



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 3A)
Capital Improvement Grants

Revised May 3, 2019

Cycle 3A Outline – Round 2, Expanded and Revised

Purpose

Carpet America Recovery Effort (CARE) serves as the Carpet Stewardship Organization for the California Carpet Stewardship Program (CCSP). The purpose of the **Capital Improvement Grant Program – Cycle 3A** (Program) is to provide funding for capital improvements that will establish, increase, improve and enhance additional California generated post-consumer carpet (PCC) collection, reuse, recycling and/or 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.

Cycle 3A grant funding will depend on the availability of funds from the California Carpet Stewardship Program. Originally Cycle 3A included \$1.5 million available for processing and manufacturing only. For the second expanded and revised round of this Cycle, CARE has allocated an additional \$500,000 to award to projects throughout Round 2 of Cycle 3A (2019). With additional funds provided, individual projects may apply for up to \$150,000 in Cycle 3A funds. CARE will continue to accept applications for Cycle 3A through 2019, based on available funding and market readiness. Grantees selected during this second round must achieve project completion by June 30, 2020. CARE will give strong preference to projects that can prove project impact by the end of 2019.

Eligible Applicants

Eligible applicants must base their grant-funded operations in California. Eligible applicants may be adjusted for each potential solicitation release, consistent with the objectives of the funding cycle and goals of the Program. Eligible applicants for Cycle 3A include:

- California-based 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 and 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 such Plan is amended and approved by CalRecycle.
- California-based nonprofit organizations that are tax-exempt under IRS 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 approved by CalRecycle. 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 reuse, 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 as amended and approved by CalRecycle.

Project Requirements (Use of funds):

Projects must increase the quantity (pounds) of California generated post-consumer carpet collected, reused, recycled and/or utilized in the manufacturing of recycled-content products during the grant term.

- Projects must specify, itemize and reasonably quantify the additional (new) pounds to be diverted via collection, reuse or recycling into finished products. Applicants should provide data to support these claims including a 12-month volume projection once operations start up.
- Projects must increase collection, reuse, recycling and/or recycled-content manufacturing of California-generated PCC.
- Applicants must show that they have a site in California and that all necessary permits will be obtained prior to the award of grant funds. Projects must meet all local, state and federal requirements.
- Applicants producing products proving long-term market success, recyclability, and other program and environmental benefits may be preferred.
- Applicants submitting in partnership with another project must designate one applicant as the primary grantee. A single company is limited to one individual application per grant category, and one application in partnership with another entity per category.
- Applicants must provide 25% in matching funds, which may be in-kind, such as equipment or a portion of staff time directly related to the grant-funded project.
- 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, export or other strategies, as well as when landfilling would be utilized.
 - The storage management plan must identify how many additional pounds will 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.**
 - CARE may retain a portion of grant funds in connection with each storage management plan until PCC is reused, recycled and shipped/sold, and/or utilized in recycled content manufacturing.

Eligible Projects

- Capital investment; infrastructure; equipment; construction, renovation or expansion of collection, reuse, recycling or manufacturing facilities which manage or utilize California-generated post-consumer carpet.
 - A specific example for reuse could be projects aimed at establishing or expanding the reuse of carpet/carpet tiles which still have quality material life in them for use as carpet/carpet tile in a floor covering application. A project which places a focus on the development of cleaning guidelines and offers carpet/carpet tile for sale/donation

through a grading system (e.g., New/Nearly New; Very Good Condition Cleaned; Very Good Condition As-Is).

- Projects aimed at establishing or increasing the use of recycled output fiber, PC4 backing material, 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 exceeding 10% for product sales and marketing.
- Costs incurred before June 1, 2019 or after the end of the Grant Term.
- Costs associated with landfilling, CAAF, Kiln, WTE or 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 has allocated an additional \$500,000 in 2019 under this grant Program element, at the discretion of the Sustainable Plan Committee (SPC) under the approved Carpet Stewardship Plan and subject to available funding. Maximum grant awards for Cycle 3A will be limited to \$150K for each grant awarded under this Program. Continuation and/or modifications of the grant program will be determined based on the success of Capital Improvements cycles and the CA Carpet Stewardship Plan as such Plan is amended and approved by CalRecycle.

Timeline

Cycle 3A applications will be accepted through December 31, 2019, or until all funds are committed. Projects must reach completion by June 30, 2020 and those projects proving a significant 2019 impact will be strongly preferred. 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
May 3, 2019	Release Expanded and Revised Cycle 3A Solicitation
May 17, 2019	Question & Answer Period – All Questions Due
May 24, 2019	Q&A Responses (tentative)
December 31, 2019	Application period closes

Ongoing	Evaluation of grant proposals by CARE Technical Committee
30 days from application submission (tentative)	Anticipated Notice of Awards for applications (release of funds may be in disbursements)
Maximum 30 days following grant award (tentative)	Anticipated Grant Agreements Executed for applicants Anticipated Term Begins for applicants

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
5%	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 reuse, recycling and/or recycled product manufacturing of California-generated PCC.
10%	Applicant/Project Team Qualifications & Experience – description of company history; fiscal soundness of company; 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.
10%	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, reuse and remanufacturing CA post-consumer carpet including increasing the percentage of recycled or reused carpet output (yield); identifies significant market potential for increasing collection, reuse, 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 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, existing, improved and/or enhanced collection, reuse, recycling and/or 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 additional impact by material component (e.g. nylon, non-nylon, commercial, PC4 backing material, natural fibers, or other material components); size of impact is significant; project permits/licenses have been secured; claims are well supported. Recovery of net new PCC material is a specific objective.
5%	Sustainability: 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; prioritizes use of all carpet components (higher yield).
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 (preference given to projects that have already secured necessary permits).
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 and/or rural communities.
15%	Highest Recyclability – PCC components used follow highest recyclability hierarchy in CA Carpet Stewardship Plan 2018-22 (Table 6, page 116); PCC products created can be recycled again and are designed for recycling; products created from PCC are durable and do not negatively impact the natural environment; claims are proven.
100%	TOTAL

Coordination with 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.

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 8 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.

Please use the following as your grant application category headings:

- Executive summary (not to exceed 1 page)
- Key project contacts (2 required) with title, phone number and email information
- Applicant/Team Qualifications and Experience
- Project Need
- Project Description including Goals, Objectives and Measurable Outcomes
 - Project Impact/Cost Effectiveness. See EPA WARM Model 14 to calculate GHG emissions reductions or other proven tool: <https://www.epa.gov/warm/versions-waste-reduction-model-warm#WARM%20Tool%20V14>
- Applicant Commitment, Sustainability of Operation, Environmental Conservation
 - Strategy for Throughput (describe proposed plan for sale, shipment, storage, energy recovery, export)

- Project Work Plan, Milestones and Deliverables. Provided template required.
- Proposed Budget & Narrative Description of Expenditures. Provided template required.
- Creation of California Jobs, use of California Facilities, benefit to Disadvantaged Communities. See CalEnviroScreen 3.0 Map to assess CA Disadvantaged Communities status: <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>
- Verified description of how processed or manufactured output meets highest recyclability criteria
- Financial statements from the previous two years, such as a Profit and Loss Statement or Balance Sheet.
- 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).

Questions - Submission

- Questions on revisions to Cycle 3A should be sent by May 17, 2019 to Abbie Beane, CARE Grants Manager, at abeane@carpetrecovery.org. Answers will be posted to the CCSP Grants webpage on May 24, 2019.

Application - Submission

- Applications should be sent electronically in Adobe PDF format (10 point font minimum) to: **Abbie Beane, CARE Grants Manager, abeane@carpetrecovery.org** and **Dr. Robert Peoples, Executive Director, CARE, bpeoples@carpetrecovery.org**
- Applications should use the email Subject line:
 - Carpet Capital Grant 3A 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. **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 will include monitoring requirements, such as the submission of regular progress reports 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, status of project permitting, etc. Grant funds will be disbursed quarterly on a reimbursement basis only.

APPLICATION SUBMISSION PERIOD CLOSSES ON: December 31, 2019 @ 5 pm PDT