

REQUEST FOR APPROVAL

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

From: **Shirley Willd-Wagner**
Branch Chief, Financial Resources Management Branch

Request Date: January 18, 2012

Decision Subject: Awards for the Rubberized Pavement Grant Program (Tire Recycling Management Fund, FY 2011/12)

Action By: January 31, 2012

Summary of Request: Staff requests approval of grant awards for the Rubberized Pavement (Pavement) Grant Program, Fiscal Year (FY) 2011/12. CalRecycle received 50 applications requesting a total of \$9,227,831 of which 42 totaling \$7,791,104 are eligible.

Staff has ranked all eligible applications consistent with the approved process and has summarized those applications in the table below. Applications for which there are sufficient monies currently allocated to fund (fully or partially) are reflected in rank order (for each material) on Table 1, List A. Those eligible applications which were partially funded or for which there are not sufficient funds currently allocated are also reflected in ranked order on Table 2, List B.

Recommendation: Staff recommends approval of 30 grant awards (29 fully and one partially), as listed in Table 1, List A below, for \$5,445,000. This represents an allocation of approximately 67% (\$3,631,813) of total funding for rubberized asphalt concrete (RAC) projects and 33% (\$1,813,187) for chip seal projects, consistent with proposed allocation of monies approved by the Deputy Director on July 19, 2011. Staff does not recommend funding FY 2011/12 applications with FY 2012/13 funds. Staff recommends proceeding with a Pavement Grant Program solicitation in FY 2012/13.

Table 1. Rubberized Pavement Grant Program Recommended Awards - List A

Applicant	Material	Total Award
City of Simi Valley	RAC	\$250,000
City of Rancho Cucamonga	RAC	\$249,600
City of Long Beach	RAC	\$249,200
San Bernardino County	RAC	\$250,000
City of Duarte	RAC	\$280,095
City of Lake Elsinore	RAC	\$162,000
City of Ceres	RAC	\$178,457
City of Bell Gardens	RAC	\$76,860
City of Lomita	RAC	\$150,000
City of San Marcos	RAC	\$283,500
City of Turlock	RAC	\$122,500
City of McFarland	RAC	\$106,600
City of Stanton	RAC	\$118,770
City of Walnut	RAC	\$29,800
City of Morgan Hill	RAC	\$115,500

Applicant	Material	Total Award
Ventura County	RAC	\$250,000
City of Carson	RAC	\$166,600
City of Pasadena	RAC	\$249,988
City of Garden Grove	RAC	\$342,343
City of Roseville	Chip Seal	\$375,000
City of Lincoln	Chip Seal	\$250,000
City of Belmont	Chip Seal	\$215,883
City of Riverside	Chip Seal	\$191,824
City of Morro Bay	Chip Seal	\$101,654
City of Oakland	Chip Seal	\$101,130
City of Newark	Chip Seal	\$100,734
City of Healdsburg	Chip Seal	\$100,000
City of El Monte	Chip Seal	\$87,523
City of Pleasanton	Chip Seal	\$55,483
City of Stockton - partial	Chip Seal	\$233,956
Total		\$5,445,000

Table 2. Rubberized Pavement Grant Program Not Currently Recommended Awards - List B

Applicant	Projects	Total Award
City of Stockton - partial	Chip Seal	\$16,044
City of Claremont	RAC	\$70,673
City of Blythe	RAC	\$54,124
City of Huntington Beach	RAC	\$250,000
Sacramento County	RAC	\$286,661
City of Monterey Park	RAC	\$250,000
City of Fremont	Chip Seal	\$250,000
City of Delano	Chip Seal	\$166,195
City of Lompoc	Chip Seal	\$119,929
City of Barstow	RAC	\$250,000
City of Santa Clarita	Chip Seal	\$250,000
Los Angeles County	Chip Seal	\$250,000
City of Rocklin	Chip Seal	\$132,478
Total		\$2,346,104

Funding: The *Five-Year Plan for Waste Tire Recycling Management Program – (6th Edition covering Fiscal Years 2011/12-2015/16) (Five-Year Plan)* allocates \$5,445,000 for the Pavement Grant Program for FY 2011/12.

On August 16, 2011, the Deputy Director approved funding FY 2011/12 applications with funds allocated for both FY 2011/12 and 2012/13 “as needed”. If FY 2011/12 applications are funded with 2012/13 funds, the Deputy Director will determine whether to cancel the FY 2012/13 grant solicitation. Staff does not recommend funding FY 2011/12 applications using FY 2012/13 funds.

Fund Source	Amount Available	Amount to Fund Item	Amount Remaining	Line Item
Tire Recycling Management Fund (FY 2011/12)	\$5,445,000	\$5,445,000	\$0	Local Assistance/Grants
Total	\$5,445,000	\$5,445,000	\$0	

Deputy Director Action: On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby conditionally approve the grant awards for the Rubberized Pavement Grant Program as listed in Table 1, List A. Each proposed grantee's award is condition upon:

1. The full payment within 90 (ninety) days of the date of this grant award of all outstanding debt(s) or scheduled payment(s) owed by the proposed grantee to CalRecycle; and
2. The return by the proposed grantee of a completed and executed Grant Agreement within 90 (ninety) days from the date that CalRecycle staff mails the Grant Agreement.

Dated: 1/20/12


 Howard Levenson
 Deputy Director

Background and Findings:

Statutory Authority

Public Resources Code § 42872, 42872.5, and 42873 authorize CalRecycle to award grants for activities and applications that result in reduced landfill disposal or stockpiling of waste tires. The Rubberized Pavement (Pavement) Grant Program operates within that authority, using a portion of the annual appropriation from the California Tire Recycling Management Fund (Tire Fund).

In May 2011, CalRecycle adopted the draft *Five-Year Plan for the Waste Tire Recycling Management Program (Sixth Edition Covering Fiscal Years 2011/12 – 2015/16) Report to the Legislature* (Draft Five-Year Plan). The Draft Five-Year Plan allocates \$5,445,000 to the Pavement Grant Program for FY 2011/12.

Program Background

The Pavement Grant Program is designed to promote the use of rubberized pavement while encouraging the recycling of California-generated waste tires. The program provides competitive grants for public works projects that use rubberized asphalt concrete (RAC) or rubberized chip seal materials derived from 100 percent California-generated waste tires.

Criteria and Process

Eligible applicants include "Local Government" (cities, counties or cities and counties) as defined in Public Resources Code Section 30109 and qualifying Indian Tribes. The grant project must be located in California and use a minimum of 300 pounds (equivalent to 15 percent by weight) of California-generated crumb rubber per ton of rubberized binder. The maximum grant award for both RAC and chip seal project(s) is \$250,000. Applicants that propose to use both RAC and chip seal material are eligible for a maximum grant award of \$375,000.

The application process, applicant eligibility, project eligibility, grant award categories, and evaluation process was discussed at the July 19, 2011, CalRecycle meeting and subsequently approved by the Deputy Director. The Notice of Funds Availability was posted on the CalRecycle web site on September 14, 2011, with an appropriate notice sent to stakeholders.

CalRecycle received 50 applications requesting a total of \$9,227,831. Staff disqualified eight applicants that did not satisfy program requirements. The remaining 42 eligible applications were evaluated by staff. 30 can be funded (29 fully and one partially) with FY 2011/12 allocated monies.

Because of stakeholder demand for the program and local economic conditions, staff recommends that eligible applications which cannot be funded with FY 2011/12 initially allocated monies, be considered if monies become available later this fiscal year through reallocation of the Tire Fund. Eligible applications which cannot be funded with FY 2011/12 initially allocated plus reallocated Tire Fund monies may apply during the FY 2012/13 Pavement Grant solicitation.