

EXHIBIT B
PROCEDURES AND REQUIREMENTS
Rubberized Asphalt Concrete Grant Program
Targeted Rubberized Asphalt Concrete Incentive Grant
Rubberized Asphalt Concrete Chip Seal Grant
Fiscal Year 2010/11

INTRODUCTION

The Procedures and Requirements of the Department of Resources Recycling and Recovery's (CalRecycle) Rubberized Asphalt Concrete (RAC) Grant Program Grant Agreement (Agreement) describes project and reporting requirements, report due dates, report contents, grant payment conditions, eligible and ineligible project costs, project completion and close-out procedures, records and audit requirements.

RELIABLE
CONTRACTOR
DECLARATION

Prior to authorizing a contractor(s) to commence work under this Grant, the Grantee shall submit to the CalRecycle Grant Manager a declaration from the contractor(s), signed under penalty of perjury, stating that within the preceding three (3) years, none of the events listed in Section 17050 of Title 14, California Code of Regulations Natural Resources, Division 7, has occurred with respect to the contractor(s) and the subcontractor(s), respectively. See <http://www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5>.

Provide the Reliable Contractor Declaration Form (CalRecycle 168) for all contractors and subcontractors that supplied rubberized asphalt materials for the project. To obtain CalRecycle 168 form, see the General Grant Forms section of the CalRecycle forms web page, <http://www.calrecycle.ca.gov/Grants/Forms>.

If a (sub) contractor is placed on the CalRecycle Unreliable List after award of this Grant, the Grantee may be required to terminate that contract.

PROJECT
REQUIREMENTS

All projects are subject to the following requirements:

- One hundred percent (100%) California-generated waste tires must be used in the rubber portion of the project(s).
- The binder material must contain a minimum of 300 pounds (equivalent to 15% by weight) of tire-derived crumb rubber per ton of rubberized binder.
- Reimbursement will not exceed the amount stated on the Grant Agreement Cover Sheet (CalRecycle 110).
- Construction of the RAC portion of any project must commence on or after the date indicated in the Notice to Proceed and be completed by April 1, 2013.

Additionally, the following project requirements are specific to the individual grant as indicated:

Targeted Rubberized Asphalt Concrete Incentive (Targeted) Grant

- Project(s) must use a minimum of 3,500 tons of RAC.
- Grantee's staff involved in the proposed RAC project(s) must attend a CalRecycle-sponsored training before beginning the project. Topics for the

training are typically in one-hour modules and may include a general introduction or more detailed discussion regarding the RAC manufacturing and construction processes and procedures.

- Reimbursement will be based on the following, as stated in the Grant Application Guidelines and Instructions for each project/phase:

Number of RAC Grants Received in the Past	Differential Between RAC and Conventional Asphalt Concrete
0	100%
1	70%
2	40%

Rubberized Asphalt Concrete Chip Seal (Chip Seal) Grant

- Project(s) must use a minimum area of 35,000 square yards of RAC chip seal material.
- Reimbursement will be based on the following, as stated in the Grant Application Guidelines and Instructions for each project/phase:

Number of RAC Chip Seal Grants Received in the Past	Reimbursement Rate
0-1	\$1.00 per square yard
2 -3	\$.50 per square yard

**PROJECT
ACKNOWLEDGEMENT
REQUIREMENTS**

By April 1, 2013 the grantee must list on their website, for a minimum period of one year, an acknowledgement of CalRecycle’s funding and waste tire diversion amounts for the project(s). See the “Acknowledgements” and “Advertising/Public Education” provisions in Exhibit A – Terms and Conditions, for acknowledgement requirement information. When the web site acknowledgement posting is problematic due to grantee-specific issues, the grantee may substitute alternative forms of acknowledgement requirements upon written pre-approval from the CalRecycle Grant Manager.

Alternatives to the web site posting acknowledgement requirement must include one or more of the following:

1. Utility bill inserts
2. Newspaper ads/stories
3. Local radio
4. Television public service announcement (PSA)
5. Signage acknowledgement. See Attachment 2 to the Grant Award Cover Letter – Signage for an example and sign specifications. The signage acknowledgement must include the following:
 1. Funded by grant from CalRecycle;
 2. CalRecycle Logo; and
 3. Number of California waste tires diverted from the waste stream by this project.

WORK PLAN AND
CHANGES/
MODIFICATIONS

The grantee will construct one or more RAC project(s) at the location(s) specified in the approved grant application. Changes or modifications to the original project must be submitted in writing to the CalRecycle Grant Manager by the Grantee. Only non-substantive changes will be considered. The total amount of RAC or chip seal material used for the grant must be equal to or greater than the amount in the approved application. **The CalRecycle Grant Manager must approve the proposed changes in writing prior to the Grantee performing the changed work.**

RECYCLED-CONTENT
CERTIFICATION

The certification required in the “Recycled Content Certification” provision of the Terms and Conditions (Exhibit A) shall be provided on the Crumb Rubber Modifier Certification Form (CalRecycle 727-RAC) available at <http://www.calrecycle.ca.gov/Grants/Forms>, in the Tire Recycling, Cleanup, and Enforcement Grants section.

REPORTING
REQUIREMENTS

A Progress Report and a Final Report are required by this Agreement. All reports must be current, including all required sections/documents, and must be approved by the CalRecycle Grant Manager before Grant Payment Requests can be processed. Failure to comply with the specified reporting requirements or the approved work plan may result in the termination of this Agreement or suspension of any outstanding Grant Payment Requests. Any problems or delays must be reported immediately to the CalRecycle Grant Manager.

All documents submitted must be printed double-sided on recycled-content paper containing one hundred percent (100%) post consumer fiber. Specific pages containing full-color photographs or other ink-intensive graphics may be printed on photographic paper.

PROGRESS REPORT
REQUIREMENTS

The Grantee must submit a Progress Report to the CalRecycle Grant Manager by June 30, 2012. The reporting period begins from the date of the Notice to Proceed issued by CalRecycle notifying the grantee to begin the grant project and continues through April 30, 2012.

The Progress Report must be prepared in the format specified below.

Report Component	Description
Cover Page	<ul style="list-style-type: none">Name of the granteeGrant numberAmount of grant awardDates of report coverageReport preparation dateDisclaimer statement, as follows: “The statements and conclusions of this report are those of the Grantee and not necessarily those of the Department of Resources Recycling and Recovery, its employees, or the State of California. The State makes no warranty, express or implied, and assumes no liability for

the information contained in the succeeding text.”

Project Summary and Status	<p>Provide a brief description of the progress of the RAC grant project(s) including</p> <ul style="list-style-type: none"> • Approved, completed and in-process project(s) • The timeline for completion of remaining project(s) • Results Achieved • Problems encountered or anticipated • Provide a brief description of any changes to the project and/or schedule including: • Changes in Grantee contact information • Changes or modifications to the original project.
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FINAL REPORT
REQUIREMENTS

The Final Report and final Grant Payment Request may be submitted at any time after the project is completed, but must be submitted no later than April 1, 2013. The reporting period covers from the Notice to Proceed to April 1, 2013. **Failure to submit the Final Report and final Grant Payment Request with appropriate documentation by April 1, 2013 may result in rejection of the final Grant Payment Request and/or forfeiture by the Grantee of any claims for reimbursement of otherwise eligible costs.**

The Final Report must be prepared in the format specified below. If requested, the Grantee shall make an oral presentation to the appropriate CalRecycle committee or workshop.

Report Component	Description
Cover Page	<ul style="list-style-type: none"> • Name of the grantee • Grant number • Amount of grant award • Dates of report coverage • Report preparation date • Disclaimer statement, as follows: “The statements and conclusions of this report are those of the Grantee and not necessarily those of the Department of Resources Recycling and Recovery, its employees, or the State of California. The State makes no warranty, express or implied, and assumes no liability for the information contained in the succeeding text.”
Table of Contents	Identify report contents and corresponding page numbers.

Project Summary and Information	<p>Provide a concise Executive Summary of the project(s). Within the narrative of the report, include the following information:</p> <ul style="list-style-type: none"> • Locations of Paving (List of Street); limits of paving (Point A to Point B) • Amount (tons) of RAC; amount of rubberized binder (tons) and square yardage of chip seal used • General Information (thickness of paving, type of mix – e.g. asphalt-rubber, type G, gap graded, open graded, etc.) • Binder information (asphalt cement type, percent crumb rubber, percent binder in mix, terminal blend) • Pounds of rubber per ton of mix (a minimum of 300 pounds [equivalent to 15 percent by weight] of tire-derived crumb rubber per ton of rubberized binder) and the total pounds of crumb rubber used in project(s) • Cost of material (\$/ton-RAC, \$/yd²-chip seal) • Problems encountered
Waste Tires Diverted	<p>Total number of California waste tires diverted from the waste stream as a result of the project's completion. You must provide verification that 100% of the tire rubber purchased and used in the project was from California by signing the Crumb Rubber Modifier Certification Form (CalRecycle 727-RAC).</p>
Photographs/ Project Acknowledgement	<p>Two digital photographs of the completed project on disk. Pre-construction photographs are highly recommended, however, not mandatory.</p> <ul style="list-style-type: none"> • A copy of your internet web page (or alternative) project acknowledgement.
Contractor Summary	<p>List of all contractors and subcontractors that supplied rubberized asphalt materials for the project. For each contractor and subcontractor include the following information:</p> <ul style="list-style-type: none"> • Name of Firm • Contact person • Address • Concise statement of work completed • Time period in which the work was completed • Amount paid • Reliable Contractor Declaration

(CalRecycle 168) required by Exhibit A – Terms and Conditions (Unreliable List).

GRANT PAYMENT INFORMATION

1. Payment to the Grantee for eligible grant expenses are made on a reimbursement basis only and for only those materials and services specified in the approved Grant Application.
2. The Grantee must submit the required Progress Report/Final Report, and the CalRecycle Grant Manager must approve the report prior to, or concurrent with, submission of the Grant Payment Request.
3. The Grantee must submit a completed Grant Payment Request and provide supporting documentation as described in the “Grant Payment Request and Documentation” section for completed project(s) only.
4. Grant payments will only be made to the Grantee. It is the Grantee’s responsibility to pay all contractors and subcontractors for purchased goods and services.
5. Ten percent (10%) of each approved Grant Payment Request will be withheld and retained until all conditions stipulated in the Grant Agreement, including submission and CalRecycle Grant Manager approval of the Progress and/or Final Report, have been satisfied. Reimbursement of the 10% retention must be requested in the final Grant Payment Request.
6. CalRecycle will make payments to the Grantee as promptly as fiscal procedures permit. The Grantee can typically expect payment approximately forty-five (45) days from the date a Grant Payment Request is approved by the CalRecycle Grant Manager.
7. The Grantee must provide a Reliable Contractor Declaration (CalRecycle 168) (see <http://www.calrecycle.ca.gov/Grants/Forms>) signed under penalty of perjury by the Grantee’s contractor(s) and subcontractor(s) in accordance with the “Unreliable List” provision of the Terms and Conditions. The declaration must be received and approved by the CalRecycle Grant Manager prior to commencement of work. See “Unreliable List” provision in Exhibit A – Terms and Conditions for more information.

ELIGIBLE PROJECT COSTS

Eligible costs include:

Expenditures incurred during the term of the grant project (beginning after receipt from CalRecycle of a Notice to Proceed through April 1, 2013) directly related to the project(s) rubberized paving material and its installation.

INELIGIBLE PROJECT COSTS

Ineligible costs include, but are not limited to, the following:

- Costs incurred for projects that start construction of the RAC paving prior to the Notice to Proceed date, or end construction after April 1, 2013;
 - Projects utilizing tire rubber material that is not made from 100% California-generated waste tires or that use truck tire buffing material;
 - Projects using less than the required amount of crumb rubber, tonnage of RAC or yardage of chip seal material, as specified in Project Requirements;
 - Binder material not meeting the minimum 300 pounds (equivalent to 15
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percent by weight) of tire-derived crumb rubber per ton of rubberized binder;

- Personnel costs, including fringe benefits;
- Overhead and/or indirect costs; and
- Any other costs deemed unreasonable or unrelated to the purpose of the grant by the CalRecycle Grant Manager.

GRANT PAYMENT
REQUEST AND
DOCUMENTATION

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1. Submit a Grant Payment Request (CalRecycle 87) with an original signature of the individual or his/her designee, as authorized in the resolution. Copies of or faxed Grant Payment Request forms will not be approved for payment. To obtain the Grant Payment Request (CalRecycle 87), see <http://www.calrecycle.ca.gov/Grants/Forms>.

Include supporting documentation such as invoices, receipts, weigh tickets or approved progress payment authorizations containing:

- Vendor name, phone number or address, purchase amount and date
- Description of goods or services
- Proof of payment (e.g., copies of cancelled checks, bank statements, invoice marked as paid with corresponding receipts or cancelled checks)
- Amount of RAC or chip seal material produced for the project
- For reimbursement based on differential cost, provide proof of: actual RAC cost (\$/ton) and conventional AC cost (#/ton) {e.g., an alternate bid from the RAC project or other recent, comparable size AC project.}

Note: All supporting documentation must be maintained in accordance with the “Audit/Records Access” section of Exhibit A – Terms and Conditions.

2. Submit a Crumb Rubber Modifier Certification Form (CalRecycle 727-RAC) with each payment request. The Crumb Rubber Modifier Certification Form can be found at <http://www.calrecycle.ca.gov/Grants/Forms>, in the Tire Recycling, Cleanup, and Enforcement Grants section.
3. Please submit all reports and payment requests to:
Department of Resources Recycling and Recovery
ATTN: RAC Grant Program
FiRM Branch, 9th Floor
P.O. Box 4025
Sacramento, CA 95812-4025

RECORDS AND AUDIT
REQUIREMENTS

This grant is subject to a desk or field audit. See the “Audit/Records Access” provision in Exhibit A – Terms and Conditions for more information.

ANNUAL SURVEY

Post-grant term Annual Surveys are required by this Agreement to help assess your long-term satisfaction with the RAC road projects funded by this Grant Agreement. The Grantee must complete and submit an Annual Survey for the RAC Grant Program every year for five (5) years after the grant is closed based upon the schedule below.

Survey Due Date	Survey Period
June 30, 2014	Completion of Project – June 30, 2014
June 30, 2015	July 1, 2014 – June 30, 2015
June 30, 2016	July 1, 2015 – June 30, 2016
June 30, 2017	July 1, 2016 – June 30, 2017
June 30, 2018	July 1, 2017 – June 30, 2018

The annual online survey may be accessed online at:

<http://www.calrecycle.ca.gov/Tires/Grants/RAC/default.htm>

SURVEY SUBMITTAL

If you are unable to access the online survey for any reason, you may download, print, and mail the RAC Annual Survey form.

If mailed, please send to:

Department of Resources Recycling and Recovery

ATTN: RAC Grant Program Survey

FiRM Branch, 9th Floor

P.O. Box 4025

Sacramento, CA 95812-4025