



**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 Program (Cycle 5B)  
Product Development/Testing Grants

June 13, 2023

**Cycle 5B Outline**

**Purpose**

Carpet America Recovery Effort (CARE) is the Carpet Stewardship Organization for the California Carpet Stewardship Program (CCSP). The purpose of the **Product Development/Testing Grant Program – Cycle 5B** (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 PCC-content product manufacturing. CARE may also consider projects which evaluate innovative ideas to enhance PCC collection.

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 5B seeks proposals to develop new products or applications for products using PCC material generated in California from qualified applicants. CARE has allocated up to \$150,000 total to award to projects throughout Cycle 5B (2023/24). Individual projects may apply for up to \$50,000 in Cycle 5B funds. CARE may reissue this grant solicitation after receiving the first round of applications based on available funding and market readiness. Cycle 5B grant funding will depend on the availability of funds from the California Carpet Stewardship Program. Grantees must achieve project completion by December 31, 2024. CARE will give preference to projects that can deliver results by the middle of 2024.

**Eligible Applicants**

Solicitation release for each eligible applicant may be adjusted, consistent with the objectives of the funding cycle and goals of CARE's Carpet Stewardship Plan. Qualified applicants for Cycle 5B include:

- Private entities involved in reuse, recycling, or secondary manufacturing can 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 described in Corporations Code section 14601(a). Companies 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. Membership in CARE is required to apply for grant funding. In compliance with CARE’s Carpet Stewardship Plan, an entity must be a CARE member to receive AB2398 incentives.
- 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 award 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 that is recycled and utilized in manufacturing Tier 2 recycled products.** CARE may also consider projects that evaluate an idea to enhance PCC collection.

- For the Program, a Tier 2 “product” is defined as a good or package in a form that requires no further processing or forming and is offered for sale to an end user.
- Eligible applicants with operations in California, and projects that will contribute to creating 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 5B 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.
- Grant funds may not be used for product testing activities related to energy recovery (CAAF, Kiln, or Waste-To-Energy).
- Projects must obtain all required permits, including local, state, and federal approvals, for their operations and use of their proposed products and applications. Projects that have received these permits before beginning this application process will be preferred.
- Applicants testing products with potential for long-term market success, recyclability, carpet-to-carpet or carpet-to-pad, and other environmental benefits will be preferred.
- **CARE is currently prioritizing projects to create new markets for PCC tile fiber, including backing material and PCC calcium carbonate backing (PC4).**
- 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 requires testing of significant quantities of PCC material, the applicant must also submit a storage management plan to CARE outlining the amounts of materials to be stored, a timeline, and the quantity threshold at which the Grantee will divert materials via energy recovery, export or other strategies, as well as when disposal would occur
  - The storage management plan must identify the timeline and quantity of PCC testing to ensure the grantee stores and manages materials appropriately.

- If the Grantee exceeds storage capacity, the project team must prioritize materials for best use, consistent with California’s waste hierarchy.
- The storage management plan must clearly define any energy recovery strategy, including identifying facility outlets and how and when Carpet as Alternative Fuel (CAAF) or Kiln would be used vs. Waste-To-Energy (WTE).
- Incineration to send ash to a landfill is prohibited.
- **No grant funds may support energy recovery (CAAF, Kiln, or Waste-To-Energy) or landfilling.**
- CARE may require grant funds to be retained with each storage management plan until diversion is achieved.

### **Eligible Projects**

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

- Exploring using California-generated PCC material for manufacturing established products that do not currently use recycled post-consumer carpet material (i.e., feedstock conversion).
- Testing or certifying new or reformulated products containing California-generated PCC material.
- Feasibility studies or pilot project studies on potential new uses of California PCC material.
- **CARE is currently prioritizing projects that create new markets for PCC tile fiber or backing material and PCC calcium carbonate backing (PC4).**
- CARE may consider projects that evaluate ideas to enhance PCC collection.

### **Ineligible Costs**

**For Cycle 5B, grant funds must be utilized directly on product testing activities. The following costs are ineligible for Cycle 5B grant funding:**

- Permitting costs
- Public education and outreach
- Salaries deemed non-essential to research analysis or documentation, etc. Administrative costs are limited to 5% of the allocated Budget.
- Travel expenses such as airfare, mileage, and hotels that are 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 the 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 5B grant program is up to \$150,000. Maximum grant awards for Cycle 5B will be limited to \$50,000 for each grant awarded under this Program. Cycle 5B 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 5B, and market dynamics. An independent technical committee will review grant applications.

**Timeline**

Program applications are due no later than August 8, 2023, and projects must reach completion by December 31, 2024. This notice outlines the Application process and instructions on how to apply. Proposals that do not follow application instructions may be considered non-responsive. The remaining dates outlined below are to be used as a reference and may be subject to revision by CARE:

| KEY DATES                  | KEY ACTION   |
|----------------------------|--|
| June 13, 2023              | Notice of Funds Available (NOFA)<br>(Online form available June 16 ) |
| June 13-June 27, 2023      | Question & Answer Period – All Questions Due                         |
| July 6, 2023               | Q&A Responses (tentative)  |
| August 8, 2023             | Application Due Date   |
| August 2023                | Evaluation of grant proposals by CARE                                |
| September 2023 (tentative) | Anticipated Notice of Awards   |
| September 2023 (tentative) | Anticipated Grant Agreements Executed –<br>Anticipated Term Begins   |

**Evaluation & Scoring Criteria:**

The criteria presented below are based on similar grant solicitations by CalRecycle, as modified by CARE. CARE will form a technical committee technical committee 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%         | <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 recycling of CA post-consumer carpet or recycled product manufacturing   |
| 15%         | <b>Applicant/Project Team Qualifications &amp; Experience</b> – description of company history; fiscal soundness of company; <b>history</b> in developing new products; essential 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, increasing the percentage of recycled output from CA PCC or remanufacturing post-consumer carpet (yield); identifies the <b>significant market potential</b> for increasing recycling 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; a detailed description of data to be collected and evaluation of effectiveness; the 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); the size of the effect is significant; customer information supports claims; proposal includes <b>economic analysis</b> such as cost for all inputs including transportation and targeted sales price per unit; identify the <b>supplier of PCC material</b> ; <b>technical feasibility</b> is well defended; proposal identifies market competitors and the chance of success. |
| 10%         | <b>Sustainability:</b> The proposal identifies the <b>necessary resources for ongoing operations</b> ; <b>the</b> applicant demonstrates a commitment to a long-term presence in the industry; the project improves market stability; the applicant is willing to provide a personal guarantee if requested; the applicant can identify product consumers<br><b>Conservation:</b> product testing demonstrates <b>additional resource conservation</b> (energy, water, material), source reduction or reuse, minimal end-of-lifecycle impacts, or product recyclability of the end of the life   |
| 5%          | <b>Work Plan</b> – reasonable, logical, and ambitious outline of key product testing goals; <b>speed to market</b> is high; the project is well planned; project permits have been secured   |
| 10%         | <b>Budget and Cost Effectiveness</b> – project costs are <b>reasonable, justified</b> , and demonstrate <b>cost-effective</b> use of funds; each line item is defined and justified; applicants provide matching funds   |

|      |   |
|------|---|
| 15%  | <b>CA Job Creation, CA Business</b> –CA is the location of the entire project; the project demonstrates the creation of new <b>CA (green) jobs</b> ; the applicant has <b>specialized business certifications</b> such as Certified Green Business; the project supports disadvantaged 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 Program goal is to implement this Program annually through subsequent grant funding cycles per 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- During the question-and-answer period, send your questions to Abbie Beane, CARE Grants Manager, at [abeane@carpetrecovery.org](mailto:abeane@carpetrecovery.org). CARE will post responses to questions received on the [CCSP Grants webpage](#) by July 6, 2023.

### **Application – Proposal Requirements**

Applications must include the following components and communicate how their proposed project meets the above criteria. Applicants must use the Cycle 5B Product Testing online form and associated budget template, which Grantee will upload into the online form. Trade secrets and any other confidential information must be 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
  - Applicant Commitment, Environmental Impact
  - Creation of California Jobs, use of California Facilities, benefit to Disadvantaged Communities
- Proposed Budget (template provided)
- 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 CARE receives the documented resolution.
- Attachments (Letters of Commitment/ Support, Testing Quotes, Previous Testing Results, Resumes, Business Certificates, and Other Documentation).
- CARE may request a financial statement, such as a balance sheet or profit and loss statement.

### **Application - Submission**

- Applications must be submitted and received by the deadline. Late submissions will not be accepted. Submit applications through the Cycle 5B Product Testing online form on the CARE grants webpage. Please email **Abbie Beane, Grants Manager, CARE**, [abeane@carpetrecovery.org](mailto:abeane@carpetrecovery.org), if you require an alternate submission method.

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 risk disqualification for lobbying technical committee members, the CARE Stewardship Plan Committee, the CARE Executive Director, or the CARE grant manager.

### **Grant Funding Awards**

Program grant awardees must agree to grant agreement terms and conditions, including monitoring requirements, such as submitting progress reports and post-testing data to CARE. Audits of Grant-funded projects and other monitoring activities are award conditions. Grant funding will depend on the availability of funds from the California Carpet Stewardship Program. CARE may request grantees' readiness for work documentation. Grant funds will be disbursed quarterly or by special request on a reimbursement basis only.

***DEADLINE FOR SUBMISSIONS: August 8, 2023 @ 5 pm PDT***