EXHIBIT B
PROCEDURES AND REQUIREMENTS

TIRE-DERIVED PRODUCT (TDP) GRANT PROGRAM
Fiscal Year 2014/15

Copies of these Procedures and Requirements should be shared with BOTH the Finance Department AND the staff responsible for implementing the grant activities.

INTRODUCTION
The Tire-Derived Product (TDP) Grant Program is administered through the Department of Resources Recycling and Recovery (CalRecycle). These Procedures and Requirements describe project and reporting requirements, report due dates, report contents, grant payment conditions, eligible and ineligible project costs, project completion and closeout procedures, records and audit requirements.

This document is attached to, and incorporated by reference, into the Grant Agreement.

MILESTONES

January – April 2015	**Grant Term Begins** on the date indicated in the Notice to Proceed
April 1, 2016	**Progress Report Due**
April 1, 2017	**Grant Term End. Final Progress Report and final Payment Request Due**

No extensions will be granted for submittal of Final Progress Report and final Payment Request. *Failure to submit the Final Progress Report and final Payment Request with appropriate documentation by April 1, 2017 may result in rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding.*

GRANT MANAGEMENT SYSTEM (GMS)
GMS is CalRecycle's web-based grant application and grant management system. Access to GMS is secure: Grantees must log in using a WebPass. WebPass accounts are tied to a specific email address. If an email address changes, or if it becomes inactive, the grantee must create a new WebPass account to continue accessing GMS. Establish or manage a WebPass at CalRecycle's WebPass page (https://secure.calrecycle.ca.gov/WebPass/).

Accessing the grant
Grantees must log into GMS (https://secure.calrecycle.ca.gov/Grants) using their web pass. After login, locate the grant in the **Associated Grant Applications** table and select the **Grant Management** link. The **Grant Management Module** includes the following sections:

- **Summary tab** – shows approved budget, paid, and remaining amounts. (This section is available to the grantee in Read-only mode.)
- **Payment Request tab** – requests reimbursement
- **Reports tab** – uploads required reports

- **Documents tab** – uploads other grant documents that are not considered supporting documents to a payment request or a report. This section also provides access to documents that were uploaded within other sections of GMS.
- **Sites tab** – lists approved project sites

Follow the instructions in GMS to work in the system. Use the information in the following sections to determine what reports, transactions, and supporting documents are required.

Contact Updates
Access to the grant is limited to the person who created the application and those listed in the **Contacts** tab of the **Application Module** with the access check box marked. A contact may be listed but not granted access by not checking the box. Please note, if a contact is granted access to a grant they will be able to edit contacts, submit payment requests, upload reports, and view all documents. Those with access may update contact information for all contact types except Signature Authority. Email the assigned Grant Manager regarding <u>any</u> changes to Signature Authority information.

PRIOR TO COMMENCING WORK
Prior to commencing work under this grant, the grantee's Grant Manager or primary contact and authorized grant Signature Authority should review the Terms and Conditions (Exhibit A) and the Procedures and Requirements (Exhibit B) to identify key grant administrative requirements. Evaluation of the grantee's compliance with these requirements is a major focus of grant audits.

Reliable Contractor Declaration
This requirement is applicable to grantees who use a contractor or subcontractor that will supply and ship TDP materials for the project. Prior to authorizing a contractor or subcontractor to commence work under this grant, the grantee shall submit to the 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 (www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5), California Code of Regulations, Natural Resources, Division 7, has occurred with respect to the contractor(s) and the subcontractor(s), respectively.

If a contractor or subcontractor is placed on the CalRecycle Unreliable List after award of this grant, the grantee may be required to terminate that contract. Obtain the Reliable Contractor Declaration form (CalRecycle 168) from CalRecycle's form web page (www.calrecycle.ca.gov/Grants/Forms/default.htm). The grantee must provide the Reliable Contractor Declaration Form for all contractors and subcontractors that will supply and ship TDP materials for the project.

A scanned copy of the signed Reliable Contractor Declaration form must be uploaded in GMS. To upload the form:

1. Go to the **Reports** tab.
2. Click on **Reliable Contractor Declaration** under **Event Name**.
3. Type a title, i.e. Reliable Contractor Declaration form, click on the **Browse** button to search and upload the document, and then **Save**.
4. Click the **Back** button to return to the previous page.
5. Click on the **Submit** button.

For further instructions regarding GMS, including login directions, see the section above titled Grant Management System.

Photo Requirement
Prior to commencing work or incurring costs, the grantee is required to submit to the Grant Manager at least one pre-construction digital photograph of the project site.

Tire-Derived Product Update Requirement
Prior to commencing work or incurring costs, the Grant Manager must approve in writing any proposed changes of the product manufacturer, supplier/vendor, and/or (sub) contractor from the one identified in the grantee's Grant Application. If approved, the grantee must submit a new, updated and complete Tire-Derived Product Certification Form (CalRecycle 227).

To obtain a form visit http://www.calrecycle.ca.gov/Grants/Forms/

The Tire-Derived Product Certification Form (CalRecycle 227) must be uploaded in GMS. To upload the Form:

1. In the **Documents** tab, go to the **Other Grant Documents** section;
2. Click on the **Upload a Document** button;
3. Type a title, i.e. Revision #1 Tire-Derived Product Certification Form, then click the **Browse** button to search and upload the document; and
4. Click the **Save** button.

GRANT TERM
The Grant Term begins on the date indicated in the Notice to Proceed. The Grant Term ends on **April 1, 2017**. This is also the date the Final Progress Report and final Payment Request are due to CalRecycle.

Grant-eligible program expenditures may start no earlier than the date indicated in the Notice to Proceed. Eligible program costs must be incurred no later than **April 1, 2017**.

PROJECT REQUIREMENTS
- Products must be installed at the location(s) specified in the approved Grant Application.
- Project(s) must be completed by April 1, 2017, to ensure full reimbursement.
- Products must be made from only California-generated waste tires.
- The waste tire material must be processed in California and the final product must be manufactured in California.
- Applications must use a minimum of 2,500 California-generated waste tires. Multiple products/projects may be combined to achieve this minimum.
- Project(s) must not have previously received CalRecycle grant funds.

Project Modification Request(s)
Proposed modifications or revisions to the approved project must be requested in writing to the Grant Manager on official department letterhead. The Grant Manager must approve the proposed changes in writing **prior** to the grantee performing any changes or incurring any related costs. The request must be uploaded in GMS and must include:

1. The reason for the change or modification, a summary of the new project and location information for each project site;
2. The new work plan and cost changes, if applicable (identify the modification or revision by number, e.g., Revision #1; and
3. A new, updated and complete Tire-Derived Product Certification form (CalRecycle 227).

To upload a Project Modification Request in GMS:

1. In the **Documents** tab, go to the **Other Grant Documents** section;
2. Click on the **Upload a Document** button;
3. Type a title, i.e., Revision #1 Project Modification Request, then click the **Browse** button to search and upload the document; and
4. Click the **Save** button.

Playground* Compliance
Projects involving playgrounds are subject to various local, state and federal requirements. It is the grantee's responsibility to comply with all requirements.

The following information identifies some of the state and federal requirements associated with playground construction and modifications.
Note: This list is <u>not</u> all inclusive.

For information regarding playground safety and standards, please go to the California Department of Public Health website (http://www.cdph.ca.gov/HealthInfo/injviosaf/Pages/PlaygroundSafety.aspx). In addition to other requirements, California law requires that a Playground Inspector, certified by the National Playground Safety Institute (NPSI), conduct an inspection for compliance with standards set forth by the American Society for Testing and Materials (ASTM) and the playground-related guidelines set forth by the United States Consumer Product Safety Commission (CPSC).

Examples of playground inspection documents are provided on the California Park & Recreation Society (CPRS) website (http://www.cprs.org/). Scroll down to the Resources link and go to Information and Referral, click on Playground to access the Safety Inspector Worksheets. For playground surfacing projects, see the Surfacing Worksheet.

The Department of Justice recently promulgated new Americans with Disabilities Act (ADA) standards for playground surfacing, specifically, § 1008.2.6 provides requirements for access routes, clear floor or ground spaces and turning requirements. The section incorporates the American Society for Testing and Materials (ASTM) standards, specifically, ASTM F 1292 - 09 Standard Specification for Impact Attenuation of Surfacing Materials within the Use Zone of Playground Equipment, and ASTM F 1951 for compliance with inspection and maintenance activities. The 2010 ADA Standards are available at 2010 ADA Standards for Accessible Design (http://www.ada.gov/regs2010/2010ADAStandards/2010ADAstandards.htm). Submittal of the final Payment Request constitutes certification by the grantee that all local, state and federal playground requirements have been met including, but not limited to, certification by a NPSI certified Playground

Inspector. Submittal of compliance documents is not required. Expenses associated with inspections and certifications are not reimbursable under the Grant.

*Playground is defined as an improved outdoor area designed, equipped, and set aside for children's play that is not intended for use as an athletic playing field or athletic court, and shall include any playground equipment, fall zones, surface materials, access ramps, and all areas within and including the designated enclosure and barriers.

PROJECT ACKNOWLEDGEMENT REQUIREMENTS

Expenses associated with these requirements are not reimbursable under the Grant.

The grantee must install a permanent sign at the Project site upon completion of the Project, no later than April 1, 2017. A high resolution file for production purposes, along with examples, are located at the Tire Resources web site (http://www.calrecycle.ca.gov/Tires/Grants/Resources/#Signage).
The sign must include the following:

1. "Funded by a Grant from the Department of Resources Recycling and Recovery (CalRecycle)";
2. CalRecycle logo[1], and
3. Number of CA waste tires diverted[2] from the waste stream.

[1] CalRecycle Logos are available in the Image Gallery web site at: http://www.calrecycle.ca.gov/Gallery/Logos/; or contact your Grant Manager.

[2] To determine the number of tires diverted, refer to the Tire-Derived Product Certification Form (CalRecycle 227) for the calculation formula.

When the permanent sign is problematic due to grantee-specific issues, the grantee may list on their website, for a minimum period of one year, an acknowledgement of CalRecycle's funding and the waste tire diversion amounts for the project(s). The alternative acknowledgement must be pre-approved by the Grant Manager and include the three required components listed above.

ELIGIBLE PROJECT COSTS

Eligible costs are limited to the approved, actual cost of the California-generated TDP, tax, and shipping up to a total maximum of five dollars ($5) per passenger tire equivalent (PTE), not to exceed the grant award. This cost is exclusive of truck tire buffings. The waste tires must have been processed and manufactured into a final product in California.

These costs must be incurred and paid for during the Grant Term which begins on the date in the NTP from CalRecycle and ends on April 1, 2017.

INELIGIBLE PROJECT COSTS

Ineligible costs include, but are not limited to:

- Any costs incurred prior to the date indicated in the NTP or after April, 1, 2017;

- Materials that are not made from only California-generated waste tires, not processed in California, and/or that were not made into a final product in California;
- Any cost other than the actual cost of the tire-derived product (exclusive of truck tire buffings), tax, shipping up to a maximum of five dollars ($5) per PTE;
- Costs that exceed the cap of $5 per PTE;
- Proportion of rubber derived from tuck tire buffings;
- Equipment, installation, signage, playground inspection costs, and labor costs; and
- Any costs the CalRecycle Grant Manager (Grant Manager) deemed unreasonable or unrelated to the purpose of the grant.

REPORTING REQUIREMENTS

A Progress Report and a Final Progress Report are required by this Agreement; however, the Grant Manager may request a Progress Report at any time during the grant term.

All reports must be uploaded in GMS. *For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.*
To upload a report:

1. Go to the **Reports** tab.
2. Click on the appropriate event name.
3. Click on the **Add Document** button.
4. Type a title, click the **Browse** button to search and upload the document, and then **Save**.
    - You may upload multiple documents to complete reporting requirements.
    - The maximum allowable file size is 35MB.
5. Click the **Back** button to return to the previous page.
6. Click the **Submit** button when the report is complete.

The reports must be current, include all required sections and documents, and must be approved by the Grant Manager before any Payment Request can be processed. Failure to comply with the specified reporting requirements may be considered a breach of this Agreement and may result in the termination of this Agreement or rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding. Any problems or delays must be reported immediately to the Grant Manager.

PROGRESS REPORT

The grantee must submit a **Progress Report** by **April 1, 2016**. This report should cover grant activities that occurred from the NTP date through **April 1, 2016.** The Progress Report must address the work completed during the Reporting Period and be accompanied by all required supporting documentation, including pre-construction photographs.

The Progress Report must be submitted even if no work has started on the Project.

PROGRESS REPORT FORMAT

A Progress Report template will be provided prior to the Progress Report Due Date. The Progress Report must be uploaded in GMS. *See the Reporting Requirements section for specific instructions.*

FINAL REPORT FORMAT

A Final Report template will be provided prior to the Final Report Due Date. The Final Report must be uploaded into the GMS. *See the Reporting Requirements section for specific instructions.*

FINAL PROGRESS REPORT

The grantee may upload the **Final Progress Report** in GMS any time after the Project is completed, but no later than **April 1, 2017**. The Final Report must address the work completed during the entire grant term (from receipt of the NTP to April 1, 2017, or completion of Project, whichever is sooner). The Final Report must be accompanied by the Final Payment Request and all required supporting documentation. *See the Reporting Requirements section for specific instructions*.

GRANT PAYMENT INFORMATION

1. Payment to the grantee for eligible grant expenses is made on a **reimbursement basis only** and for only those materials specified in the approved grant application.
2. With the exception of Playground Projects, reimbursement may be requested only twice during the grant term. In conjunction with (or after) submission of the Progress Report and in conjunction with (or after) submission of the Final Report.
3. Playground Projects may request reimbursement only with submittal of the Final Report. Submittal of the Final Report Request constitutes certification by the Grantee that all local, state, and federal playground requirements have been met including, but not limited to, certification by a NPSI certified Playground Inspector. Submittal of compliance documents is not required.
4. Reimbursement is conditioned on the Grant Manager's approval of the Progress Report and/or Final Report and approval of costs.
5. Grant payments will only be made to the grantee. It is the grantee's responsibility to pay all product manufacturers, suppliers/vendors, contractors and subcontractors for services and/or materials purchased.
6. Ten percent (10%) of each Payment Request will be withheld and retained until all conditions stipulated in the Agreement have been satisfied. Reimbursement of the 10% retention will be released once the Final Report is approved by the Grant Manager.
7. CalRecycle will make payments to the grantee as promptly as fiscal procedures permit. The grantee can typically expect payment approximately 45 days from the date a Grant Payment Request is approved by the Grant Manager.
8. If the grantee uses a contractor or subcontractor, the grantee must provide a Reliable Contractor Declaration (CalRecycle 168) (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 Grant Manager prior to commencement of work. See "Unreliable List" provision in Exhibit A – Terms and Conditions for more information.

PAYMENT REQUEST AND DOCUMENTATION

Payment requests must be submitted in GMS. *For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.* To submit a Grant Payment Request:

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
   - Choose **Reimburse** for the Transaction Type and enter the amount spent in each budget sub category.
   - When the transaction is complete, click the **Save** button.
   - After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
3. Click the **Upload Supporting Documentation** button.
   - Type a title, click the **Browse** button to search and upload the document, and then **Save**.
   - Select the **Back** button to upload another document and continue this process until all required supporting documents as listed below are uploaded.
   - The maximum allowable file size for each document is 35MB.
4. Click the **Submit Transaction** button, located on the transaction page, to complete your payment request (including uploading all the documents listed below).

Supporting Documentation

A. A scanned copy of the **Grant Payment Request form**. Mail only the **original** Grant Payment Request form (CalRecycle 87), with the original signature of the signatory or his/her designee*, as authorized by grantee's Resolution or Letter of Commitment to:

Via standard mail:	Via courier/personal delivery:
Department of Resources Recycling and Recovery Tire-Derived Product Grant Program FiRM Branch, 9th Floor P.O. Box 4025 Sacramento, CA 95812-4025	Department of Resources Recycling and Recovery Tire-Derived Product Grant Program FiRM Branch, 9th Floor 1001 I Street Sacramento, CA 95814

*A designee may sign on behalf of the grantee if a) authorized by the Resolution or Letter of Commitment, and b) a Letter of Designation has been provided to the Grant Manager.

B. **Cost and payment documentation** with the Payment Request:
   - ✓ Acceptable cost documentation must include at least one of the following: Invoices, receipts or purchase orders containing the product manufacturer, supplier/vendor, and/or contractor name, phone number, address, purchase amount, date and description of goods/services; **<u>and</u>**
   - ✓ Acceptable proof of payment must include at least one of the following: Invoice(s) marked as paid; receipts; and accounting reports if they contain check number, date, product manufacturer, supplier/vendor, and/or contractor name and amount; and copies of cancelled check(s)

C. An updated, final Tire-Derived Product Certification form (CalRecycle 227) completed by the product manufacturer, supplier/vendor and/or contractor.

D. Acceptable documentation, verifying that the TDP was made from only California-generated waste tires and that the waste tires were processed and manufactured into a final product in California. Documentation must verify the

flow of the California-generated waste tire material from the California processor to the final product manufacturer (if different) to the supplier/vendor or contractor (if different) to the grantee and include: 1) a Certificate of Origin (completed by the processor) or Bill of Lading(s) and 2) invoices, as applicable.
Note: To ensure grant payment, it is recommended that grantee obtain this documentation from its supplier/vendor/ or contractor prior to payment of supplier/vendor/ or contractor, as applicable.

E. Post-construction, no less than five digital and color photographs, of the Project site(s) showing the completed Project with signage.

All forms listed above can be downloaded from the CalRecycle Grant Forms website (http://www.calrecycle.ca.gov/Grants/Forms/).

AUDIT CONSIDERATIONS

The grantee agrees to maintain records and supporting documentation pertaining to the performance of this grant subject to possible audit for a minimum of three (3) years after final payment date or grant term end date, whichever is later. A longer period of records retention may be stipulated in order to complete any action and/or resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later.

Examples of audit documentation include, but are not limited to, expenditure ledger, payroll register entries, time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices and/or cancelled checks. Please refer to the Terms and Conditions (Exhibit A) for more information.

ANNUAL SURVEY

Post-grant term Annual Surveys are required by this Agreement to help assess your long-term satisfaction with the TDP funded by this Grant. The grantee must complete and submit an Annual Survey for the TDP Grant Program every year for five (5) years after the grant closes based on the schedule below.

Survey Due	Survey Period
June 30, 2018	Completion of Project – June 30, 2018
June 30, 2019	July 1, 2018 – June 30, 2019
June 30, 2020	July 1, 2019 – June 30, 2020
June 30, 2021	July 1, 2020 – June 30, 2021
June 30, 2022	July 1, 2021 – June 30, 2022

You will be notified via email once the annual online survey is available. The annual online survey may be accessed online at:
http://www.calrecycle.ca.gov/Tires/Grants/Product/default.htm

Note: A link to the survey is only active during the survey period.