



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

---

Notice of Funds Available for California Carpet Stewardship  
Grant Program (Cycle 3B)  
Product Development/Testing Grants

March 27, 2020

**Cycle 3B 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 Development/Testing Grant Program – Cycle 3B** (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 3B 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 \$500,000 total to award to projects throughout Cycle 3B (2020/21). Individual projects may apply for up to \$125,000 in Cycle 3B funds. CARE may reissue this grant solicitation after the first round of applications are received, based on available funding and market readiness. Cycle 3B grant funding will depend on the availability of funds from the California Carpet Stewardship Program. Grantees must achieve project completion by September 30, 2021. CARE will give preference to projects that can deliver results by the end of 2020.

**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. Eligible applicants for Cycle 3B 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.
- 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. 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.**

- 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 3B grant funds to California-based operations based on the eligible pool of California-based applicants and the quality of those applications. 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 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 California PCC material.

**Ineligible Costs**

**For the purpose of Cycle 3B, grant funds must be utilized directly on product testing activities. The following costs are ineligible for Cycle 3B grant funding:**

- Permitting costs
- Public education and outreach
- Salaries deemed non-essential to the research analysis or documentation, etc.
- Travel expenses such as airfare, mileage and hotels not essential to material transport
- 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, CAAF 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
- Costs deemed unreasonable by CARE; costs that are unrelated to the grant project

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

Funding for the Cycle 3B grant program is up to \$500,000. Maximum grant awards for Cycle 3B will be limited to \$125K for each grant awarded under this Program. Cycle 3B 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 3B and market dynamics. An independent technical committee will review grant applications.

**Timeline**

Program applications are due no later than June 1, 2020 and projects must reach completion by September 30, 2021. 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>March 27, 2020</b>	<b>Notice of Funds Available (NOFA)</b>
<b>March 30-April 15, 2020</b>	Question & Answer Period – All Questions Due
<b>April 22, 2020</b>	Q&A Responses (tentative)
<b>June 1, 2020</b>	<b>Application Due Date</b>
<b>June/July 2020</b>	Evaluation of grant proposals by CARE
<b>July 20, 2020 (tentative)</b>	<b>Anticipated Notice of Awards</b>
<b>July/August 2020 (tentative)</b>	<b>Anticipated Grant Agreements Executed – Anticipated 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.

% or Points	Criteria
10%	<b>Quality of Proposal</b> – clear project description; well-planned project approach; identification of key milestones; <b>probability of success</b> 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%	<b>Applicant/Project Team Qualifications &amp; Experience</b> – description of company history; fiscal soundness of company; <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
15%	<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/reuse, increasing the percentage of recycled output from CA PCC and/or remanufacturing post-consumer carpet (yield); 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
20%	<b>Proposed Effectiveness and Project Impact</b> – 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 <b>identifies the additional impact by material component</b> (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 <sub>2e</sub> greenhouse gas emissions reductions; size of impact is significant; claims are well supported
5%	<b>Sustainability:</b> 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; applicant can identify product consumers <b>Conservation:</b> 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
5%	<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; project permits have already been secured
10%	<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; matching funds are provided by applicants
20%	<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 and/or rural communities
100%	<b>TOTAL</b>

### **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. 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](mailto:abeane@carpetrecovery.org). The anticipated date that answers will be posted to the CCSP Grants webpage is April 22, 2020.

### **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/Letters of Support). All pages must be combined into one document. 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, Conservation
  - Creation of California Jobs, use of California Facilities, benefit to Disadvantaged Communities
- Project Work Plan. Provided template required (online).
- Proposed Budget. Provided template required (online).
- 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).
- CARE may request a financial statement, such as a balance sheet or profit and loss statement.

### **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 Manager, CARE, [abeane@carpetrecovery.org](mailto:abeane@carpetrecovery.org)**.
- Applications should use the email Subject line:
  - Product Testing Grant Application 3B: [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. Applicants who lobby technical committee members, the CARE Stewardship Plan Committee, the CARE Executive Director and/or the CARE grant manager for funding may be disqualified.

**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 and 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 or by special request on a reimbursement basis only.

***DEADLINE FOR SUBMISSIONS: June 1, 2020 @ 5 pm PDT***