

EXHIBIT B
PROCEDURES AND REQUIREMENTS
Tire Incentive Program
Fiscal Year 2013/14

INTRODUCTION

The Tire Incentive Program (TIP) 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 (Agreement).

Important Notice: Do not start the grant activities or incur costs until you receive a Notice to Proceed (NTP) from your CalRecycle Grant Manager. The NTP will be sent after both the grantee and CalRecycle have signed the Grant Agreement Cover Sheet.

MILESTONES

May - June 2014	Grant Term begins on the date indicated on the NTP
30 days after the end of each calendar quarter	Progress Report due (covering activities for the previous quarter)
April 1, 2016	Grant Term Ends. Final Report and final Payment Request due. All costs must be incurred by April 1, 2016.

No extensions will be granted for submittal of the Final Report and final Payment Request. Failure to submit the Final Report and final Payment Request with appropriate documentation by April 1, 2016, may result in the 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.

QUESTIONS

All communication regarding this grant should be directed to the assigned Grant Manager. To find the email address and telephone number of your Grant Manager, refer to your grant in Grant Management System Web (GMSWeb). Contact information is located in the upper left-hand side. The grantee may also contact the Financial Resources Management (FiRM) Branch at (916) 341-5062 or grants@calrecycle.ca.gov.

For instructions regarding GMSWeb, including log-in directions, see the section below titled “Grant Management System Web.”

PRIOR TO COMMENCING WORK

Prior to commencing work under this grant, the grantee’s Primary Contact and authorized grant Signature Authority should review the Terms and Conditions (Exhibit A) and these Procedures and Requirements (Exhibit B) to identify key grant administration requirements. Evaluation of a grantee’s compliance with these requirements is a focus of grant audits.

RELIABLE CONTRACTOR DECLARATION

This requirement is applicable to grantees that use a contractor on the project. Prior to authorizing a contractor(s) 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, California Code of Regulations, Division 7, has occurred with respect to the contractor(s) and the subcontractor(s). See <http://www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5>. If any of the listed events has occurred with respect to a contractor or subcontractor, please follow the instructions on the Reliable Contractor Declaration Form referenced below. If a contractor or subcontractor is placed on the CalRecycle Unreliable List after award of this grant, the grantee may be required to terminate the contract.

The grantee must provide the Reliable Contractor Declaration Form (CalRecycle 168) for all contractors and subcontractors that will supply crumb rubber for the products. To obtain the CalRecycle 168 form, see the General Grant Forms section of the [CalRecycle form web page](http://www.calrecycle.ca.gov/Grants/Forms) (<http://www.calrecycle.ca.gov/Grants/Forms>).

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

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

For further instructions regarding GMSWeb, including log-in directions, see the section below titled “Grant Management System Web.”

If a contractor or subcontractor is placed on the [CalRecycle Unreliable List](http://www.calrecycle.ca.gov/Grants/Unreliability/List.htm) (<http://www.calrecycle.ca.gov/Grants/Unreliability/List.htm>) after award of this grant, the grantee may be required to terminate that contract.

PRODUCT REQUIREMENTS

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 under the TIP.
- All of the crumb rubber used in TIP products by a grantee during the term of the grant shall be:
 - From an eligible California waste tire processor, or
 - Recycled post-consumer and/or post-industrial scrap rubber from which the rubber originated from an eligible California waste tire processor.

PRODUCT ACKNOWLEDGEMENT REQUIREMENTS

By April 1, 2016, the grantee must 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). See

the “Acknowledgements” provision in the Terms and Conditions – Exhibit A, for acknowledgement requirement information. The acknowledgement must include the following:

1. Funded by grant from CalRecycle.
2. CalRecycle Logo.¹
3. Number of California waste tires² diverted from the waste stream by this project.

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

² To determine the number of tires diverted, take the total pounds of crumb rubber used during the grant term and divide by 12.

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 Grant Manager.

WORK PLAN AND CHANGES/MODIFICATIONS

Proposed changes or modifications to the approved product(s) must be requested in writing to the Grant Manager. The request must include the reason for change and a revised Narrative Proposal and supporting figures. You must upload two digital photographs of each product with a title matching the product description in the Documents tab of GSMWeb. **The Grant Manager must approve the proposed changes in writing prior to the grantee performing any changes or incurring any related costs.**

GRANT MANAGEMENT SYSTEM Web (GMSWeb)

GMSWeb is CalRecycle’s web-based grant application and grant management system. Access to GSMWeb 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 GSMWeb. Establish or manage a WebPass at the [CalRecycle WebPass site \(https://secure.calrecycle.ca.gov/WebPass/\)](https://secure.calrecycle.ca.gov/WebPass/).

Accessing the grant

Grantees must log into GSMWeb using their web pass at <https://secure.calrecycle.ca.gov/Grants>. After log-in, 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** – contains a budget summary that shows approved budget, paid and remaining amounts (this section is available to the grantee in read-only mode) and resource links and documents.
- **Payment Request tab** – requests reimbursement.
- **Reports tab** – uploads required reports and forms.
- **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 GSMWeb.
- **Site tab** – lists approved project sites.

Follow the instructions in GSMWeb 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 those listed in the **Contacts** tab in the **Application Module**. Existing contacts may update contact information for all contact types except Signature Authority.
- Email the assigned Grant Manager of any changes to Signature Authority information.

REPORTING REQUIREMENTS

Progress Reports and a Final 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 GMSWeb. For further instructions regarding GMSWeb, including login directions, see the section above titled, Grant Management System Web.

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, i.e., Progress Report, then click the **Browse** button to search, select the document, and then **Save**.
5. You may upload multiple documents to complete reporting requirements.
6. The maximum allowable file size for each document is 50MB.
7. Click the **Back** button to return to the previous page.
8. Click the **Submit** button when the report upload 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, 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 REQUIREMENTS

The Progress report contains confidential information and must be labeled as “Confidential”. The grantee must submit the Progress Report to the Grant Manager within 30 days after the end of each calendar quarter, including the final quarter of the grant term. The Progress Report must address the work completed during the Reporting Period and be accompanied by all required supporting documentation.

The Progress Report must be submitted even if the work has not yet begun on the project. You may submit a Payment Request at the same time as your Progress Report.

The Progress Report must be prepared in the format specified below and uploaded into the GMSWeb system, see *Reporting Requirements* section for instructions.

REPORT COMPONENTS

Cover Page

- 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.”

Project Summary and Status

Provide a brief description of the progress of the project including:

- 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 number and dollar amount of for each eligible tire-derived product (TDP) sold.
- 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 project/product. Also describe any testing activity, the facility performing the testing, and the results.
- Any changes in contact information or changes to the project/products.

At the end of the grantee’s fiscal year(s) and when the grant is fully expended (not later than April 1, 2016), the grantee shall also provide in its Progress Report a reconciliation of TDP activity under the TIP. This shall reflect the TDP inventory at the beginning of the TIP grant term, add the number of TDPs produced during the reporting period (typically, it is approximately one year) and subtract the remaining inventory. This should reconcile to the previously reported TDP sales figures.

FINAL REPORT REQUIREMENTS

The Final Report is considered public information. Do not include confidential, trade secret information. The Final Report and final Grant Payment Request may be submitted at any time after the project is completed and/or the grant award is fully expended, but must be submitted no later than **April 1, 2016**. The reporting period covers from the NTP to April 1, 2016, or completion of Project, whichever is sooner. **Failure to submit the Final Report and final Grant Payment Request with appropriate documentation by April 1, 2016, 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 and must be uploaded into the GMSWeb system, see *Reporting Requirements* section for instructions; you may need to upload multiple documents to complete all the requirements listed below. If requested, the grantee shall make an oral presentation to CalRecycle.

REPORT COMPONENTS

Cover Page

- 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 Status

Provide a concise Executive Summary of the project(s). Within the narrative of the report, include the following information covering the entire grant period:

- The total quantity broken down by mesh size of the crumb rubber purchased (sieve analysis does not need to be reported as it was included in the Progress Report), the total amount (indicated by ranges) of crumb rubber used in each of the eligible products, and the number and dollar amount (both indicated by ranges) of for each eligible TDP sold during the grant term.
- Consolidated sales information (indicated by ranges and excluding customer contact information) for the identified product(s) during the reporting period.
- A narrative describing the overall project and experience, including any delay or acceleration of timelines, any changes to initially projected sales, and any significant changes to the project/product. Also describe any testing activity, and the experience.

Photographs/Project Acknowledgement

- Insert two digital photographs of each completed TDP and a copy of any relevant sales material.
- Insert a copy of your internet webpage and web address to meet product acknowledgement requirement.

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. Reimbursement may be requested no more frequently than quarterly during the grant term. In conjunction with (or after) submission of the Progress Report and in conjunction with the Final Report.
3. The grantee must submit the required Progress Report/Final Report, and the Grant Manager must approve the report prior to, or concurrent with, submission of the Grant Payment Request.
4. The grantee must submit a completed Grant Payment Request and provide supporting documentation as described in the “Grant Payment Request and Documentation” section.
5. 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.
6. Ten percent of each approved Grant Payment Request will be withheld and retained until all conditions stipulated in the Agreement, including submission and Grant Manager approval of the Progress and/or Final Report, have been satisfied. Reimbursement of the ten percent retention must be requested in the final Grant Payment Request.
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 applicable, 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 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 Grant Term (beginning after receipt of the NTP through April 1, 2016) directly related to the purchase of crumb rubber.

The eligible costs are:

- For **existing TDPs**, the incremental increase in usage of crumb rubber (compared with the previous year’s records) for the production of an eligible product.*
- For **feedstock conversion**, the crumb rubber usage for new or existing TDPs manufactured with virgin rubber substituted with a minimum of five percent crumb rubber.
- For **fine mesh or when combined with other materials**, the crumb rubber usage for new or existing TDPs currently manufactured with virgin rubber, plastic, or other raw materials. The TDP must be produced either with a minimum of five percent crumb rubber and the crumb rubber used must be fine (≤ 50) mesh or combined with plastic or other raw materials.

**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.*

The TIP payments are paid quarterly for the incremental use (more than the quarterly average of the prior full year use) of crumb rubber for eligible products at the rate described below:

Incentive Categories and Amounts

Incentive Category	Incentive per pound
1. Existing TDP	<u>10 cents</u> for increase in crumb rubber used
2. Feedstock conversion*	<u>20 cents</u> for total crumb rubber used
3. Fine (≤ 50) mesh or when combined with other material*	<u>20 cents</u> for total crumb rubber used

Feedstock conversion AND fine (≤ 50) mesh or when combined with other materials receive **40 cents per pound for the total rubber used*

Requirements for documentation supporting cost can be found in the “Cost and payment documentation” subsection under the Grant Payment Request and Documentation section.

INELIGIBLE PROJECT COSTS

Ineligible costs include, but are not limited to:

- Costs incurred prior to receipt of the Notice to Proceed letter or after April 1, 2016.
- 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.

GRANT PAYMENT REQUEST AND DOCUMENTATION

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

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
 - a. Choose **Reimburse** for the Transaction Type and enter the amount spent in each budget subcategory.
 - b. When the transaction is complete, click the **Save** button.
 - c. After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
3. Click on the **Upload Supporting Documentation** button.
 - a. Type a title (e.g., Payment Request #1, Invoice #1, Cancelled Check), click the **Browse** button to search and upload the document, and then **Save**.
 - b. Select **Back** to upload additional documents and continue this process until all required supporting documents as listed below are uploaded.
 - c. The maximum allowable file size for each document is 50MB.
4. Click the **Submit** Transaction button, located on the transaction page, to complete your payment request (including uploading all required supporting documents as listed below).

Supporting Documentation

- a. A scanned copy of the signed **Grant Payment Request form** (CalRecycle 87).
The grantee is also required to mail the **original** Grant Payment Request form with an 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:
CalRecycle TIP Program FiRM Branch, 9 th Floor P.O. Box 4025 Sacramento, CA 95812-4025	CalRecycle TIP Program FiRM Branch, 9 th 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**, such as invoices that contain:
 - ✓ Tire Incentive Program Certification (CalRecycle 774).
 - ✓ Invoice(s) from the California processor that provided the crumb rubber. The invoice(s) must indicate the number of pounds of crumb rubber provided and the mesh size.
 - ✓ Proof of payment (e.g., copies of cancelled checks, bank statements, invoice marked as paid with corresponding receipts or cancelled checks).
 - ✓ Evidence of TDP sales is included with the Progress Report.
Note: *All supporting documentation must be maintained by the grantee in its files, in accordance with the "Audit/Records Access" section of Exhibit A – Terms and Conditions.*
- c. An updated General Checklist of Business Permits, Licenses and Filings form (CalRecycle 669), available at [Grant Forms web page \(http://www.calrecycle.ca.gov/Grants/Forms\)](http://www.calrecycle.ca.gov/Grants/Forms), in the General Grant Forms section.

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 encouraged by this Agreement to help assess your long-term satisfaction with the TDP products funded by this Agreement. The grantee must complete and submit an annual survey every year for three years after the grant is closed based upon the schedule below.

Survey Due Date	Survey Period
June 30, 2017	Completion of Project – June 30, 2017
June 30, 2018	July 1, 2017 – June 30, 2018
June 30, 2019	July 1, 2018 – June 30, 2019

Grantees 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/TIP/default.htm>.

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