



**CARPETAMERICARECOVERYEFFORT<sup>SM</sup>**  
**Developing market-based solutions for the recycling & reuse  
of post-consumer carpet**

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Notice of Funds Available for California Carpet Stewardship  
Grant Pilot Program (Cycle 1B)  
Product Testing Grants

December 1, 2015

**Cycle 1B Outline**

**Purpose**

Carpet America Recovery Effort (CARE) serves as the Carpet Stewardship Organization for the California Carpet Stewardship Program. The purpose of the **Product Testing Grant Program – Cycle 1B** (Program) is to provide funding for activities that will focus on product testing, research and development, and similar market development activities to improve and enhance post-consumer carpet (PCC) recycling and utilization of recycled content product manufacturing.

The precise focus of each solicitation cycle is subject to adjustment by CARE, consistent with the overall goals of the Program and market dynamics. Cycle 1B has been established as a pilot program, and seeks proposals from eligible applicants for market development product testing grants to develop new products or applications for products using PCC material generated in California. CARE has allocated up to \$250,000 total to award to projects throughout Cycle 1B (2016). CARE may reissue this grant solicitation after the first round of applications are received, based on available funding and market readiness. The first round of grantees must achieve project completion by the end of 2016.

**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 1B 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). Businesses from any state within the U.S. are eligible to apply, but must be registered to do business in California and be in good standing with all other 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. CARE membership is not required to apply for grant funding.
- Nonprofit organizations that are tax-exempt under Internal Revenue Code 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.

**Project Requirements (Use of funds):**

**CARE will offer assistance grants to eligible applicants to research, develop and test new products or reformulate existing products produced using PCC material generated in California.**

**Applicants should demonstrate how the proposed product-testing project will lead to a viable strategy for increasing the quantity of California-generated PCC recycled and/or utilized in the manufacturing of Tier 2 recycled products by the end of 2016.**

- For the purpose of this Program, a Tier 2 “product” is defined as a good or package in a form that requires no further processing or forming before it is offered for sale to an end-user.
- Eligible applicants with operations in California, and projects that will contribute to the creation of new California green jobs, will be prioritized for funding.
- Projects must use at least 50 percent of test funds for California-produced products.
- No grant funds may be used for product testing activities related to energy recovery (CAAF, Kiln or Waste-To-Energy).
- Projects must obtain all necessary permits, local, state and federal, for their operations.
- If a project will require testing of significant quantities of PCC material, the applicant must also submit a storage management plan to CARE outlining the quantities of materials to be stored, a timeline and quantity threshold at which materials will be diverted via energy recovery or other strategies, as well as when disposal would be utilized.
  - The storage management plan must identify the timeline and quantity of PCC testing, to ensure stored material is appropriately managed.
  - The project team must ensure materials are prioritized for best use, consistent with California’s waste hierarchy in such case that the applicant’s storage capacity is exceeded.
  - The storage management plan must identify and clearly define any energy recovery strategy, including the identification of facility outlets, 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.
  - CARE may require a retention of grant funds in connection with each storage management plan until diversion is achieved.

**Eligible Projects**

**Assistance may include, but is not limited to, the following projects:**

- Investigating the use of California-generated PCC material (including carpet derived aggregate) to manufacture established products that do not currently use recycled post-consumer carpet material (i.e. feedstock conversion);
- Testing and/or certifying new or reformulated products containing California-generated PCC material, including carpet derived aggregate;

- Feasibility studies on potential new uses of PCC PET material;

**Ineligible Costs**

**For the purpose of Cycle 1B, grant funds must be utilized directly on product testing activities. The following costs are ineligible for Cycle 1B grant funding:**

- Permitting costs;
- Public education and outreach;
- Indirect and overhead costs, including travel or mileage and salaries;
- Design and engineering costs unrelated to direct product testing activities;
- Costs incurred prior to the Notice to Proceed letter or after the end of the Grant Term;
- Costs associated with incineration;
- Costs related to environmental review of a project under CEQA or NEPA, including the preparation of environmental impact reports;
- Purchase of recycled carpet feedstock;
- Purchase of buildings or capital assets;
- Purchase of offsets;
- Costs deemed unreasonable by CARE; costs that are unrelated to the grant project;

**Funding (total allocation, min/max amounts)**

Funding for the Cycle 1B grant pilot program is \$250,000. CARE may solicit proposals during subsequent cycles depending on available funds, the success of Cycle 1B and market dynamics. A technical committee will review grant applications.

**Timeline**

Program applications are due no later than January 5 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	KEY ACTION
<b>November 13, 2015</b>	Release Draft Solicitation
<b>November 18, 2015</b>	Stakeholder Webinar

<b>November 20, 2015</b>	Feedback /Comments Due
<b>December 1, 2015</b>	<b>Notice of Available Funds</b>
<b>December 8, 2015</b>	Question & Answer Period – All Questions Due
<b>December 15, 2015</b>	Q&A Responses (tentative)
<b>January 5, 2016</b>	<b>Application Due Date</b>
<b>January 2016</b>	Evaluation of grant proposals by CARE
<b>January 31, 2016 (tentative)</b>	<b>Notice of Awards</b>
<b>February 28, 2016 (tentative)</b>	<b>Grant Agreements Executed – Term Begins</b>

**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 and the technical committee will review Program applications using the criteria listed below, as a guide. For grant proposals under \$50,000, the technical committee will make recommendations to the Executive Director who will approve grant awardees. These criteria may be subject to further revision by CARE.

<b>% or Points</b>	<b>Criteria</b>
<b>15%</b>	<b>Quality of Proposal</b> – clear project description; well-planned project approach; identification of key milestones; <b>probability of success</b> ; project adequately describes product testing goals, and justifies the use of grant funds to refine, finalize or make significant contributions to new methodologies that will increase the recycling of CA post-consumer carpet and/or recycled product manufacturing
<b>15%</b>	<b>Applicant/Project Team Qualifications &amp; Experience</b> – description of company history; <b>track record</b> in developing new products; key members of the project team, background, experience, capacity and staff resources necessary to ensure successful product testing
<b>15%</b>	<b>Need</b> – clearly describes why the proposed product testing is needed (does it fill a market gap?) and how it will benefit the CA Carpet Stewardship Program; demonstrates an industry need; addresses barriers and obstacles to recycling, increasing the percentage of recycled output from CA PCC and/or remanufacturing post-consumer carpet; identifies <b>significant market potential</b> for increasing recycling and/or remanufacturing (Tier 2 product manufacturing) of CA post-consumer carpet; provides sufficient evidence and reliable data to support the need; provides initial or preliminary data that supports a high probability of success in developing or improving new or reformulated products or methodologies

<b>20%</b>	<p><b>Proposed Effectiveness and Project Impact</b> – clearly identifies objectives to achieve goals and measureable 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, improved or enhanced recycling, processing, remanufacturing (Tier 2) of post-consumer carpet in CA; project addresses difficult to recycle portions of the carpet recycling waste stream and <b>identifies the impact by material component (e.g. nylon, non-nylon, commercial, calcium carbonate, natural fibers, or other PCC material)</b>; project identifies how new products or methodology will affect PCC pounds recycled and/or diverted, or MTCO<sub>2e</sub> greenhouse gas emissions reductions; size of impact is significant.</p> <p><i>Sustainability:</i> Proposal identifies the <b>necessary resources for ongoing operations</b>; applicant demonstrates commitment to long-term presence in the industry; project improves market stability; applicant is willing to provide a <b>personal guarantee</b> if requested.</p> <p><i>Conservation:</i> product testing demonstrates <b>additional resource conservation</b> (energy, water, material), source reduction and/or reuse, minimal end-of-lifecycle impacts and/or product recyclability at end of life.</p>
<b>5%</b>	<p><b>Work Plan</b> – reasonable, logical and ambitious outline of key product testing goals; <b>speed to market</b> is high; project is well planned</p>
<b>10%</b>	<p><b>Budget and Cost Effectiveness</b> – project costs are <b>reasonable, justified</b>, and demonstrates <b>cost-effective</b> use of funds; line items are clearly defined and justified</p>
<b>20%</b>	<p><b>CA Job Creation, CA Business</b> – Entire project is <b>located in CA</b>; project demonstrates how <b>new CA (green) jobs</b> may be created; applicant has <b>specialized business certifications</b> such as: Small Business Enterprise, Disabled Veteran Business Enterprise, Woman-Owned Business Enterprise, Certified Green Business; project supports disadvantaged communities</p>
<b>100%</b>	<b>TOTAL</b>

### **Coordination with CalRecycle**

CalRecycle has approved 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 to 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 (Product Testing Proposal)
  - Applicant/Team Qualifications and Experience
  - Project Need
  - Background, Goals and Objectives
  - Project Impact
  - Applicant Commitment, Sustainability, Conservation

- 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](mailto:bpeoples@carpetrecovery.org)** and **Abbie Beane, Grants Administrator, CARE, [abeane@carpetrecovery.org](mailto:abeane@carpetrecovery.org)**
- Applications should use the email Subject line:
  - Carpet Product Testing 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. Technical committee members reviewing 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 monitoring requirements, such as the submission of progress reports or post-testing data to CARE, or audits. Grantees may be asked to provide documentation referencing their readiness for work.

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