee title to the lands herein advertised or otherwise warrant or guarantee the condition of the land or improvements related to the land herein advertised. Please be advised, adjacent to the property in the description, the ADOC operates a shooting range for the purposes of training its employees. By submitting a bid, the successful bidder hereby waives any claims for damages of any type whatsoever relating to the ADOC's operation thereof.

Unless specifically provided otherwise in subsequent corrective advertisement, the terms and conditions as stated in this notice shall be controlling over this transaction.

Christopher M. Blankenship
Commissioner
Department of Conservation & Natural Resources

5/16/2024
DATE

EXHIBIT A

