



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

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Notice of Funds Available for California Carpet Stewardship  
Innovation and Design Grant Program (Cycle I&D)

January 17, 2023

**Innovation and Design Grants Outline**

**Purpose**

Carpet America Recovery Effort (CARE) serves as the Carpet Stewardship Organization for the California Carpet Stewardship Program (CCSP). The purpose of the **Innovation and Design Grant Program — Cycle I&D** (Program) is to provide funding for testing and development activities that create: 1.) A more recyclable and environmentally sustainable carpet design and/or 2.) Post-consumer carpet (PCC) products that are more reusable, recyclable and/or have a decreased environmental footprint. The ultimate goal is to improve and enhance California-sourced PCC recycling.

The precise focus of each solicitation cycle is subject to adjustment by CARE, consistent with the overall goals of the Program and market dynamics. CARE has allocated up to \$200,000 total to award to projects throughout this Program in 2023. Individual projects may apply for \$10,000 to \$100,000 in Cycle I&D funds. Cycle I&D grant funding will depend on the availability of funds from the California Carpet Stewardship Program. Grantees must achieve project completion by June 30, 2024. This program will accept applications through February 28, 2023.

**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 I&D 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 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.
- Non-profit organizations that are tax-exempt under Internal Revenue Code 501(c)(3) may apply to the Program. The organization must be in good standing with all applicable federal, state and local agencies.
- Colleges, universities and research institutions are encouraged to apply to this Program.

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

**CARE will offer grants to eligible applicants to research, develop and test new products produced using PCC material generated in California. This grant cycle is also open to those investigating more sustainable carpet construction.**

- 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 if the project is focused on creating more sustainable products.
- Universities and colleges must limit project overhead to 10% of the total project budget.
- No grant funds may be used for product testing activities related to energy recovery (CAAF, Kiln or Waste-To-Energy).
- CARE requires that each applicant contribute at least 25 percent in matching funds to the project.
- CARE encourages applicants to collaborate with industry partners, such as recyclers and manufacturers.
- Projects must obtain all necessary permits, local, state and federal, for their operations and for use of their proposed products and/or applications. Projects that have obtained these permits prior to beginning this application process will 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, and 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 tier 1 or tier 2 products that do not currently use recycled post-consumer carpet material. The intention should be to recreate these products to be more reusable, recyclable and/or have a decreased environmental footprint during their manufacture.
- Testing and/or certifying new or reformulated tier 1 and tier 2 products containing California-generated PCC material. These products must exhibit environmentally preferable and innovative characteristics.
- Feasibility and/or pilot project studies on potential new and environmentally preferable uses of California PCC material.
- Research and development projects that create a more reusable, recyclable and/or environmentally sustainable carpet design through manufacture and/or end-of-life management. CARE prefers projects based on applied research that will result in new designs and products which are competitive in the marketplace.

### **Ineligible Costs**

**For the purpose of Cycle I&D, grant funds must be utilized directly on research and development activities. The following costs are ineligible for Cycle I&D grant funding:**

- Permitting costs
- Public education and outreach
- Salaries deemed non-essential to the research analysis or documentation, etc. Only 5% of the project budget may be allocated for administration. Only 10% of project funding may be used for university or college overhead expenses.
- 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 I&D grant program is up to \$200,000. Maximum grant awards for this cycle will be limited to \$100K for each grant awarded under this Program. Cycle I&D grant funding will depend on the availability of funds from the California Carpet Stewardship Program. An independent technical committee will review grant applications.

**Timeline**

Program applications are due no later than February 28, 2023 and projects must reach completion by June 30, 2024. 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
September 21, 2022	Notice of Funds Available (NOFA)
September 21-30, 2022	Questions/Comment period
November 15, 2022	Q&A document posted
February 28, 2023	Application Due Date
March 2023	Evaluation of grant proposals by CARE
April 2023 (tentative)	Anticipated Notice of Awards
April 2023 (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. These criteria may be subject to further revision by CARE.

% or Points	Criteria
10%	<p><b>Quality of Proposal –</b></p> <ul style="list-style-type: none"> <li>• clear project description</li> <li>• well-planned project approach</li> <li>• outlines innovative approach vs incremental</li> <li>• justifies the use of grant funds to refine, finalize or make significant contributions to new designs that will increase PCC use and decrease the environmental footprint of new carpet and/or PCC in new products</li> </ul>
15%	<p><b>Applicant/Project Team Qualifications &amp; Experience –</b></p> <ul style="list-style-type: none"> <li>• solid description of company history/fiscal soundness of company</li> <li>• track record in developing new products or designs</li> <li>• capacity and staff resources necessary to ensure successful project</li> </ul>
15%	<p><b>Need –</b></p> <ul style="list-style-type: none"> <li>• clearly describes why the proposed product design research is needed (does it fill a market gap?) and how it will benefit the CA Carpet Stewardship Program</li> <li>• addresses barriers and obstacles to recycling/reuse</li> <li>• provides sufficient evidence and reliable data to support the need</li> <li>• provides initial or preliminary data that supports a high probability of success in developing or improving new or reformulated product designs that are more environmentally sustainable</li> </ul>
20%	<p><b>Proposed Effectiveness and Project Impact –</b></p> <ul style="list-style-type: none"> <li>• clearly identifies objectives to achieve goals and measurable outcomes</li> <li>• clear description of data to be collected and how effectiveness will be evaluated</li> <li>• project is innovative <u>and</u> pragmatic</li> <li>• project supports new, improved or enhanced carpet and/or PCC-content product designs</li> <li>• addresses difficult to recycle portions of the carpet recycling waste stream and identifies the impact (potential PCC volume consumption) by material component</li> <li>• proposal includes economic analysis and business case</li> <li>• technical feasibility is well defended</li> <li>• plan and impact beyond R&amp;D phase is robust, practical and replicable</li> </ul>
10%	<p><b>Work Plan –</b></p> <ul style="list-style-type: none"> <li>• reasonable, logical and ambitious outline of key project goals and milestones</li> <li>• speed to market is high; project is well planned</li> <li>• project permits have already been secured</li> </ul>

<b>15%</b>	<b>Budget and Cost Effectiveness –</b> <ul style="list-style-type: none"> <li>• project costs are reasonable, justified, and demonstrates cost-effective use of funds</li> <li>• line items are clearly defined and justified</li> <li>• matching funds are provided by applicant</li> </ul>
<b>15%</b>	<b>CA Job Creation, CA Business –</b> <ul style="list-style-type: none"> <li>• entire project is located in CA; not a requirement</li> <li>• project demonstrates how new CA (green) jobs may be created</li> <li>• applicant has specialized business certifications such as: Certified Green Business; project supports disadvantaged and/or rural communities</li> </ul>
<b>100%</b>	<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. 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 should be sent to Abbie Beane, CARE Grants Manager, at [abeane@carpetrecovery.org](mailto:abeane@carpetrecovery.org). Questions and Answers will be posted to CARE’s website on November 15, 2022.

### **Application – Proposal Requirements**

Applications must include the following components and clearly communicate the manner in which their proposed project meets the criteria listed above. 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
- Key project contacts (2 required) with phone number and email information
- Project references (2 required) with contact information
- Project Narrative
  - Applicant/Team Qualifications and Experience
  - Project Need
  - Background, Goals and Objectives
  - Project Impact and Effectiveness
  - Creation of California Jobs, use of California Facilities, benefit to Disadvantaged Communities
- Proposed Budget
- Proposed Work Plan
- Notification of any pending or outstanding judgments or enforcement actions against the company or its products, including environmental citations or fines. 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, Testing Quotes, Previous Testing Results, Resumes, Business Certificates, Other Documentation).
- CARE may request a financial statement, such as a balance sheet or profit and loss statement or auditor report.

#### **Application - Submission**

- Applications must be submitted by the deadline. Late submissions may not be considered. Please email to **Abbie Beane, Grants Manager, CARE**, [abeane@carpetrecovery.org](mailto:abeane@carpetrecovery.org) in PDF format. Proposals should not exceed 10 pages without attachments.
- 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 on a reimbursement basis only.

***DEADLINE FOR SUBMISSIONS: February 28, 2023 @ 5 pm PDT***