



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 Program (Cycle 2B)
Product Testing Grants

November 22, 2017

Cycle 2B Outline

Purpose

Carpet America Recovery Effort (CARE) serves as the Carpet Stewardship Organization for the California Carpet Stewardship Program (CCSP). The purpose of the **Product Testing Grant Program – Cycle 2B** (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 2B 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 \$1,000,000 total to award to projects throughout Cycle 2B (2018-19). Individual projects may apply for up to \$200,000 in Cycle 2B funds. CARE may reissue this grant solicitation after the first round of applications are received, based on available funding and market readiness. Cycle 2B grant funding will depend on the availability of funds from the California Carpet Stewardship Program. The first round of grantees must achieve project completion by the end of Q2 of 2019. CARE may give preference to projects that can deliver some results by the end of 2018.

Eligible Applicants

Eligible applicants may be adjusted for each solicitation release, consistent with the objectives of the funding cycle and goals of CARE's Carpet Stewardship Plan, as such Plan is amended and approved by CalRecycle. Eligible applicants for Cycle 2B include:

- Private entities involved in reuse, recycling or secondary manufacturing 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 in good standing with all applicable federal, state and local agencies. CARE membership is not required to apply for grant funding. CARE membership is required, however, for any entity that seeks AB 2398 incentives in accordance with CARE's Carpet Stewardship Plan as amended and adopted by CalRecycle.
- 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 carpet reuse, recycling or secondary manufacturing in line with the goals of this Program and CARE's Carpet Stewardship Plan as

amended and adopted by CalRecycle. 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 additional California-generated PCC recycled and/or utilized in the manufacturing of Tier 2 recycled products by the end of Q2 of 2019.

- 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.
- Only projects that use California-generated PCC are eligible for grant funds.
- CARE will allocate at least 75% of Cycle 2B grant funds to California-based operations. However, non-California-based entities are still eligible to apply.
- 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. Projects that have obtained these permits prior to beginning this application process will be preferred.
- Applicants testing products with potential for long-term market success, recyclability, and other program and environmental benefits may be preferred.
- If the grant project represents a partnership between two entities, one applicant must be designated as the primary grantee. A single entity is limited to one individual application per grant category, and one application in partnership with another entity per category.
- 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, export 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.
- **No grant funds may be used to support energy recovery (CAAF, Kiln or Waste-To-Energy) or landfilling.**
- 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 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
- Feasibility and/or pilot project studies on potential new uses of PCC material

Ineligible Costs

For the purpose of Cycle 2B, grant funds must be utilized directly on product testing activities. The following costs are ineligible for Cycle 2B grant funding:

- Permitting costs
- Public education and outreach
- Indirect and overhead costs, including travel or mileage and salaries deemed non-essential to the research analysis or documentation, etc.
- Design and engineering costs unrelated to direct product testing activities
- Costs incurred after the end of the Grant Term
- Costs associated with incineration, waste-to-energy or landfilling
- 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 2B grant program is up to \$1,000,000. Maximum grant awards for Cycle 2B will be limited to \$200K for each grant awarded under this Program. Cycle 2B grant funding will depend on the availability of funds from the California Carpet Stewardship Program. CARE may solicit proposals during subsequent cycles depending on available funds, the success of Cycle 2B and market dynamics. An independent technical committee will review grant applications.

CARE Cycle 2A or 2B applicants may seek reimbursement for costs incurred in connection with Cycle 2A or 2B grant-funded projects, if those funds have been expended on or after December 1, 2017. Retroactive reimbursement, however, will depend upon the applicant qualifying for and receiving a grant award and available funding by CARE based on an approved Plan by CalRecycle. Grant award decisions will be announced beginning in early April 2018. No reimbursement will be provided to applicants who are not selected for grant funding. An approved Plan by CalRecycle is expected in May 2018.

Timeline

Program applications are due no later than **February 28, 2018** and projects must reach completion by the end of Q2 of 2019. 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
October 30, 2017	Release Draft Solicitation
November 13, 2017	Feedback /Comments Due
November 22, 2017	Notice of Funds Available (NOFA)
December 6, 2017	Webinar – Review of NOFA
December 11, 2017	Question & Answer Period – All Questions Due
December 18, 2017	Q&A Responses (tentative)
February 28, 2018	Application Due Date
March/April 2018	Evaluation of grant proposals by CARE
Spring 2018 (tentative)	Anticipated Notice of Awards
Spring 2018 (tentative)	Anticipated Grant Agreements Executed – Anticipated 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 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.

% or Points	Criteria
10%	Quality of Proposal – clear project description; well-planned project approach; identification of key milestones; probability of success is high; 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 reuse, recycling of CA post-consumer carpet and/or recycled product manufacturing
15%	Applicant/Project Team Qualifications & Experience – description of company history; fiscal soundness of company; track record in developing new products; key members of the project team, background, experience, capacity and staff resources necessary to ensure successful product testing
15%	Need – 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/reuse, increasing the percentage of recycled output from CA PCC and/or remanufacturing post-consumer carpet (yield); identifies significant market potential 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
20%	Proposed Effectiveness and Project Impact – clearly identifies objectives to achieve goals and 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, improved or enhanced recycling or remanufacturing (Tier 2) of post-consumer carpet in CA; project addresses difficult to recycle portions of the carpet recycling waste stream and identifies the additional impact by material component (e.g. nylon, non-nylon, commercial, PC4 backing material, natural fibers, or other PCC material); project identifies how new products or methodology will affect PCC pounds recycled and/or diverted, or MTCO _{2e} greenhouse gas emissions reductions; size of impact is significant; claims are well supported
5%	<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; applicant can identify product consumers <i>Conservation:</i> product testing demonstrates additional resource conservation (energy, water, material), source reduction and/or reuse, minimal end-of-lifecycle impacts and/or product recyclability at end of life

5%	Work Plan – reasonable, logical and ambitious outline of key product testing goals; speed to market is high; project is well planned; project permits have already been secured
10%	Budget and Cost Effectiveness – project costs are reasonable, justified , and demonstrates cost-effective use of funds; line items are clearly defined and justified; matching funds are provided by applicants
20%	CA Job Creation, CA Business – Entire project is located in CA ; project demonstrates how new CA (green) jobs may be created; applicant has specialized business certifications such as: Small Business Enterprise, Disabled Veteran Business Enterprise, Woman-Owned Business Enterprise, Certified Green Business; project supports disadvantaged and/or rural communities
100%	TOTAL

Coordination with CalRecycle

Grant funding will depend on the availability of funds from the California Carpet Stewardship Program. CARE’s goal is to implement this Program on an annual basis through subsequent grant funding cycles in accordance with CARE’s Carpet Stewardship Plan, as such Plan is amended and approved by CalRecycle. 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 the Program.

Questions - Submission

- Questions submitted during the question and answer period should be sent to Abbie Beane, CARE Grants Manager, at abeane@CarpetRecovery.org. Answers will be posted to the CCSP Grants webpage on December 18.

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/Letters 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 1 page)
- 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. Provided template required.
- Proposed Budget & Narrative Description of Expenditures. Provided template required.
- Notification of any pending or outstanding judgments or enforcement actions against the company or its products. CARE may withhold the issuance of grant funds until such judgments or orders are resolved, and the resolution of such judgment or order is documented to CARE.

- 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, Grants Manager, CARE, ABeane@CarpetRecovery.org**.
- Applications should use the email Subject line:
 - Carpet Product Testing Grant 2B Application: [Your Company/Project Name]
- Applicants should acknowledge any potential conflicts of interest 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 will include monitoring requirements, such as the submission of progress reports or post-testing data to CARE. Grant project audits and other monitoring may also be required. Grant funding will depend on the availability of funds from the California Carpet Stewardship Program. Grantees may be asked to provide documentation referencing their readiness for work. Grant funds will be disbursed quarterly on a reimbursement basis only.

DEADLINE FOR SUBMISSIONS: February 28, 2018 @ 5 pm PDT