



CARPET AMERICA RECOVERY EFFORTSM
**Developing market-based solutions for the recycling & reuse
of post-consumer carpet**

Notice of Funds Available for California Carpet Stewardship
Grant Pilot Program (Cycle 1A)
Capital Improvement Grants

December 1, 2015

Cycle 1A Outline

Purpose

Carpet America Recovery Effort (CARE) serves as the Carpet Stewardship Organization for the California Carpet Stewardship Program. The purpose of the **Capital Improvement Grant Program – Cycle 1A** (Program) is to provide funding for capital improvements that will establish, increase, improve and enhance California generated post-consumer carpet (PCC) collection, recycling and/or utilization of recycled content product manufacturing.

Funding may be allocated to grantees following the first round of applications during Cycle 1A, based on available funds. The first round of grantees must achieve project completion by the end of 2016. The precise focus of each solicitation cycle is subject to adjustment by CARE, consistent with the overall goals of the Program. Cycle 1A has been established as a pilot program.

Eligible Applicants

Eligible applicants may be adjusted for each solicitation release, consistent with the objectives of the funding cycle and goals of the Program. Eligible applicants for Cycle 1A include:

- Private entities are eligible to apply. For purposes of this Program, “private entities” are defined as businesses intended to operate at a profit. This definition includes benefit corporations (B-Corp), as defined in Corporations Code section 14601(a). The entity must be qualified to do business in California, but may be based in another state, and must be in good standing with all applicable federal, state and local agencies. CARE membership is required for any entity that seeks AB 2398 incentives in accordance with CARE’s adopted Carpet Stewardship Plan. Entities are not required to be a CARE member to apply for a grant.
- Nonprofit organizations that are tax-exempt under IRS 501(c)(3) may apply to the Program if they can demonstrate active involvement in developing market-based solutions to carpet recycling in line with the goals of this Program and CARE’s Carpet Stewardship Plan. The organization must be in good standing with all applicable federal, state and local agencies.
- Local agencies such as California cities, joint powers authorities and special districts such as local sanitation agencies, may apply if they can demonstrate an active involvement in the collection, recycling and/or utilization of recycled content in product manufacturing of California generated PCC in line with the goals of this solicitation and CARE’s Carpet Stewardship Plan.

Project Requirements (Use of funds):

Projects must increase the quantity (pounds) of California generated post-consumer carpet collected, recycled and/or utilized in the manufacturing of Tier 2 recycled products during 2016.

- For the purpose of this Program, a Tier 2 “product” is defined as a good or package in a form which requires no further processing or forming before it is offered for sale to an end-user.
- Eligible applicants with operations in California or whose operations contribute to the creation of new California green jobs will be prioritized for funding.
- Projects must use at least 50 percent of available funds for California-based operations.
- Projects must specify, itemize and quantify pounds to be diverted via reuse, processing, manufacturing, export or other strategies.
- Projects must obtain all necessary permits.
- Projects must submit a storage management plan to CARE outlining the quantities of materials to be stored, a timeline for storage, and quantity threshold at which materials will be diverted via energy recovery or other strategies, as well as when landfilling would be utilized.
 - The storage management plan must identify how many additional pounds can be collected and stored through the proposed project, what timeline and quantity thresholds the facility will utilize to ensure stored material is appropriately managed, and how the project team will ensure materials are prioritized for best use, consistent with California’s waste hierarchy in such case that these timeline or quantity thresholds are reached.
 - The storage management plan must identify and clearly define any energy recovery strategy, including the identification of facility outlets, and how and when Carpet As Alternative Fuel (CAAF) or Kiln would be utilized vs. Waste-To-Energy (WTE). Incineration for the purpose of sending ash to landfill is prohibited. **No grant funds may be used to support energy recovery (CAAF, Kiln or Waste-To-Energy or landfilling).** Pounds diverted via CAAF/Kiln may be eligible to receive subsidy funds under the current AB 2398 subsidy payment structure.
 - CARE may retain a portion of grant funds in connection with each storage management plan until PCC is recycled and/or utilized in recycled content manufacturing.

Eligible Projects

- Capital investment; infrastructure; equipment; construction, renovation or expansion of collection, processing or manufacturing facilities which manage or utilize California generated post-consumer carpet. Any funds awarded for collection must improve collection technology and/or the effectiveness of collection. Collection will be a lower priority than increasing recycled output and remanufacturing of California generated PCC.
- Partnerships aimed at establishing or increasing the use of recycled output fiber, calcium carbonate, carpet carcass, commercial broadloom, or other material or component of the post-consumer carpet waste stream with potential benefit to the broad carpet recycling marketplace.

Ineligible Costs

- Costs incurred prior to the Notice to Proceed letter or after the end of the Grant Term.
- Costs associated with incineration for the purpose of sending ash to landfill. Projects must adhere to the California waste hierarchy; non-recyclable portions of the PCC gross collections should be prioritized for other diversion prior to disposal by landfill.
- Costs exceeding five percent (5%) of the total amount requested for permitting, public education and outreach, indirect costs, overhead and salaries.
- Design and engineering costs greater than five percent (5%) of the total grant amount.
- Costs related to environmental review of the project, including the preparation of environmental impact reports.
- Purchase of recycled carpet feedstock.
- Purchase of offsets.
- Costs deemed unreasonable by CARE; costs that are unrelated to the grant project.

Funding (total allocation, min/max amounts)

CARE anticipates \$1M to \$3M may be allocated annually under this new grant Program incentive, at the discretion of the Sustainable Plan Committee (SPC). **\$2M is allocated for Cycle 1A (2016) Capital Improvement Grants.** Maximum grant awards for Cycle 1A will be limited to \$500K for each grant awarded under this Program. Continuation and/or modifications of the grant program will be determined based on the success of Cycle 1A.

Timeline

Program applications are due no later than January 5, 2016 and projects must reach completion by the end of 2016. Application process and submission instructions are outlined throughout this notice. Proposals that do not follow application instructions may be considered non-responsive. The remaining key dates outlined below are to be used as reference and may be subject to revision by CARE:

KEY DATES – Based on CalRecycle (CR) Public Meeting October 20, 2015	KEY ACTION
November 13, 2015	Release Draft Solicitation
November 18, 2015	Stakeholder Webinar
November 20, 2015	Feedback /Comments Due
December 1, 2015	Notice of Available Funds
December 8, 2015	Question & Answer Period – All Questions Due
December 15, 2015	Q&A Responses (tentative)
January 5, 2016	Application Due Date
January 2016	Evaluation of grant proposals by CARE
January 31, 2016 (tentative)	Notice of Awards (release of funds may be in disbursements)
February 28, 2016 (tentative)	Grant Agreements Executed, Term Begins

Evaluation & Scoring Criteria:

The criteria presented below are based on similar grant solicitations by CalRecycle, as modified by CARE. A technical committee will be formed by CARE at the direction of the Executive Director or SPC and the technical committee will review Program applications using the criteria listed below, as a guide. These criteria may be subject to further revision by CARE.

% or Points	Criteria
15%	Quality of Proposal – clear project description; well-planned project approach; identification of key milestones; probability of success ; project adequately describes and justifies throughput strategy and use of funds requested to maximize collection, recycled output and/or recycled product manufacturing of California generated PCC
15%	Applicant/Project Team Qualifications & Experience – description of company history; track record implementing projects of similar size and complexity; key members of the project implementation team demonstrate background, experience, capacity and staff resources necessary to successfully implement
15%	Need – clearly describes why the project is needed (does it fill a CA infrastructure gap?) and how it will benefit the CA Carpet Stewardship Program; demonstrates an industry need; addresses barriers and obstacles to recycling and remanufacturing CA post-consumer carpet including increasing the percentage of recycled carpet output; identifies

	significant market potential for increasing collection, recycling or remanufacturing (Tier 2 product manufacturing) of post-consumer carpet; provides sufficient evidence and reliable data to support the need; proposals for the manufacture of recycled products leverage a proven product , completed product testing, or other data to support probability of success
20%	Proposed Effectiveness and Project Impact – clearly identifies goals and objectives to achieve measurable outcomes; goal(s) are relevant and support stated need(s); clear description of data to be collected and how effectiveness will be evaluated; project is innovative; project supports new, existing, improved and/or enhanced collection, recycling and remanufacturing (Tier 2 manufacturing) of CA post-consumer carpet; project identifies and quantifies target post-consumer carpet material types and components; project manages difficult to recycle portions of the carpet recycling waste stream and identifies the impact by material component (e.g. nylon, non-nylon, commercial, calcium carbonate, natural fibers, or other material components) ; size of impact is significant . <i>Sustainability:</i> Proposal identifies the necessary resources for ongoing operations ; applicant demonstrates commitment to long-term presence in the industry; project improves market stability; applicant is willing to provide a personal guarantee if requested. <i>Conservation:</i> Project incorporates additional resource conservation (energy, water, material), source reduction, reuse, environmentally preferable purchasing policy (EPPP), or take-back strategies; reduces particulate emissions from processing technologies.
5%	Work Plan – reasonable, logical and ambitious outline of key activities, milestones and due dates during the grant term; project speed to market is high; project is well planned; identification of necessary permits and ability to obtain within reasonable timeline
10%	Budget and Cost Effectiveness – project costs are reasonable, justified, cost effective use of funds; line items are clearly defined and justified; budget clearly identifies matching contributions and/or the value of in-kind services; project identifies Pounds Recycled, Pounds Diverted, MTCO _{2e} greenhouse gas Emissions Reductions per \$ of requested grant funds
20%	CA Job Creation, CA Business – Entire project is located in CA ; project identifies the number of new CA (green) jobs that will be created and existing CA jobs that will be sustained; applicant has specialized business certifications such as: Small Business Enterprise, Disabled Veteran Business Enterprise, Woman-Owned Business Enterprise, Certified Green Business; project supports disadvantaged communities
100%	TOTAL

Coordination with CalRecycle:

CalRecycle has approved Cycle 1A of this pilot Program to run through 2016. CARE’s goal is to implement this Program on a more permanent basis through subsequent grant funding cycles. CalRecycle will review CARE’s implementation of the Program. CARE will provide CalRecycle with quarterly data on Program performance, and solicit input from CalRecycle as needed or desired in evaluating Program applications.

Application – Proposal Requirements

Applications must include the following components and clearly communicate the manner in which their proposed project meets the criteria listed above. The full proposal must not exceed 10 pages (not including attachments, such as Letters of Commitment/Letter of Support). Trade secrets and any other confidential information must be clearly marked as such and may be subject to regulatory disclosure requirements of CalRecycle or other state entities.

- Executive summary (not to exceed 2 pages)

- Key project contacts (2 required) with phone number and email information
- Project Narrative (Concept Proposal)
 - Applicant/Team Qualifications and Experience
 - Project Need
 - Goals, Objectives and Measurable Outcomes
 - Project Impact/Cost Effectiveness
 - Applicant Commitment, Sustainability, Conservation
 - Strategy for Throughput (describe proposed plan for sale, shipment, storage, energy recovery, export, including any grant funds requested to support these strategies)
 - Creation of California Jobs, use of California Facilities, benefit to Disadvantaged Communities
- Project Work Plan, Milestones and Deliverables
- Proposed Budget & Narrative Description of Expenditures
- Notification of any pending or outstanding judgements or enforcement actions against the company or its products.
- Attachments (Letters of Commitment/Letters of Support, Other Documentation)

Application - Submission

- Applications must be submitted by the deadline. Late submissions will not be considered. Applications should be sent electronically in Adobe PDF format (10 point font minimum) to: **Dr. Robert Peoples, Executive Director, CARE** bpeoples@carpetrecovery.org and **Abbie Beane, CARE Grants Administrator,** abeane@carpetrecovery.org.
- Applications should use the email Subject line:
 - Carpet Capital Grant Application : [Your Company/Project Name]
- Applicants should acknowledge any potential conflicts with any CARE leadership committees, and current or prior employment in the carpet and recycling industries. CARE technical committee members evaluating grant applications are not eligible for grant funding.

Grant Funding Awards

Program grant awardees will be required to agree to grant agreement terms and conditions, which may include procedures and monitoring requirements, such as the submission of regular progress reports to CARE. Grantees may be asked to provide documentation referencing their readiness for work, status of project permitting, etc.

DEADLINE FOR SUBMISSIONS: January 5, 2016 @ 5 pm PST