



March 2015

Department of Resources Recycling and Recovery

TIRE INCENTIVE PROGRAM

APPLICATION GUIDELINES & INSTRUCTIONS

2nd Cycle (TIP2) – Fiscal Year 2014–15

Revised April 10, 2015

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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 Web \(GMS\) 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) by providing financial incentives to eligible manufacturers to more competitively price and market their TDPs, thereby increasing sales and market share.

TIMELINE

Date	Activity
<p><u>April 17, 2015</u> April 10, 2015</p>	<p>Question and Answer Period</p> <ul style="list-style-type: none"> • Questions may be submitted from application release date to this date • Questions must be submitted by email
<p><u>April 23, 2015</u> April 17, 2015</p>	<ul style="list-style-type: none"> • All answers will be posted (tentative)
<p>April 29, 2015</p>	<p>Application Due Date</p> <ul style="list-style-type: none"> • Applications must be submitted in GMS by 11:59 p.m. on this date • Customer service will be available until 4:00 p.m. on this date
<p>May 2015</p>	<p>Grants Awarded</p> <p>CalRecycle considers funding recommendations, and if approved, conditionally awards grants during this month (tentative)</p>
<p>April 1, 2017</p>	<p>Grant Term</p> <p>Notice to Proceed to this date</p>
<p>April 1, 2017</p>	<p>Final Progress Report, final Payment Request and Request for 10 percent withhold Deadline</p>

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 TDP are not eligible.

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

The TIP is a pilot program. If it continues, products that have been previously awarded may have a gradual reduction in the incentive amount (see Sales and Calculations in Application Documents section).

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 under the TIP. 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 TDPs include:

- A new or existing product that has not benefited from the TDP 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 (≤ 50) mesh crumb rubber (must be produced by a California waste tire processor).**

A general cost incentive of 5 cents per pound for all TIP-eligible products sold and shipped (regardless whether the products are included in the TIP award) is available. This may be combined with the incentive amount for eligible TDPs, provided the general cost incentive and the incentive amount for eligible TDPs does not exceed the maximum grant award of \$500,000.

*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.

**Particle size and particle size distribution are determined in accordance with American Society for Testing and Materials (ASTM) D5644.

Critical elements that affect the eligible product category are:

- **General cost incentive** – The incentive may be used to cover any general expense such as transportation, production, and material cost but will not exceed 25 percent of the total incentive of all product categories. Reimbursement is based on 5 cents per pound of the crumb rubber portion of all TIP-eligible TDPs sold and shipped (regardless whether the products are included in the TIP

award). The incentive may not be used to increase management and/or officer compensation.

- **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 (≤ 50) mesh crumb rubber (that must be produced by a California waste tire processor).

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 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.

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

Ineligible products include:

- 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 similar type products which may have benefited from the TDP Grant Program and any previous grant program

AVAILABLE FUNDS

- A total of \$3,000,000 is available for this grant cycle, fiscal year 2014–15, subject to funding availability.
- Individual grant awards range from \$50,000 (minimum) to \$500,000 (maximum).

In order to optimize market impact, applicants may have more than one TIP grant outstanding at any time.

GRANT TERM

The Grant Term begins on the date indicated in the Notice to Proceed (NTP). 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 NTP. Eligible program costs (i.e., TIP product sales) must be incurred no later than April 1, 2017.

ELIGIBLE COSTS AND INCENTIVE AMOUNTS

Eligible costs (TIP product sales) may be incurred only during the Grant Term, which starts on the date indicated in the NTP and ends on April 1, 2017.

Incentives will only be paid at the point in which a TDP is manufactured, 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, a TDP that has received a TIP incentive is not also eligible for another CalRecycle grant, such as a Tire-Derived Product grant. Incentives will not be paid to wholesalers, distributors, brokers, vendors, etc.

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 five 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 (≤ 50) mesh (provided by a California waste tire processor). Particle size and particle size distribution are determined in accordance with ASTM D5644.

The TIP 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.

Incentive Categories and Amounts

Incentive Category	Incentive per pound
1. General Cost*	5 cents for total crumb rubber used in all products sold and shipped during the reporting period
2. New and Existing TDP (TIP product)	10 cents for incremental increase in crumb rubber used
3. Feedstock Conversion (TIP product)	30 cents for total crumb rubber used
4. Fine (≤ 50) Mesh (TIP product)	40 cents for total crumb rubber used

* 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 a TIP award) provided the general cost incentive and the incentive amount for eligible TDPs does not exceed the maximum grant award of \$500,000.

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 incentive payment will not exceed the amount stated on the Grant Agreement Cover Sheet (CalRecycle 110).

INELIGIBLE COSTS

Ineligible costs include, but are not limited to:

- Sales made prior to the date indicated in the NTP or after April 1, 2017.
- Crumb rubber or recycled rubber that is NOT made from only California-generated waste tires or is made 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.

EXAMPLES OF ELIGIBLE AND INELIGIBLE SCENARIOS

Eligible Scenarios

Category 2, New and Existing TDP and General Cost Incentive

- Belkin's Mulch is a 20 year old profitable company that is a TDP manufacturer (rubber mulch and various molded products). However, rubber mulch is specifically ineligible under the TIP, either as a product or included as part of the general cost incentive. The company manufactures three TIP-eligible TDPs (conveyer belts, delineators, and spacers) as molded products (see *Eligible Products*). The company believes that it can produce and sell 1,500,000 pounds per year (increasing sales from 900,000 pounds per year) of its three eligible TDPs. Based on an increase of 600,000, the company would be eligible for a TIP product award of \$120,000 (600,000 pounds X 2 years X 10 cents) under the New and Existing TDP category.

The company is also eligible for a general cost incentive of 5 cents per pound of TIP-eligible TDPs sold (regardless of whether the products are included in a TIP award), not to exceed 25 percent of the TIP product incentive. The general incentive calculation (1,500,000 pounds X 2 years X 5 cents) results in \$150,000. However, the general cost incentive cannot exceed 25 percent of the incentive for the product categories. Therefore, the general cost incentive would be \$30,000 (\$120,000 X 25 percent). Accordingly, the total TIP award would be \$150,000 (\$120,000 + \$30,000).

- Gipper Tire Recycling is a seven year old company that is both a waste tire processor and TDP manufacturer of flooring underlayment and rubberized flooring tiles. The company has steady sales of these products for the last three years. The company believes it can produce and sell a total of 4,000,000 pounds per year (increasing sales from 1,500,000 pounds per year) of these two eligible TDPs. The applicant is eligible for a TIP product award of \$500,000 (2,500,000 pounds X 2 years X 10 cents). Since the maximum amount requested is \$500,000, the applicant would not be eligible to receive a general cost incentive.

Category 3, Feedstock Conversion and General Cost Incentive

- Safe Road Products is a 25 year old profitable company that produces and sells traffic products using co-extruded virgin rubber and plastic. The company believes that it can reformulate three products (delineators, traffic cones, and traffic markers) by substituting 16 percent (30 mesh) crumb rubber for virgin rubber and annually sell products containing a total of 500,000 pounds of crumb rubber. The company believes it will take an average of three months to determine the proper percentage of crumb rubber and perform appropriate testing. The company sells other TIP-eligible tire-derived products, which are not included in the TIP application, that use 750,000 pounds of crumb rubber per year. The company may be eligible for a TIP product award of \$262,500 (500,000 pounds X 1.75 years [two years minus three months development time] X 30 cents).

The company is also eligible for a general cost incentive of 5 cents per pound of TIP-eligible TDPs sold (regardless of whether the products are included in a TIP award), not to exceed 25 percent of the TIP product incentive. The general cost incentive calculation $[(750,000 \text{ pounds} \times 2 \text{ years} \times 5 \text{ cents}) + (500,000 \text{ pounds} \times 1.75 \text{ years} \times 5 \text{ cents})]$ results in \$118,750. However, the general cost incentive cannot exceed 25% of the incentive for the product categories. Therefore, the general cost incentive would be \$65,625 ($\$262,500 \times 25 \text{ percent}$). Accordingly, the total TIP award would be \$328,125 ($\$262,500 + \$65,625$).

- ABC Production is a 35 year old profitable company that produces a variety of products on a contract basis for other companies to sell. The company has appropriate written authorization from four companies to use crumb rubber in a total of 12 products that are currently produced with virgin rubber. The company believes that it can reformulate the 12 products by substituting 10 percent (20 – 30 mesh) crumb rubber for virgin rubber and produce products using 250,000 pounds of crumb rubber per year. The company believes it will take an average of three months to reformulate the products to determine the proper percentage of crumb rubber and to perform appropriate testing. The company is eligible for a TIP product award of \$131,250 ($250,000 \text{ pounds} \times 1.75 \text{ years} [\text{two years minus three months development and testing time}] \times 30 \text{ cents}$).

The company is also eligible for a general cost incentive of 5 cents per pound of TIP-eligible TDPs sold (regardless of whether the products are included in a TIP award), not to exceed 25 percent of the TIP product incentive. The general cost incentive calculation ($250,000 \text{ pounds} \times 1.75 \text{ years} \times 5 \text{ cents}$) results in \$21,875. Accordingly, the total TIP award would be \$153,125 ($\$131,250 + \21.875).

Category 4, Fine Mesh and General Cost Incentive

- American Rubber Company is a 10 year old profitable company that produces and sells high-end sealants and coating products. The company has an existing roof coating product that currently uses 10 percent (30 mesh) crumb rubber but has recently been reformulated to use fine (≤ 50) mesh crumb rubber with no adverse effects to the overall coating characteristics. The company used 100,000 pounds of crumb rubber the previous year prior and believes it can use 125,000 pounds of ≤ 50 mesh crumb per year for the roof coating product. The company is eligible for a TIP product award of \$100,000 ($125,000 \text{ pounds} \times 2 \text{ years} \times 40 \text{ cents}$).

The company is also eligible for a general cost incentive of 5 cents per pound of TIP-eligible TDPs sold (regardless of whether the products are included in a TIP award), not to exceed 25 percent of the TIP product incentive. The general cost incentive calculation ($125,000 \text{ pounds} \times 2 \text{ years} \times 5 \text{ cents}$) results in \$12,500. Accordingly, the total TIP award would be \$112,500 ($\$100,000 + \$12,500$).

- Kraftwork Rubber is a 25 year old company that produces a variety of products, including a flooring underlayment product. The product already uses ≤ 50 mesh crumb rubber. The company believes it can increase sales and use an additional 50,000 pounds of crumb rubber per year. The company is eligible for a TIP product award of \$40,000 ($50,000 \text{ pounds} \times 2 \text{ years} \times 40 \text{ cents}$).

The company is also eligible for a general cost incentive of 5 cents per pound of TIP-eligible TDPs sold (regardless of whether the products are included in a TIP award), not to exceed 25 percent of the TIP product incentive. The general cost incentive calculation (50,000 pounds X 2 years X 5 cents) results in \$5,000. Accordingly, the total TIP award would be \$45,000 (\$40,000 + \$5,000).

Ineligible Scenario

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

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 have an EPPP Policy in place prior to submitting their application and must certify to this fact in the application. Applicants that do not have an EPPP Policy in place by the due date 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. Questions must be received by **April 17, 2015** **April 10, 2015**, 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 reworded 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 site](http://www.calrecycle.ca.gov/Funding/GMS/default.htm) (<http://www.calrecycle.ca.gov/Funding/GMS/default.htm>).

When you are ready to start an application, log into [GMS](https://secure.calrecycle.ca.gov/Grants) (<https://secure.calrecycle.ca.gov/Grants>), select "Grant Application Search" on the left. Open grant cycles are displayed in a table. Find Cycle Name: Tire Incentive Program, Cycle Code: TIP2 and select "Apply." The application 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
- Project 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/project, 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.
- If it is not listed, click on Add New Applicant/Participant. Complete the items marked with a red asterisk and save the information.
- For businesses, the name may not appear in GMS. If your business is not listed, please manually enter your business' information and select **private** for Organization Type.
- Choose the Lead Participant radial button. Every application must have a Lead Participant even if it is an individual application with no participating jurisdictions.
- Enter the applicant/participant name as it appears on the Letter of Commitment.

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. To determine amount, complete the Sales and Calculations document, found on the **Summary tab**, in the **Application Documents** section. 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 option for the Environmentally Preferable Purchasing and Practices Policy (must answer YES to be eligible).
- Select the appropriate answer for Program 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.
- **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 consultant 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. This amount should also match the amount in the Calculation for Requested Grant Amount section of the Sales and Calculation document.

See Grant Cycle Overview section titled “Eligible Costs” for further information.

Site(s) Tab

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 **April 29, 2015**. Customer service will be available until 4:00 p.m. on the application due date.

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 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 is used to describe the general scope of your proposed project. 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 from the TIP.

Sales and Calculations

The Sales and Calculations document is used by the applicant to provide more detail about sales and calculation information for the proposed project. This information will be considered confidential and a “trade secret” consistent with Public Resources Code 40062. Access will be restricted to the applicant (and its authorized users) and limited CalRecycle staff. You may upload the information in an alternate format as long as it contains the information identified in the Sales and Calculations document and you obtain prior approval from your CalRecycle Grant Manager.

APPLICANT’S DOCUMENTS

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

Letter of Commitment

The letter with the original signature must be maintained in the applicant/grantee grant file. This letter must:

- Be on the applicant’s letterhead.
- Authorize submittal of the Tire Incentive Program application on behalf of applicant.
- Be signed by an individual with the authority to bind the applicant contractually.
- 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 most recent completed tax year (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 affirming 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 is not eligible under the TIP.

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 under the TIP.

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 (3) 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 & 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 calendaring 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 in its TIP file.

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 calendaring company, to manufacture an intermediate product, and receive any applicable Tire Incentive Program funds.

Signature

Name & 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 TIP available funds will be awarded to a single grantee. If there are more requests than available funds (i.e., the program is oversubscribed), priority will be provided to applicants seeking second awards for a previously approved product. Other available funds will be allocated in approximately equal amounts per category (see Eligible Products).

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

1. TIP1 grantees seeking awards in TIP2 for the same product (the repeated product will receive 70 percent reimbursement of the appropriate category).
2. TIP1 grantees seeking awards in TIP2 for 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 [≤ 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.

Applicants 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). Applicants that used less than 50 percent of a prior TIP award will only be considered after all other eligible applicants. Appeals of staff's recommendation may be made to the Deputy Director.

GRANT AWARD PROCESS

For qualifying applications, CalRecycle staff will develop funding recommendations for the consideration and approval of CalRecycle's Director, or her designee; this is tentatively scheduled for May 2015. 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

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 final Progress Report is due on April 1, 2017. Detailed reporting information is included in the Procedures and Requirements – Exhibit B 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 project 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 and sale price for each eligible 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.

Grantees will provide information related to the use of crumb rubber and TDP sales for three 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). Ten percent of each approved Payment Request amount will be retained by CalRecycle until the Grant Manager approves the final Progress 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, 2017, may result in the nonpayment of otherwise eligible costs. Detailed payment information is included in the Procedures and Requirements – Exhibit B of the Grant Agreement.