

REQUEST FOR APPROVAL

To: **Howard Levenson**
Deputy Director, Materials Management and Local Assistance Division

From: **Michelle Martin**
Branch Chief, Financial Resources Management Branch

Request Date: May 21, 2014

Decision Subject: Eligibility Criteria and Evaluation Process for the Beverage Container Recycling Grant Program (California Beverage Container Recycling Fund, Fiscal Years 2014/15 and 2015/16)

Action By: June 17, 2014 (revised June 30, 2014)

Summary of Request:

This request seeks approval of the proposed eligibility criteria and evaluation process for the Beverage Container Recycling Grant (BCRG) Program for FYs 2014/15 and 2015/16, pursuant to ~~proposed~~ California Public Resources Code (PRC) section 14581 ~~upon passage and adoption of the Governor's Proposed Budget.~~ The total funding amount is \$1,500,000 ~~\$5,000,000~~ for each fiscal year, ~~contingent on approval in the annual Budget Act.~~

Based on staff's analysis of past BCRG Program cycles, staff proposes to conduct the FY 2014/15 and FY 2015/16 grant cycles using the application review and evaluation process applied in FY 2013/14, except as described under *Proposed Changes* and summarized below:

1. Implement a two phase application process
2. Determine that grant focus will be on sustainable grant projects that meet AB 341's Mandatory Commercial Recycling goals
3. Increase the minimum award amount from \$5,000 to \$50,000
4. Eliminate individual public schools and private businesses from eligible applicants

Recommendation:

Staff recommends approval of the proposed eligibility criteria and evaluation process for the FY 2014/15 and FY 2015/16 BCRG Program.

Deputy Director Action:

On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby approve the eligibility criteria and evaluation process for the BCRG Program for FY 2014/15 and FY 2015/16.

Date: 6/30/14



Howard Levenson
Deputy Director

Attachment 1 – Phase 1 Concept Scoring Criteria, FY 2014/15
Attachment 2 – Phase 2 Proposal Scoring Criteria, FY 2014/15

Background and Analysis:

Statutory Authority

PRC section 14581(a)(5)(4) authorizes the Department of Resources Recycling and Recovery (CalRecycle) to issue up to \$1,500,000 annually in the form of grants for beverage container recycling and litter reduction programs.

~~Proposed PRC section 14581 would authorize CalRecycle to expend funds from the Beverage Container Recycling Fund, in the form of grants, to implement beverage container recycling and litter reduction programs. If passed, the total funding for FY 2014/15 would be \$5,000,000 is \$1,500,000.~~

Program Background

The availability of this beverage container recycling grant funding for communities will provide opportunities for CalRecycle to address recycling challenges, aid in increasing beverage container collection and mandatory commercial recycling programs, and reduce beverage container litter in the waste stream.

The funding history of the BCRG Program since FY 2003/04, is summarized in the table below.

FY	Cycle	Total # of Applicants	Total # of Grants Awarded	Total Funding
2013/14	25	100	11	\$1,500,000
2012/13	24	169	13	\$1,500,000
2011/12	23	169	27	\$740,714
2008/09	22	122	13	\$1,500,000
2007/08	21	119	9	\$1,500,000
2006/07	20	135	17	\$1,500,000
2005/06	19	120	13	\$1,500,000
2004/05	18	61	14	\$1,455,572
2003/04 (Round 2)	17	47	20	\$1,000,000

Proposed Process and Eligibility

Staff will conduct an initial review of all applications to confirm applicant eligibility and application completeness.

A two-phase application process, as described below, will be implemented for FY 2014/15 and 2015/16. All applications will be evaluated and scored by a review panel of CalRecycle staff based on the attached scoring criteria. Eligible applicants for this grant program include the following entities:

- California cities, counties, Joint Powers Authorities, Special Districts, and other local government entities
- Public colleges/universities and public K-12 school districts
- Non-profit organizations
- Qualifying Indian Tribes

CalRecycle is seeking projects that implement new or enhance existing programs to provide convenient beverage container recycling opportunities in various locations statewide. Eligible projects include, but are not limited to, the following:

- 1) Multi-family dwellings (five units or more)
- 2) Public colleges/universities and Public K-12 school districts
- 3) Outreach and education
- 4) Community events including, but not limited to, those sponsored by local jurisdictions
- 5) Parks/recreational areas

Proposed Changes

Staff recommends the following changes be implemented for FYs 2014/15 and 2015/16.

1) *Implement Two-Phase Application Process*

Due to potential oversubscription of a combined two year solicitation, a two-phase approach will assist staff in managing the immense workload associated with evaluating and scoring all applications. Reducing the number of applications that do not meet the focus and/or eligibility criteria in Phase 1 would significantly decrease the evaluation and review time in Phase 2.

In Phase 1, applicants must complete required information in the Grants Management System, submit a Narrative Concept, Application Certification, and Letter of Commitment or draft Resolution. CalRecycle will review each Narrative Concept and provide a “pass” or “fail” score. Applicants must receive a minimum passing score of four points (out of six possible points) to be invited back to Phase 2.

In Phase 2, invited applicants must submit a Narrative Proposal, Budget, Work Plan, Environmental Preferable Purchases and Practices Policy Notification (if applicable), and adopted Resolution. Applications that meet the grant focus and receive the highest scores will be recommended for funding. The review panel may request modifications to the Budget and/or Work Plan before the award Request for Approval is approved.

2) *Determine Grant Focus*

The focus for this grant cycle will be on evaluating sustainable grant projects that meet AB 341’s Mandatory Commercial Recycling (MCR) goals.

- In Phase 1, the Narrative Concept will require the applicant to provide information on three general criteria items: a) project description; b) project need and experience; and c) sustainability. Staff will evaluate and score each Narrative Concept. Applicants who receive at least four points (out of six possible points), will be invited to Phase 2.
- In Phase 2, applicants must address the following information in the Narrative Proposal: a) Project Description, Need, Goals and Objectives; b) Project Sustainability; c) Budget; d) Education and Outreach; e) Work Plan; f) Performance Measures; and g) Quality of Proposal and Partnership.

In addition, staff is recommending Bonus Points in Phase 2 for the following:

- Ten points may be awarded for effective and sustainable multi-family projects that assist applicants in meeting their MCR plan (i.e., local jurisdictions) and establish a beverage container recycling infrastructure where the need is the greatest. This practice is consistent with the most recent cycle.
 - Five bonus points may be awarded to applicants who provide a detailed explanation of the project serving an underserved area or areas having limited beverage container recycling capacity or infrastructure.
 - Five bonus points may be awarded to applicants who are not current grantees from cycles RBC23 - FY 2011/12, RBC24 - FY 2012/13, and RBC25 - FY 2013/14. This last group of bonus points would encourage a more diverse eligible applicant pool.
- 3) *Increase the Minimum Award Amount*
Staff recommends increasing the minimum award amount from \$5,000 to \$50,000 to target eligible innovative projects. The minimum award amount also allows for small to medium size projects and provides an opportunity for rural jurisdictions to pool their resources together and apply on a regional basis. This will continue to streamline the review, scoring, and selection process for awarding the BCRG program while still supporting effective projects. Due to the limited funding available and the oversubscription of the grant program, the increase in the minimum award amount will continue to establish an equitable award distribution of funding to a greater pool of eligible applicants and viable projects. The maximum award amount will remain unchanged from the previous cycle at \$250,000.
- 4) *Elimination of Individual Schools and Private Businesses from Eligible Applicants*
Staff has determined that government entities, public colleges and school districts, non-profit organizations, and Tribes can most effectively implement beverage container and litter reduction projects. Consistent with other CalRecycle grant programs, staff recommends deleting individual public schools and private businesses generating four cubic yards of solid waste per week as eligible applicants. Few of these applicants applied in the previous grant cycle. While private businesses generating four cubic yards of solid waste per week is a threshold for MCR, it has no relevance with applicant eligibility, nor is it a requirement for the BCRG.

Tentative Timeline for FY 2014/15 and FY 2015/16

As shown in the table below, staff will post the Notice of Funds Available on CalRecycle’s website informing potential applicants of the funding, eligibility requirements, deadlines, and other important information. In addition, potential interested entities will be notified through the Beverage Container Recycling Grant – Competitive Listserv. Please refer to CalRecycle’s website <http://www.calrecycle.ca.gov/Listservs/>.

Date	Activity
July 1, 2014	<ul style="list-style-type: none">▪ Post the Notice of Funds Available▪ Phase 1 –Narrative Concept and related instructions and documents on the website
Late July 2014	Phase 1 – Application due date
August 2014	Conduct evaluation/review and score Narrative Concept
September 2014	Phase 2 – Invitations sent to passing Phase 1 applicants
October 2014	Phase 2 – Secondary due date for Narrative Proposal and required documents
November 2014	Conduct evaluation/review and score Phase 2 documents
January 2015	Determine funding for eligible applicants
February 2015	Grant awards presented at CalRecycle Public Meeting
February 2015	RBC26 FY 2014/15 – Grant Agreements distributed and executed: grant term ends June 30, 2017
July 2015	RBC27 FY 2015/16 – Grant Agreements distributed and executed: grant term ends June 30, 2018

For more information, please refer to CalRecycle’s website:
<http://www.calrecycle.ca.gov/BevContainer/Grants/BevContainer/default.htm>

