



# TIRE INCENTIVE PROGRAM APPLICATION GUIDELINES and INSTRUCTIONS

3rd Cycle (TIP3) – Fiscal Year 2015–16

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## GRANT CYCLE OVERVIEW

This resource document provides applicants with instructions to access and complete the application online and information about grant administration. The application can be accessed on [Grant Management System \(GMS\) webpage](http://www.calrecycle.ca.gov/Grants/GMS/default.htm) (<http://www.calrecycle.ca.gov/Grants/GMS/default.htm>).

The Department of Resources Recycling and Recovery (CalRecycle) offers the Tire Incentive Program (TIP) pursuant to section 42872 of the Public Resources Code. The purpose of the grant is to expand commercial (business) demand for different and higher value tire-derived products (TDP also referred to as “products”) by providing financial incentives to eligible manufacturers to more competitively price and market their TDPs, thereby increasing sales and market share.

### TIMELINE

Date	Activity
July 1, 2016	<b>Question and Answer Period</b> <ul style="list-style-type: none"><li>• Questions may be submitted from application release date to this date</li><li>• Questions must be submitted by email</li></ul>
July 8, 2016	<ul style="list-style-type: none"><li>• All answers will be posted (tentative)</li></ul>
July 21, 2016	<b>Application Due Date</b> <ul style="list-style-type: none"><li>• Applications must be submitted in GMS by 11:59 p.m. on this date</li><li>• Customer service will be available until 4:00 p.m. on this date</li></ul>
August 2016	<b>Grants Awarded</b> CalRecycle considers funding recommendations, and if approved, conditionally awards grants during this month (tentative)
April 1, 2018	<b>Grant Term</b> Notice to Proceed to this date
April 1, 2018	<b>Progress Report 7, Final Report, final Payment Request, and Request for 10 percent withhold Deadline.</b>

### AVAILABLE FUNDS

- \$2,336,321 is available for this grant cycle, fiscal year 2015–16, subject to funding availability.
- The minimum grant award is \$50,000 and the maximum is \$500,000.

### GRANT TERM

The Grant Term begins on the date indicated in the Notice to Proceed (NTP). The Grant Term ends on April 1, 2018. This is also the date the Progress Report 7, Final Report, final Payment Request, and Request for 10 percent withhold are due to CalRecycle.

Grant-eligible program expenditures may start no earlier than the date indicated in the NTP. Eligible program costs (i.e., TIP product sales) must be incurred no later than April 1, 2018.

CalRecycle recommends reserving the period from March 1, 2018 to April 1, 2018 exclusively for the preparation of the Progress Report 7, Final Report, and final Payment Request, though they may be completed earlier.

## **ELIGIBLE APPLICANTS**

Eligible applicants include:

- Manufacturers that produce (or will produce) an eligible product.
- Waste tire processors that also manufacture an eligible product.
- Rubber compounders.
- Manufacturers of calendered rubber sheeting products.
- Manufacturers that produce products on a contract basis for other companies provided they have that other company's written permission to produce an eligible product and receive the incentive.

An eligible applicant must have been fully operational for at least three years and profitable in two of the most recent three tax years (as evidenced by federal tax return information). Start-up businesses or individuals (without an otherwise eligible manufacturing business) with an idea for a new or improved product are not eligible.

An eligible applicant may have multiple products in more than one TIP cycle including products that have been previously awarded.

An eligible applicant may produce its own products or on a contract basis for other companies. Eligible applicants that produce products on a contract basis for other companies must demonstrate that they have the other company's permission, as demonstrated by the Client Authorization Letter (described in the Applicant Documents section), to produce the product and receive the incentive.

Eligible applicants must be California-based or incorporated in another state (or country) with an existing manufacturing facility in California. The applicant must be qualified to do business in California and in good standing with all applicable California state agencies, including, but not limited to, the Secretary of State and the Franchise Tax Board and have all appropriate licenses and permits. Any and all subsidiaries, divisions and/or affiliated businesses are considered part of the primary business entity for the purpose of applying for and receiving a grant award. A business is considered an "affiliated business" if it has at least one owner with a 20 percent or greater interest in another applicant business.

## **ELIGIBLE PRODUCTS**

Eligible products include:

- A new or existing product that has **not** benefited from the Tire-Derived Product Grant Program.\*
- An existing or new/improved product currently manufactured with virgin rubber, plastic or other material which will be produced with a minimum of five percent crumb rubber and may be co-extruded, injected, calendered or otherwise combined (also known as "feedstock conversion").
- An existing or new/improved product that will use fine ( $\leq 50$ ) mesh crumb rubber. Particle size and particle size distribution are determined in accordance with American Society for Testing and Materials (ASTM) D5644 and D5603 and will be verified by CalRecycle.

\*TDPs which received minimal benefit (grantee awards for the TDP totaling less than \$1,000,000 since fiscal year 2005–06) or that are reconfigured to serve a different purpose/market are eligible.

Critical elements that affect the eligible product category are:

- **New or existing TDP** – The product is currently being produced or is reconfigured to serve a different purpose/market. However, the product does not require significant reformulation and formal testing/certification.
- **Feedstock conversion** – The product was previously produced with virgin (or natural) rubber and may be chemically or physically combined with another raw material and the product will require significant reformulation and, perhaps, formal testing/certification.
- **Fine mesh** – The product will use fine ( $\leq 50$ ) mesh crumb rubber (that must be originally produced by a California waste tire processor).

With CalRecycle's prior approval, a manufacturer may further reduce larger rubber material purchased from a California waste tire processor to produce their own fine ( $\leq 50$ ) mesh for use in their TIP products or for sale to another applicant/grantee. The crumb rubber is subject to verification by CalRecycle.

Applicants are encouraged to request funding for more than one product, including products manufactured for non-applicant businesses. Products developed with support from the previous Tire-Derived Product Business Assistance Program are eligible.

All products are subject to the following requirements:

- All crumb rubber must be from California-generated waste tires processed in California. This may include crumb rubber from truck tire buffings. Because of fluid market conditions and waste tire imports, CalRecycle considers crumb rubber from a California processor eligible for reimbursement even if a de minimis amount (not more than five percent) of the tires processed during a fiscal year at a facility were from non-California sources. Crumb rubber from tires processed outside California is not eligible.
- All of the crumb rubber used in TIP products by a grantee during the term of the grant shall be:
  - Originally from an eligible California waste tire processor (see fine mesh bullet listed above), or
  - Recycled post-consumer and/or post-industrial scrap rubber from which the rubber originated from an eligible California waste tire processor.

Examples of eligible products may include, but are not limited to:

- Flooring.
- Industrial products.
- Conveyor belts.
- Calendered rubber.
- Agricultural products.
- Landscape and garden products.
- Building products.
- Traffic safety products.
- Fencing.
- Roofing products.
- Paints, Sealants, and coatings.
- Pour-in-place cushion layer which uses crumb (not buffings), chipped tire rubber (not shredded buffings), or wear layer crumb (not buffings) which replace ethylene propylene diene monomer (EPDM) and thermoplastic vulcanizates (TPV).

- Synthetic turf underlayment (not loose infill).
- Americans with Disabilities Act (ADA) leveling and accessibility ramps, etc.

Ineligible products include but are not limited to:

- Crumb rubber (as a singular, intermediate product).
- Tire-derived aggregate.
- Rubber mulch or bark.
- Rubberized sidewalks and tree wells.
- Loose-fill, pour-in-place surfacing (except for use in the cushion and wear layers as noted above), and playground tiles.
- Sports tracks.
- Synthetic turf infill and other type products which may have benefited from the Tire-Derived Product Grant Program and any previous grant program.

## **ELIGIBLE COSTS AND INCENTIVE AMOUNTS**

Eligible costs (TIP product sales) may be incurred only during the Grant Term, which starts when the grantee receives a NTP from CalRecycle and ends on April 1, 2018 (See “Grant Term” for additional information).

Incentives will only be paid at the point in which the product is manufactured and sold, or in the case of compounders or calendered rubber companies, an intermediate product is produced. If the incentive is paid for an intermediate product, it may not also be paid for a final product. Accordingly, if a product receives a TIP incentive, then it may not receive funding from another CalRecycle grant, such as the Tire-Derived Product grant. Incentives will not be paid to wholesalers, distributors, brokers, vendors, etc.

Products that have received an incentive will have a reduction in the incentive amount (see Table 2 below) for subsequent incentives (70 percent and 40 percent for the second and third incentive, respectively). Applicants seeking a subsequent product incentive will base projections on the previous year’s actual sales plus a 25 percent sales growth factor (125 percent of the previous year’s sales).

Eligible costs include crumb rubber usage as follows:

- For **general cost incentive**, an incentive is based on the crumb rubber portion of all TIP-eligible TDPs sold and shipped during the grant term (regardless whether the products are included in a TIP award).
- For **new and existing TDPs**, the incremental increase in usage of crumb rubber (compared with the previous year’s records, i.e. “baseline”) for the production of an eligible product. TDPs with no previous sales have no baseline and will receive the incentive for the sale of an eligible product during the Grant Term.
- For **feedstock conversion**, the crumb rubber usage for products currently manufactured with virgin rubber, plastic or other material which will be substituted with a minimum of 5 percent crumb rubber and may be co-extruded, injected, calendered or otherwise combined.
- For **fine mesh**, the crumb rubber usage for new or existing TDPs must be produced using fine ( $\leq 50$ ) mesh (originally provided by a California waste tire processor). Particle size and particle size distribution are determined in accordance with ASTM D5644 and D5603 and will be verified by CalRecycle.

Incentive payments are paid quarterly for the use of crumb rubber sold in eligible TDPs starting from the NTP date through the end of each quarter. Inventory on hand prior to the NTP is eligible for incentive payment. For existing TDPs, only the incremental use (compared with previous year's records) of crumb rubber sold is eligible.

**Table 1. Incentive Categories and Amounts**

<b>Incentive Category</b>	<b>Incentive per pound</b>
1. General Cost*	<b>5 cents</b> for total crumb rubber used in all TIP-eligible products sold and shipped during the reporting period.
2. New and Existing TDP (TIP product)	<b>10 cents</b> for total crumb rubber used in New TDP's; only the incremental increase in crumb rubber used above an Existing TDP's baseline from previous year.
3. Feedstock Conversion (TIP product)	<b>30 cents</b> for total crumb rubber used.
4. Fine (≤50) Mesh (TIP product)	<b>40 cents</b> for total crumb rubber used.

**Table 2. Incentive Categories and Amounts for Previously Awarded Product(s)**

<b>Incentive Category</b>	<b>Incentive per pound</b>
1. General Cost*	<b>5 cents</b> for total crumb rubber used in all TIP-eligible products sold and shipped during the reporting period.
2. Existing TDP (TIP product)	<b>7 cents</b> for incremental increase in crumb rubber used (based on the previous year's actual sales plus a 25 percent sales growth factor).
3. Feedstock Conversion (TIP product)	<b>21 cents</b> for total crumb rubber used (based on the previous year's actual sales plus a 25 percent sales growth factor).
4. Fine (≤50) Mesh (TIP product)	<b>28 cents</b> for total crumb rubber used (based on the previous year's actual sales plus a 25 percent sales growth factor).

\* The general cost incentive will not exceed 25 percent of the total incentive for all product categories. It will be reimbursed quarterly based on 5 cents per pound of the crumb rubber portion of all TIP-eligible products sold and shipped (regardless of whether the products are included in an TIP award) provided the general cost incentive and the incentive amount for eligible products does not exceed the maximum grant award of \$500,000. The general cost incentive may not be claimed for the same product(s) in overlapping grant awards (i.e. product(s) claimed in TIP2 may not be claimed in TIP3).

Crumb rubber usage must be documented on the Tire Incentive Program Certification form (CalRecycle 774) and is subject to verification and confirmation by CalRecycle. CalRecycle reserves the right to adjust an applicant's crumb rubber estimates, if deemed appropriate, prior to calculating grant award amounts.

The total grant award will not exceed the amount stated on the Grant Agreement Cover Sheet (CalRecycle 110).

## INELIGIBLE COSTS

Ineligible costs include, but are not limited to:

- Costs incurred prior to receipt of the NTP letter or after April 1, 2018.
- Crumb rubber or recycled rubber that is NOT made from only California-generated waste tires or from tires processed outside of California (see Eligible Products).
- Personnel costs including fringe benefits.
- Overhead and/or indirect costs.
- Any other costs deemed unreasonable or unrelated to the purpose of the grant by the Grant Manager.

## ELIGIBLE AND INELIGIBLE SCENARIO EXAMPLES

The four eligible examples below use the Table 1 Incentive Categories and Amounts.

### 1. Existing TDP and General Cost Incentive (Category 2)

Barrett's Rubber Company is a five-year old profitable company that is a manufacturer of agricultural products, and fencing products. The company manufactures two existing TIP-eligible products (see Eligible Products) that have strong sales with the potential for a significant increase in sales. The potential award is based on the following:

- The company sold TIP-eligible products containing 2,000,000 pounds of crumb rubber in 2015, which is its baseline sales for calculation purposes.
- The company believes it can increase sales of the two TIP-eligible products resulting in the use of an incremental increase of 1,000,000 pounds of crumb rubber in each of the next two years.
- Based on the incremental increase of 1,000,000 pounds of crumb rubber, the company is eligible for an award of \$200,000 (1,000,000 pounds of crumb rubber x 2 years x 10 cents).
- The company is also eligible for a general cost incentive of 5 cents per pound for the TIP-eligible products sold (regardless of whether the products are included in the award). However, the total general incentive of 5 cents per pound cannot exceed 25 percent of the product incentive categories.
- Based on the total sales of products, the general cost incentive is calculated at \$300,000 (2,000,000 pounds baseline plus the 1,000,000 pounds increase x 2 years x 5 cents).
- Since the calculated general cost incentive amount (\$300,000) exceeds 25 percent of the TIP product incentive amount (\$200,000), the maximum general cost incentive would be \$50,000 (\$200,000 x 25 percent).
- Barrett's Rubber Company is eligible for an award of \$250,000 (\$200,000 for the product incentive and \$50,000 for the general cost incentive).

### 2. New TDP and General Cost Incentive (Category 2)

Everett's Landscaping Company is an eight year old profitable company that is a manufacturer of landscape and garden products. The company has developed a new eligible lawn edging product (see Eligible Products). The potential award is based on the following:

- The lawn edging product is new and has no previous sales. Accordingly, the baseline amount used to calculate the award is zero.
- The company believes it can sell products containing 350,000 pounds of crumb rubber in each of the next two years.
- Based on the use of 350,000 pounds of crumb rubber, the company is eligible for an amount of \$70,000 (350,000 pounds of crumb rubber x 2 years x 10 cents).

- The company is also eligible for a general cost incentive of 5 cents per pound for the TIP-eligible products sold (regardless of whether the products are included in the award). However, the total general incentive of 5 cents per pound cannot exceed 25 percent of the product incentive categories.
- Based on the total sales of TIP-eligible products, the general cost incentive is calculated at \$35,000 (350,000 pounds of crumb rubber x 2 years x 5 cents).
- Since the calculated general cost incentive amount (\$35,000) exceeds 25 percent of the product incentive amount (\$70,000), the maximum general cost incentive would be \$17,500 (\$70,000 x 25 percent).
- Everett's Landscaping Company is eligible for an award of \$87,500 (\$70,000 for the product incentive and \$17,500 for the general cost incentive).

### **3. Feedstock Conversion and General Cost Incentive (Category 3)**

Eastern Sealcoat Company is a 20 year old profitable company that sells sealant and coating products using plastic (see Eligible Products). The company believes it can reformulate some of the coating products by substituting crumb rubber for the plastic. The company believes it will take an average of four months to reformulate and test the products before they are ready for production. The potential award is based on the following:

- Feedstock conversion products are considered new. Accordingly, the baseline amount used to calculate the award is zero.
- The company believes it can sell products containing 275,000 pounds of crumb rubber per (full) year.
- Based on the use of 275,000 pounds of crumb rubber, the company is eligible for an amount of \$150,975 (275,000 pounds of crumb rubber x 1.83 years [24 months less 4 months testing] x 30 cents).
- The company is also eligible for a general cost incentive of 5 cents per pound for the TIP-eligible products sold (regardless of whether the products are included in the TIP). However, the total general cost incentive of 5 cents per pound cannot exceed 25 percent of the product incentive categories.
- Based on the total sales of eligible products, the general cost incentive is calculated at \$27,500 (275,000 pounds of crumb rubber x 2 years x 5 cents).
- Since the general cost incentive amount (\$27,500) is less than 25 percent of the product incentive amount, the \$27,500 is used for the general cost incentive amount.
- Eastern Sealcoat Company is eligible for an award of \$178,475 (\$150,975 for the product incentive and \$27,500 for the general cost incentive).

### **4. Fine (≤50) Mesh and General Cost Incentive (Category 4)**

Da Vinci's Architectural Products, Inc., is a 10 year old profitable company that sells architectural building products (molding, baseboards, etc.) (see Eligible Products). The company sells various recycled content products and has developed new baseboard and molding products using fine (≤50) mesh rubber. The potential award is based on the following:

- The products are both new and use fine mesh. In either case, the baseline used to calculate the award is zero.
- The company believes it can sell products containing 625,000 pounds of fine mesh crumb rubber in each of the next two years.
- Based on the use of 625,000 pounds of fine mesh crumb rubber, the company is eligible for an amount of \$500,000 (625,000 pounds of fine mesh x 2 years x 40 cents).

- Because the company has reached the maximum grant award amount (\$500,000), the company is not eligible for a general cost incentive.
- Da Vinci’s Architectural Products, Inc., is eligible for an award of \$500,000.

The example below uses the Table 2 Incentive Categories and Amounts for Previously Awarded Product(s).

**1. Existing TDP and General Cost Incentive (Category 2)**

Safety First Traffic Products, Inc., is a six year old profitable company that sells traffic safety products (see Eligible Products). The company produces undulations, curb stops, and delineators that benefited from a previous closed TIP grant (TIP1). **If the company’s products were receiving a product and general cost incentive from an open TIP grant (TIP2), those products would not be eligible for a TIP3 grant (product or general cost incentive).** The potential award would be based on the following:

- In 2015, sales of the three TIP-eligible products resulted in the use of 1,800,000 pounds of crumb rubber (700,000, 600,000, and 500,000 for the undulations, curb stops, and delineators, respectively), which are the baseline sales for calculation purposes.
- The company believes it can increase sales of each product by 25 percent. Since the products benefited from a previous TIP grant award (TIP1), the incentive amount is based on the incremental increase from previous baseline usage multiplied by the time (in years) multiplied by the incentive rate of 7 cents per pound of crumb rubber (70 percent of the 10 cent incentive for the second grant for the same product). The product incentive is calculated:  $A \times B \times C = D$ .

Product Incentive Calculation

		A	B	C	D
Product	Baseline	Incremental Increase	Time (Years)	Incentive Rate	Incentive Amount
Undulations	700,000	175,000	2.0	\$.07	\$24,500
Curb Stops	600,000	150,000	2.0	\$.07	21,000
Delineators	500,000	125,000	2.0	\$.07	17,500
<b>Total</b>	<b>1,800,000</b>	<b>450,000</b>	<b>2.0</b>	<b>\$.07</b>	<b>\$63,000</b>

- The company is also eligible for a general cost incentive for the total amount of crumb rubber used in all TIP-eligible products sold. The general cost incentive is based on the baseline usage plus the incremental increase in usage multiplied by the time (in years) multiplied by the incentive rate of 5 cents per pound of crumb rubber. The general cost incentive is calculated:  $(A + B) \times C \times D = E$ .

General Cost Incentive

	A	B	C	D	E
Product	Baseline	Incremental Increase	Time (Years)	Incentive Rate	Incentive Amount
Undulations	700,000	175,000	2.0	\$.05	\$87,500
Curb Stops	600,000	150,000	2.0	\$.05	\$75,000
Delineators	500,000	125,000	2.0	\$.05	\$62,500
<b>Total</b>	<b>1,800,000</b>	<b>450,000</b>	<b>2.0</b>	<b>\$.05</b>	<b>\$225,000</b>

- Since the general cost incentive amount (\$225,000) is more than 25 percent of the product incentive amount, (\$63,000), the general cost incentive is reduced to \$15,750.
- Safety First Traffic Products, Inc. is eligible for a grant award of \$78,750 (\$63,000 for the product incentive and \$15,750 for the general cost incentive).

### **Ineligible Examples and Other Considerations**

An individual has an idea for a new product which they believe will consume a significant amount of crumb rubber. The individual is not an eligible applicant.

An applicant with a combined product and general cost incentive that totals less than \$50,000 is not eligible.

An applicant/grantee may have two open TIP grants for different products. However, a product may only be claimed (as either product or general cost incentive) in the earliest TIP grant.

### **ENVIRONMENTALLY PREFERABLE PURCHASES AND PRACTICES POLICY REQUIREMENT**

Consistent with CalRecycle's core values, all applicants are required to develop, adopt, and implement an EPPP Policy for their organizations. Applicants must certify to this fact in the application. Applicants that do not have an EPPP Policy when they submit their application will be disqualified.

To see concepts/policies that CalRecycle encourages organizations to include in their EPPP Policies, open the EPPP Information document located in the Resource Document section on the Summary Tab of the grant application.

### **QUESTION-AND-ANSWER PROCESS**

Questions regarding the application and its requirements must be in writing and emailed to [Grants@CalRecycle.ca.gov](mailto:Grants@CalRecycle.ca.gov). Questions must be received by July 1, 2016, or they will not be accepted.

Periodically during the Question and Answer (Q&A) period, Q&As will be posted on the Q&As website. The Q&A website can be accessed from the Notice of Funds Available or from the application. Similar or related questions may be grouped together or re-worded for clarity and responded to as one question. All Q&As will be posted approximately one week after the deadline and are subject to updates. It is the applicant's responsibility to check this website for the latest information.

### **CONFIDENTIALITY**

We appreciate applicants' desire to treat certain documents provided to CalRecycle as confidential. The following describes what is considered confidential or proprietary information) under the California Public Records Act (Government Code 6250, et seq.) and related regulations. It also describes how questions are resolved whether information is truly confidential, the legal protections for confidential information, and internal and program procedures to maintain confidentiality.

### **What is “confidential?”**

Title 14 of the California Code of Regulations (14 CCR), [sections 17041-17046](#), states that confidential or proprietary information shall include, but is not limited to:

1. Personal or business-related financial data, customer client lists, supplier lists and other information of a proprietary or confidential business nature provided by persons in applications, reports, returns, certifications or other documents submitted to the Board which if released would result in harmful effects on the person’s competitive position.
2. Tax information prohibited from disclosure, pursuant to the [Revenue and Taxation Code](#).

Accordingly, appropriate documents submitted with an application that are clearly marked, on each page, “confidential information” or “proprietary information” will be treated by CalRecycle pursuant to the procedures set forth in 14 CCR sections 17041-17046.

However, the mere marking of documents (such as sales brochures, promotional literature and other general non-financial documents) as “confidential information” or “proprietary information” will not result in their being treated as confidential if they do not fall within the categories of protected financial documents listed above.

### **What if there is a question about what is confidential?**

If CalRecycle received a request to disclose data claimed by the applicant to be confidential, CalRecycle would notify the applicant of the request and that it was reviewing the documents to determine whether information was correctly identified as “confidential.” If there was any question whether specific information was confidential, CalRecycle would contact the person(s) identified in the application to provide a justification and statement why the information is confidential. The process for evaluating confidentiality claims is set forth in 14 CCR 17046.

### **What program procedures will keep information confidential?**

Financial information will be analyzed, on a need-to-know basis, by staff from either the TIP or the Recycling Market Development Zone Loan Program, kept confidential, and will be maintained with restricted access. Grantee businesses will agree to provide specific key financial information for three years to develop benchmarks to evaluate the program. Records no longer needed to provide the services offered under the TIP will be periodically destroyed, when allowed by audit policies and state law.

## APPLICATION INSTRUCTIONS

### APPLICATION ACCESS

The application is available in CalRecycle's web-based Grants Management System (GMS). Access to GMS is secure; therefore you must have a CalRecycle WebPass in order to log into the system. Applicants who have not previously obtained a CalRecycle WebPass can create an account at the [CalRecycle WebPass home page](https://secure.calrecycle.ca.gov/WebPass/) (<https://secure.calrecycle.ca.gov/WebPass/>).

When you are ready to start an application, log into [GMS](https://secure.calrecycle.ca.gov/Grants/) (<https://secure.calrecycle.ca.gov/Grants/>), select "Apply for a Grant" on the left. Open grant cycles are displayed in a table. Find Tire Incentive Program and TIP3: Fiscal Year 2015-16 and select "Start Application." A pop-up window will appear asking for contact information. You will automatically be added as the first contact and Primary Contact for the new grant application however, this can be updated later. The application then opens to the Summary Tab.

### APPLICATION CONTENTS AND INSTRUCTIONS

The components of the application are divided into tabs. To fill out an application, click on each tab and complete the sections in each tab as required. General directions are on the top of each tab and detailed information about the requirements for each tab is listed below.

It is the applicant's responsibility to ensure the online application and all required documents are signed and uploaded by the due date(s). Failure to do so will result in disqualification from the TIP grant program. Examples of disqualifications include:

- Applicant does not meet the eligibility requirements.
- Product is not eligible.
- Failure to use required CalRecycle documents or forms.
- Uploading incomplete or blank documents to the Documents tab.
- Signature Authority fails to sign Application Certification.
- Missing information in the online application as required below.

#### Summary Tab

This tab provides a summary of the application, due dates, resource documents and links, application documents, and the Application Submission section. It is the applicant's responsibility to ensure that all required documents, based on the individual grant application, are submitted by the appropriate due date.

#### Applicant/Participant Tab

The applicant name is the legal name of the jurisdiction/organization that is legally responsible for grant administration, if awarded. Do not enter your personal name.

- Select the Add Applicant/Participant button and type in the Applicant Name and County.
- Search the table for the correct applicant name and select Add Applicant/Participant.
- Choose the Lead Participant radio button. Every application must have a Lead Participant even if it is an individual application with no participating jurisdictions.
- If it is not listed, click on Add New Applicant/Participant. Complete the items marked with a red asterisk and save the information.
- Enter the applicant/participant name as it appears on the Letter of Commitment. Do not include the department or unit name.

For a list of eligible applicants, please see the Grant Cycle Overview section titled “Eligible Applicants.”

### **Detail Tab**

Complete this tab as follows:

- Enter a dollar amount in the Grant Funds Requested field. Do not enter less than the minimum grant award amount of \$50,000 or exceed the maximum grant award amount of \$500,000. Please round all amounts to the nearest whole dollar.
- Matching Funds are not required for this grant, **skip the Matching Funds field.**
- Enter the Assembly Districts and Senate Districts. To select more than one district hold the “Ctrl” key while selecting the numbers.
- Enter the applicant’s legal name, e.g. “ABC Manufacturing, Inc.”
- Enter the grant payment mailing address.
- Project Summary/Statement of Use: provide a concise description of the product(s), Incentive Category(ies), estimated amount of rubber to be used in each category, and amount requested.
- Select the appropriate answer for the Environmentally Preferable Purchasing and Practices Policy question (must answer YES to be eligible).
- Select the appropriate answer for Program Specific Questions (must answer YES to be eligible). If awarded a grant, does the applicant certify and agree that all of the crumb rubber used during the term of the grant and for three years thereafter shall be:
  - From only California-generated waste tires processed by an eligible California waste tire processor, or
  - From recycled post-consumer and/or post-industrial scrap rubber which rubber originated from an eligible California waste tire processor?

### **Contacts Tab**

The application is required to have only one Primary Contact and at least one Signature Authority. Each contact entered into the application may be granted access by checking the box on the bottom of the contact’s detail screen. The contact will be able to log into GMS using his/her own CalRecycle WebPass and access the application.

- **Primary Contact.** One person who has been authorized by the Signature Authority/Designee to manage and oversee the grant. This person will be the first contact with whom the Grant Manager will communicate.
- **Signature Authority.** The person(s) authorized to sign CalRecycle documents, such as grant applications, grant agreements, etc., as authorized by a Letter of Commitment or Letter of Designation, (if applicable).
- **Secondary Contact.** A person authorized (by the Primary Contact or Signature Authority/Designee) as the alternate person with whom the Grant Manager will communicate. (Not required)
- **Consultant.** A professional who provides advice in a particular area of expertise. If the applicant is awarded a grant, the consultants may manage the grant or only conduct specific activities, based on a written agreement between the applicant and the consultant outlining work to be performed. (Not required)

### **Budget Tab**

Select the **Materials** budget category and enter a dollar amount. The Total must equal the Grant Funds Requested amount shown on the Detail tab and in the Sales and Calculation document.

### **Site(s) Tab**

Must add an entry for each manufacturing location.

### **Documents Tab**

See the Application Documents section for documents that must be uploaded in the Documents tab. When uploading a document, enter a document title, select the appropriate document type from the drop down list, and enter the date that it was executed/signed, if applicable, or select “today’s date.”

After all the application documents are uploaded, return to the **Summary Tab** and print the **Application Certification** from the **Application Submission** section. The applicant must obtain a signature from the authorized Signature Authority (identified in your letter of commitment), scan the document, upload it, and retain the original hard copy document.

### **APPLICATION SUBMITTAL and DEADLINE**

The **Submit Application** button will be enabled after all required documents have been uploaded. Click the **Submit Application** button and then the application status will change to **Submitted**. The application can only be submitted once.

Applications must be submitted no later than 11:59 p.m. on **July 21, 2016**. Customer service will be available until 4:00 p.m. on the application due date either by emailing [grantassistance@calrecycle.ca.gov](mailto:grantassistance@calrecycle.ca.gov) or calling 916-341-6658.

## APPLICATION DOCUMENTS

### CALRECYCLE DOCUMENTS

You can locate the CalRecycle documents on the **Summary tab** in the **Application Documents** section. To access the document, click on the link, open it up, fill it out, save it to your computer, and then upload it to the Documents tab. Below is a list of the documents.

#### **General Checklist of Business Permits, Licenses and Filings (CalRecycle 669)**

This is a **required** application document to certify compliance, under penalty of perjury, with all required permits, licenses, and filings, both during the application process, and during the grant term and funding process.

#### **Narrative Proposal**

The Narrative Proposal is a **required** application document used to describe the general scope of your proposed product(s). Please keep in mind that responses are public information and may be obtained through a public records request. The response size for each section is limited to 5,000 characters and cannot be expanded. Utilizing a document form other than the official CalRecycle versions, tampering with the CalRecycle version or otherwise circumventing imposed character limits will subject the applicant to disqualification.

#### **Sales and Calculations**

The Sales and Calculations is a **required** application document used to provide more detail about sales and calculation information for the proposed product(s). This information will be considered confidential and a “trade secret” consistent with Public Resources Code 40062. Access will be restricted to the applicant and limited authorized CalRecycle staff. Utilizing a document form other than the official CalRecycle version, tampering with the CalRecycle version or otherwise circumventing imposed character limits may subject the applicant to disqualification. If problematic, applicants may request Grant Manager approval to use an alternative format for certain items (such as customer information).

For your convenience, three **Sales and Calculation Example** spreadsheets can be found on the **Summary tab** in the **Resource Documents** section.

### APPLICANT'S DOCUMENTS

Below is a list of documents that the applicant is responsible for preparing and uploading to their application. For approved templates of these documents, please see the **Resolution and Letter Examples** link found on the **Summary Tab** under **Resource Links**.

#### **Letter of Commitment**

Applicants must upload a Letter of Commitment. The letter with the original signature must be maintained in the applicant/grantee grant file. This letter must:

- Authorize submittal of the Tire Incentive Program application on behalf of applicant.
- Designate the job title of the person authorized to execute all grant documents necessary to secure grant funds and implement the approved grant project (Signature Authority).
- Authorize the Signature Authority to delegate this authority (not required but encouraged).

## **Letter of Designation**

A Letter of Designation is required ONLY when the authorized Signature Authority delegates his/her authority to another person. The letter must be uploaded **prior** to the Designee's exercise of his/her authority. For example, if the Designee signs the Application Certification in place of the Signature Authority, the letter must be uploaded when the Application Certification is submitted. The letter must:

- Be on the applicant's letterhead.
- Identify the job title of the Designee.
- Identify the scope of the Designee's authority.
- It must be signed by the Signature Authority.

## **Federal Tax Return**

Provide information for the two most recent completed tax years (the first two pages of the tax return, tax return financial statement, and expense detail sheets or schedule C for a sole proprietorship). CalRecycle may request additional information if necessary to determine applicant eligibility.

When this information is uploaded to GMS and the Tax Return or Financial Information document types are selected, additional securities that restrict access to view this document will be automatically in place.

## **California Waste Tire Processor Letter**

Applicants must upload a letter from the California waste tire processor certifying that only California-generated waste tires were used to produce the crumb rubber. Additionally, the processor agrees to allow CalRecycle or any other appropriate state entity to review its records to verify the use of California-generated waste tires.

CalRecycle requires that all crumb rubber must be from California-generated waste tires processed in California. This may include crumb rubber from truck tire buffings. Because of fluid market conditions and waste tire imports, CalRecycle considers crumb rubber from a California processor eligible for reimbursement even if a de minimis amount (not more than five percent) of the tires processed during a fiscal year at a facility were from non-California sources. Crumb rubber from tires processed outside California are not eligible.

The following letter is for example purposes only. Please consult with your attorney to determine the language most appropriate for the certification.

California Waste Tire Processor Letterhead

Date

I am (**job title**) of (**name of California waste tire processor**). I am authorized to contractually bind (**name of California waste tire processor**). (**Name of California waste tire processor**) may or will provide crumb rubber to (**name of applicant**). I certify under penalty of perjury that only crumb rubber from California-generated waste tires was processed at our California facility. This may include crumb rubber from truck tire buffings. Because of fluid market conditions and waste tire imports, I understand that CalRecycle considers crumb rubber from a California processor eligible for reimbursement to a Tire Incentive Program grantee even if a de minimis amount (not more than five percent) of the tires processed during a fiscal year at a facility were from non-California sources. I understand that crumb rubber from tires processed outside California is not eligible.

I understand that if it cannot be verified that the source of the material is from only California-generated waste tires, or an audit discloses the use of non-California tire rubber in excess of five percent during the current or immediately preceding fiscal year, that CalRecycle may deny reimbursement or require the grantee to return all grant funds previously paid under this grant, and that the grantee may seek reimbursement from (**name of California waste tire processor**).

**Audit/Records Access**

(**Name of California waste tire processor**) agrees that CalRecycle, the Department of Finance, the Bureau of State Audits, or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to this certification or the products certified herein. (**Name of California waste tire processor**) agrees to maintain such records for possible audit for a minimum of three years after final payment date or grant term end date, whichever is later, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later. (**Name of California waste tire processor**) agrees to allow the designated representative(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, (**name of California waste tire processor**) agrees to include a similar right of the state to audit records and interview staff in any contract or subcontract related to this certification or the products certified herein.

The current (**job title**) is identified below:

Name and Job Title  
Signature  
Mailing Address  
City, State, Zip Code  
Telephone Number

### Client Authorization Letter

If the applicant produces an eligible product on behalf of another entity, the applicant is required to upload a Client Authorization letter. The letter authorizes the applicant to produce their product(s), or in the case of a compounder or rubber calendering company, to manufacture an intermediate product, and receive any applicable TIP funds. The letter(s) must be on the client's official letterhead, dated within 12 months prior to the application deadline, and uploaded by the applicant. The letter(s) with the original signature must be maintained by the applicant.

#### Client's Letterhead

Date

I am **(job title)** of **(name of business client)**. I am authorized to contractually bind **(name of business client)**. Pursuant to this authority, I hereby authorize **(name of applicant)** to submit an application, produce our product(s), or in the case of a compounder or rubber calendering company, to manufacture an intermediate product, and receive any applicable Tire Incentive Program funds.

Signature

Name and Job Title

Mailing Address

City, State, Zip

## **GRANT REVIEW AND AWARD PROCESS**

### **GRANT APPLICATION REVIEW PROCESS**

After the close of the application period, CalRecycle staff will review the applications for completeness and eligibility. Only complete applications can be considered for award. Each product will be evaluated for eligibility separately. To ensure that the TIP is not overly concentrated in one grantee, no more than 30 percent of available funds will be awarded to a single grantee.

If there are more requests than available funds (i.e., the program is oversubscribed), funds will be allocated by the order listed below:

1. Applicants requesting a subsequent award for a product that received an incentive in a previously closed TIP grant. (For example, an applicant that is requesting an incentive for a product that received a TIP1 award. The repeated product will receive 70 percent reimbursement of the appropriate category).
2. Previous grantees seeking awards in TIP3 for new products. New products will receive 100 percent reimbursement. New products will be considered separately and evaluated against other applications containing new products.
3. Other eligible applications seeking awards for new products. Applications will be ranked within each of the three product categories (TDPs, feedstock conversion, and fine [ $\leq 50$ ] mesh) according to the greatest amount of crumb rubber projected to be used. If an application has products in more than one category, the amount of crumb rubber for the higher numbered product category will be considered for ranking purposes.
4. Applicants/grantees that used less than 50 percent of a prior TIP award will only be considered after all other eligible applicants.

Applicants/grantees seeking awards in their next eligible cycle for the same product(s) will be estimated based on the previous year's actual sales plus a 25 percent sales growth factor (125 percent of previous year's sales). Appeals of staff's recommendation may be made to the Deputy Director or designee.

### **GRANT AWARD PROCESS**

For qualifying applications, CalRecycle staff will develop funding recommendations for the consideration and approval of CalRecycle's Director, or their designee; this is tentatively scheduled for August 2016. CalRecycle reserves the right to partially fund or fund individual phases of selected proposals, and CalRecycle may fund an amount less than requested.

CalRecycle reserves the right to not award any grant funds under one or more cycles.

### **GRANT AWARD CONDITIONS**

When awarded, this grant will be subject to two conditions.

- 1) The recommended grantee's Signature Authority (or where delegation is authorized), his/her Designee must sign and return the Grant Agreement to CalRecycle within 60 days from the date of mailing by CalRecycle.
- 2) The recommended grantee must a) pay all outstanding debts due CalRecycle, or b) bring current outstanding payments owed to CalRecycle within 60 days from the date CalRecycle conditionally awarded the grant.

**Failure to comply with either requirement will nullify the grant award.**

## **GRANT PROGRAM ADMINISTRATION**

### **GRANT AGREEMENT**

The Grant Agreement binds the grantee to CalRecycle's requirements as outlined in the Grant Agreement documents. These documents shall guide the grantee's administration of the grant project. Following CalRecycle's conditional approval of the grant awards, grantees will be emailed the following:

- Award email.
- Grant Agreement Cover Sheet (CalRecycle 110).
- Exhibit A – Terms and Conditions: contain CalRecycle standard legal requirements for Grants.
- Exhibit B – Procedures and Requirements: contain specific requirements for administering this grant, including but not limited to project, reporting, and audit requirements.
- Exhibit C – Grantee's approved application with revisions, if any, and any amendments.

### **REPORTING PROCESS**

Grantees are required to report on the progress of their grant on a quarterly basis. The Progress Report 7 and Final Report are due on April 1, 2018. Detailed reporting information is included in the Procedures and Requirements of the Grant Agreement.

In general, all grantees are required to provide quarterly Progress Reports with Summary Guides (confidential information) and a Final Report (public information) more completely described in the Procedures and Requirements. Information regarding progress of the TIP grant includes:

- The total quantity and mesh size of the crumb rubber purchased (including sieve analysis), the California processor providing the crumb rubber, the amount of crumb rubber used in each of the eligible products, and the quantity of each eligible TDP sold.
- Any adjustments to individual product incentive estimates, provided there is no change to the amount allocated to the category.
- Sales information (including customer contact information) for the identified product(s) during the reporting period.
- A narrative describing the progress, any delay or acceleration of timelines, any changes to initially projected sales, and any significant changes to the product. Also describe any testing activity, the facility performing the testing, and the results.
- Any changes in contact information.

Grantees will provide information related to the use of crumb rubber and TIP product sales for three (3) years following the end of the grant term.

### **PAYMENT REQUEST PROCESS**

Eligible costs are authorized for reimbursement upon the Grant Manager's approval of the Payment Request, and the accompanying Progress/Final Report. Payment Requests must include itemized documentation of claimed expenses (e.g., itemized receipts and proof of payment of invoices). CalRecycle will retain 10 percent of each approved Payment Request amount until the Grant Manager approves the Progress Report 7, Final Report, the final Payment Request, and all required supporting documentation. Failure to submit these final documents by the deadline specified in the Procedures and Requirements or failure to receive the Grant Manager's approval of these documents by April 1, 2018, may result in the nonpayment of otherwise eligible costs. Detailed payment information is included in the Procedures and Requirements of the Grant Agreement.