

## **Alberta Aggregate (Sand and Gravel) Allocation Directive for Commercial Use on Public Land Questions and Answers**

### **What is the priority for allocating aggregate (sand and gravel) on public land?**

Aggregate for public works is the first priority when allocating aggregate on public land. Public works projects typically include public roads or public projects that are constructed and maintained by or on behalf of the province or municipality. As such these are primarily roads and highways constructed and maintained by Alberta Transportation and rural and urban municipalities. Where there is sufficient aggregate, based on volume and location for public works, any aggregate request will be considered further following the priorities as outlined in the directive.

### **What is the responsibility for provincial and municipal interests in obtaining sand and gravel?**

The provincial ministries and municipalities may submit their aggregate request for review by Environment and Parks (AEP). The request should be supported by their aggregate requirements for the next ten years. It is expected that provincial ministries and municipalities will determine their aggregate requirements for the next ten years and will update it at least every five years.

Applications for a surface materials lease from a municipality or a request for a disposition reservation from a provincial or federal agency will then be accepted and considered for the intended purpose. A Conservation Operation and Reclamation Plan (CORP), formerly the Conservation and Reclamation Business Plan (CRBP), should be prepared for the pit to show its planned development and progressive reclamation during the term of the lease.

### **How much aggregate will be held for public purposes for future development?**

Provincial agencies and municipalities will be expected to share their aggregate requirements amongst municipalities and provincial agencies working in an area and with AEP. This data will be used to develop a strategy for the broader aggregate public works needs for an area. The intent would be to develop a strategy to address the immediate and medium term needs.

### **What is an Aggregate Land Review Request?**

An Aggregate Land Review Request is not a formal application under the Public Lands Administration Regulation (PLAR). The Aggregate Land Review is a request that triggers Environment and Parks to initiate a land review on public land to determine if the land is suitable to be allocated for aggregate (sand and gravel) operations. It will also determine the method of allocation, whether by the Tender process, Public Pit process, or the under/over 80 acre process.

## **What is the difference between the Tender process versus the process for a Bonus Bid?**

### **Tender**

Applies to sites where the aggregate source is known and in situations where there is a potential for cumulative impacts, for example multiple pits.

- I. The location and boundary of the parcel to be tendered will be determined by the regional office. The decision to tender a parcel of land must align with the principles outlined in the Alberta Aggregate (Sand and Gravel) Allocation Directive for Commercial Use on Public Land.
- II. Exploration may or may not be permitted as part of the tender. If exploration is permitted the information will be included in the tender advertisement package.
- III. Tender options
  - a) **Size/Area:** A Surface Material Lease (SML) will be offered to the bidder who meets the tender qualifications and tenders the highest bid. It is a onetime bid for the right to lease the parcel of land for the purpose and term specified in the tender package. The regular rental fees and taxes will apply over and above the tender paid. A minimum reserve bid will be applied to all tenders.
  - b) **Royalty plus additional:** A Surface Material Lease will be offered to the bidder who meets the qualifications and tenders the highest bonus royalty rate plus the current royalty to be paid per cubic yard for the duration of the lease once it is issued. The royalty amount is the royalty per cubic yard the operator assesses for the material that will be removed from the pit. This royalty rate is a one-time bid for the right to lease the site and this same amount or rate applies for all material removed from the pit for the duration of the lease. A reserve bid of the current royalty rate will be applied to all tenders.

### **Advertising for Tenders**

Environment and Parks (AEP) will advertise by placing a notice on its website. AEP will also provide notice of advertisement to the Sand and Gravel Association, local papers, Alberta Road Builders and Heavy Construction Association.

- i. The advertisement package will specify the tender date.
- ii. In cases where exploration is permitted, a tender date will be specified in order to allow interested parties' time for exploration.
- iii. Those interested in submitting a bid must do so before the specified deadline.
- iv. The requirements specified in the tender advertisement package must be met.

## Bonus Bid

Applies to sites that fall within the over 80 acres category, where the source of the gravel is unknown. The Bonus Bid process is outlined below and in section #6 of the Alberta Aggregate (Sand and Gravel) Allocation Directive for Commercial Use on Public Land.

- a) Applications may be submitted for individual sites greater than 80 acres in size in what is known as a bonus bid. Applications must include an exploration plan.
- b) Prior to advertising the land for bonus bid, Environment and Parks (AEP) may first consider public needs and general aggregate availability in the vicinity.
- c) **Advertising for bonus bid:** AEP will advertise the application by placing a notice on its web site. AEP will also provide a notice of the advertisement to the Alberta Sand and Gravel Association, Alberta Road Builders and Heavy Construction Association, and the Members of the Legislative Assembly for the area.
  - i. The notice will specify the bonus bid date.
  - ii. The bonus bid date will be approximately 240 days from the advertisement date, in order to allow interested parties adequate time for exploration.
- d) **Site exploration:** Parties interested in making a bonus bid may determine the quantity of aggregate on the site by carrying out exploration. More than one exploration program may occur on the land area at the same time.
  - i. Exploration plans must be submitted to AEP for approval prior to commencing exploration.
  - ii. AEP will charge a minimum exploration security deposit of \$7,000 for up to 320 acres, or \$1,500 per 80 acres or portion thereof, for sites over 320 acres.
  - iii. The original applicant will be given approval to proceed with exploration when the Department has placed the advertisement and received the appropriate security deposit.
- e) **Bonus Bid:** In order to provide time for the exploration to be undertaken, the closing date for receipt of bonus bids specified in the advertisement will be approximately 240 days from the advertisement date.
  - i. Those interested in submitting bids must do so before the specified deadline.
  - ii. The requirements specified in the bonus bid advertisement package must be met.

## Successful Bidders for both Tender and Bonus Bid

Following the close of the bonus bid, the results will be announced and the successful party will be notified. Once a notice of approval has been given, the successful party will have up to six months to prepare a Conservation Operation and Reclamation Plan (CORP).

- a) This plan will provide specific details including timelines for carrying out operations on the proposed lease and procedures for verifying volumes removed (e.g., a scale operation). It will also address how reclamation will progress during the term of the proposed disposition and appropriate security.
- b) The successful bidder will be required to provide adequate mapping and test data, obtained from detailed exploration, that illustrates test hole locations, horizon profile, and any other data (e.g., photos) that depicts the volume and degree of the gravel deposit. Test data, methods, and volumes will be verified by a qualified individual.
- c) Failure to meet the requirements will result in forfeiture of the bid and cancellation of the application.

## Plan Approval

Approval of the plan will include a Surface Material Lease (SML) that will be issued for up to 10 years.

- i. Lessees must commence operations on the site within the first three years of approval or the time specified in the CORP/CRBP, if this time is less than three years. Commencement is deemed to have occurred once vegetation is removed, as stated in the CORP/CRBP (aligns with requirement in the *Environmental Protection and Enhancement Act* (EPEA) to apply for reclamation certificate).
- ii. Failure to meet performance requirements will result in cancellation of the lease.

Operations will include reporting of volumes removed from the site on a yearly basis and payment of applicable royalties.

AEP will periodically conduct quality assurance reviews during the term of the lease.