

*April 2011*

*CALIFORNIA NATURAL RESOURCES AGENCY*

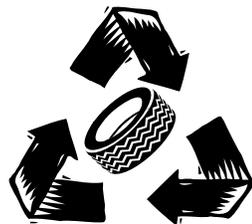
*DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY*

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TIRE-DERIVED PRODUCT BUSINESS ASSISTANCE PROGRAM  
GRANT APPLICATION APPENDIX

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FISCAL YEAR 2010/11 (TBP4)



The Appendix accompanies the application, which contains program information, processes, examples, criteria, and definitions.

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The following parts of the Assistance Grant Agreement are available on the TBAP website:

Exhibit A — Terms and Conditions

Exhibit B— Procedures and Requirements

For More Information Contact:

Waste Tire Grant Programs [tiregrants@calrecycle.ca.gov](mailto:tiregrants@calrecycle.ca.gov) or (916) 341-6441

## PROGRAM INFORMATION

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### **Tire-Derived Product Business Assistance Program**

The Department of Resources Recycling and Recovery (CalRecycle) receives an annual appropriation from the California Tire Recycling Management Fund (Tire Fund) to administer the Tire Recycling Act (Act) (Senate Bill 937 [Vuich] Statutes of 1990, Chapter 35) and related legislation. As part of the Act, CalRecycle is offering the Tire-Derived Product Business Assistance Program (Program).

The Program seeks to improve the operational and cost efficiencies of tire-derived product (TDP) businesses by providing technical and consultative assistance. The available monies will be provided to Grantees through Contractor-provided assistance. The Program also seeks to expand market demand by emphasizing the development of new TDP products from existing businesses and/or the production of an existing product with recycled California tire rubber rather than virgin material.

### **Available Funds**

- Up to \$175,000 in assistance per eligible applicant. The minimum grant award for each eligible applicant will be \$50,000 in assistance. The specific assistance award will be based on the assessment.
- An estimated \$3,000,000 is available for grant awards.
- Additional funds are available for low-interest loans through the Recycling Market Development Zone (RMDZ) Program.

**CalRecycle reserves the right to not fund any particular project or any part of a project, or not to award any grants.**

If requests exceed available monies, first consideration will be given to applicants that did not receive a TBAP grant in Cycle 3 (Fiscal Year 2008/09). Second consideration will be given to feedstock conversion applicants. If there are more requests from applicants that have received a TBAP grant in Cycle 3 than remaining funds available, then the requests will be ranked by the number of PTEs diverted in 2010 and placed in descending order (starting with the greatest number of tires diverted) or the CalRecycle Grant Manager may elect to reduce the maximum award levels to accommodate all eligible grantees by ranking the categories of assistance requested, in consultation with the Contractor and the applicant, so that all the applicants receive assistance with their most pressing needs.

*Business assistance grants will be in the form of technical and consultative assistance rather than cost reimbursement.* Consult your attorney or tax advisor regarding any tax consequences associated with accepting the assistance grant.

## **Funding Award Level**

The maximum grant award amount (see chart below) is determined by the business category and PTEs diverted in the previous calendar year or the consensus estimate as described above. CalRecycle requires the business to provide supporting documentation (described in the Grant Application Appendix, Program Information) for the number of PTEs diverted.

<b>Business Category</b>	<b>Business Life</b>	<b>PTE in 2010</b>	<b>Award Based on \$x per PTE</b>	<b>Maximum Award</b>
Small	1 year or more	At least 5,000 to no more than 250,000*	\$1.50	\$175,000
Existing	3 years or more	At least 5,000*	\$.75	\$175,000
Conversion **	3 years or more	At least 5,000	\$5.00	\$175,000

\* 250,000 PTE for molded, extruded or other products; 500,000 PTE crumb rubber (less than ¼ inch) or coarse rubber (¼ inch to 1 inch for markets other than TDF or Civil Engineering) production; or 1,000,000 PTE for civil engineering applications.

\*\* Conversion to recycled rubber (currently manufacturing a product with virgin material and intends to convert to using recycled California rubber).

**In the case of expanding businesses or feedstock conversion projects, the PTE figure will be the Contractor's, CalRecycle Grant Manager's, and business representative's consensus estimate of annual PTE to be diverted upon project completion.**

There is no match requirement. However, it is expected that grant awards supplement, not supplant, existing business efforts.

## **Process**

### **Application Timing**

There will be one application period, from April 15—June 1, 2011, for 2010/11 fiscal year funding. The amount of the business assistance grants awarded to eligible businesses will be based on available funding, historical tire diversion, business category, and other factors approved by CalRecycle. Businesses may only be awarded a business assistance grant once in each 12-month period.

## Complete Application and Evaluation

After CalRecycle receives an Application, it will be evaluated for completeness (see Application Checklist ). Applications that do not contain the required information shall be considered incomplete and will be disqualified. Complete Applications will be reviewed to determine whether the applicant business is eligible, meets the threshold criteria approved by CalRecycle, to confirm the business category and make a preliminary determination of the maximum funding available .

## Assessment

The purpose of the assessment is to ensure that Program funds are used as effectively as possible to provide maximum assistance to each successful applicant. The goal is to reach consensus among applicants, CalRecycle Staff, and the contractor team on a specific action plan and budget for each firm.

The Contractor and the CalRecycle Grant Manager will review and analyze the application information for each business, visit the business location, and meet with the owner/management to determine the assistance needed. The Contractor will prepare an assessment detailing the identified assistance with cost estimates and will present the assessment findings to the business and CalRecycle Grant Manager, identifying and prioritizing assistance that will most benefit the business. Upon review of the assessment recommendations, the CalRecycle Grant Manager will have final authority regarding determination of the assistance and amount that will be authorized. The CalRecycle Grant Manager shall communicate to the Grantee the amount that will be recommended for approval.

Every eligible business will receive a General Business Needs assessment (GBNA). The cost for the GBNA will be paid from the Program contract and will not affect the amount of services provided. For example, if a business qualifies for \$175,000 of assistance, they will receive \$175,000 of assistance and the amount will not be reduced by the cost of the GBNA.

## Assistance

If awarded an assistance grant, assistance will be provided to businesses in a manner and timing consistent with the needs of the both the business and the Contractor in the most efficient and effective manner to minimize costs. After considering recommendations from the business and Contractor, the CalRecycle Grant Manager will have final authority to determine what assistance will be authorized.

The Contractor will provide the assistance within approximately 18 months from CalRecycle's approval of the business's grant award. The CalRecycle Grant Manager reserves the right to have the Contractor provide priority service to a specific business if there is an urgent business need. *In virtually every case, grantees will need to actively participate in assistance services provided by the Contractor.*

## **Application and Assistance Grant Agreement**

To enable Grantee businesses to begin receiving assistance more quickly than in past TBAP grant cycles, the Application and Assistance Grant Agreement have been combined. The Assistance Grant Agreement consists of the executed Assistance Grant Agreement Cover Sheet; the Application and Assistance Grant Agreement; the completed Application Cover page; the completed Business Description Questions and Answers; Applicant Declarations & Certifications; the Articles of Incorporation, By Laws, Partnership Agreements, etc.; Business Licenses and Fictitious Business Name Statement (if applicable); General Checklist of Business Permits, Licenses and Filings Form; Letter of Designation; the [Terms and Conditions](#) (Exhibit A), the [Procedures and Requirements](#) (Exhibit B), sample sales and other marketing materials, the Notice of Funds Available, and the Assistance Grant Appendix.

The Assistance Grant Agreement Cover Sheet , which must be signed by the signature authority for the applicant business, is included in the Application. If the applicant business is recommended for an assistance grant, a Work Plan and Budget that broadly describe the technical and consultative services to be provided to the applicant business, if awarded a grant, will be prepared. These documents will be incorporated as Amendments to Assistance Grant Agreement and must be signed by the signature authority. The Assistance Grant Agreement will be effective upon award by CalRecycle and upon execution by CalRecycle's Director or his designee.

**Please be sure to make a copy of your submission, as this will become your Assistance Grant Agreement if a grant is awarded by CalRecycle.**

### **PTE Diversion**

The Application requires businesses to provide supporting documentation for the number of PTEs diverted in 2010. Such documentation may consist of a letter, statement or account summary signed by the management of the California-based material supplier certifying and describing the type and number of pounds of material shipped to the applicant in 2010 and that the material is derived from 100 percent California-generated waste tires. Documentation of material consisting of California-generated waste tires, chips, shreds or other applicable material shipped to a business may come from haulers, suppliers, waste disposal locations and/or the California Used/Waste Tire Manifest Program. If a supplier's material is not derived from 100 percent California-generated waste tires, the supplier must indicate the appropriate percentage that is derived from California-generated waste tires.

All information provided is subject to verification/confirmation by CalRecycle. If the number of PTEs is overstated by more than 15 percent, it will be deemed a substantial and material overstatement and will result in disqualification of the application.

See the [Procedures and Requirements](#) (Exhibit B) for reporting requirements certifying the use of California-generated waste tires during the life of the grant cycle.

## **Indoor Flooring**

As noted in the 2003 Building Materials Emissions Study (BMES), the Chemical Emissions Study results showed that both Tire-Derived Rubber (TDR) and New Rubber (NR) flooring products emit a myriad of volatile organic compounds (VOCs). A minority of products released excessive amounts of chemicals. TDR flooring products designated for *interior-only* use are generally lower emitting; *exterior* products were frequently “super VOC emitters”. NR flooring products in this study emitted higher amounts of some chemicals than TDR products. Indoor modeling for these product emission rates indicated potential exposures near the cREL for acetaldehyde, benzene, formaldehyde, naphthalene, toluene, and xylene at 14 days. Potential exposures were generally not high among the *interior-only* products tested, and emission rates for most of these chemicals appear to decrease by the 28-day tests.

- A. Subject to VOC screening of specific products under the California Department of Public Health's *Standard Practice for the Testing of Volatile Organic Emissions from Various Sources Using Small-Scale Environmental Chambers* (CDPH Section 01350), TDR and NR flooring may be acceptable for indoor use, although products designated for *exterior* or *exterior-interior* use should generally be avoided (indoors).
- B. TDR and NR flooring can emit high levels of chemicals that do not have health-based guidelines or standards, and occasionally, some major constituents are not readily identifiable by routine analytical methods. Because of these characteristics, consideration should be given to setting an allowable limit for “total” VOC emissions for rubber flooring (both TDR and NR) to be used indoors (e.g., as used in *Greenguard* IAQ certifications), as a supplement to CDPH Section 01350 VOC screening and acceptance criteria.
- C. Pre-occupancy *flush out* (or off-site pre-conditioning) is appropriate when TDR and NR flooring products are used indoors. Data suggests that most chemicals emissions are substantially reduced after 28 days; however, substantial emissions of several compounds remained through the 90-day conditioning period. This raises concerns about “new” rubber flooring products impacts (e.g., sensory) persisting past installation.
- D. The inconsistent presence of a few chemicals (e.g., benzene) suggests occasional reliability problems for crumb rubber or processing chemicals sources. Manufacturers should screen sources of rubber and solvents used in rubber-flooring manufacturing for contaminants that are not essential to production.

1) California Department of Health Services, 2003. [\*Building Materials Emission Study. Report to the California Integrated Waste Management Board \[now California Department of Resources Recycling and Recovery \(CalRecycle\)\]\*](#)

2) California Department of Public Health, 2011. [\*Tire Derived Flooring Chemical Emissions Study: Laboratory Study Report. Report to California Department of Resources Recycling and Recovery \(CalRecycle\)\*](#)

## **Reporting**

In order to evaluate the effectiveness of the Program, the Assistance Grant Agreement requires businesses to provide annual information to CalRecycle for five years after the assistance grant term ends. Company information will be collected by CalRecycle Program staff, aggregated, and released in a manner so as not to reveal confidential business information.

## TIRE-DERIVED PRODUCT BUSINESS ASSISTANCE PROGRAM MILESTONES

**Table: Tentative Timeline FY 2010/11**

DATE	ACTIVITY
November 16, 2010	CalRecycle approves changes to eligibility
April 15, 2011	Notice of Funds Available posted on CalRecycle's website
April 15, 2011	Application posted on CalRecycle's website
April 15-May 6, 2011	Question and Answer Period
Ongoing with final update on or about May 13, 2011	Question and Answer Posting
June 1, 2011  June 1, 2011, 3:00 PM	<p><b>Application Deadline</b></p> <p>Applications sent by U.S. Postal Service must be postmarked by this date</p> <p>Hand-delivered applications must be received by this date and time, as specified in the application</p>
September 20, 2011	Grant Awards and funding recommendations will be announced
September 20, 2011	Business Assistance Grant Agreements in effect when CalRecycle Director executes Grant Agreements.
September 20, 2011—April 15, 2013—	Assistance Grant term.

### Other Requirements

**All grantees are required to comply with all provisions contained in the Business Assistance Grant Agreement, which must be fully executed prior to receiving assistance.**

## CONFIDENTIALITY

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We appreciate your need to treat certain documents provided to CalRecycle as confidential. This section describes what is considered “confidential or proprietary information” (also known as “trade secrets”) under the California Public Records Act (Govt. 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 this application that are clearly marked, on each page, "confidential/proprietary information" will be handled 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/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 Applicant Declaration and Certification 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 internal or Program procedures will keep information confidential?**

Financial information will be analyzed by staff from the Recycling Market Development Zone (RMDZ) Loan Program, kept confidential, and will be maintained in a locked cabinet with restricted access. Grantee businesses will agree to provide specific key financial information for five years to develop benchmarks to evaluate Program and industry performance. The Public Records Act only applies to records maintained and retained by CalRecycle. Therefore, when an individual business's financial information is no longer needed to provide the services offered under the Program, it will be destroyed, thus ensuring confidentiality.

The Contractor, and every member of the Assistance Team, is bound by a confidentiality agreement that prohibits them from disclosing any financial or competitive information. Appropriate financial information will be reviewed by specific members of the Contractor Assistance Team (Team) on a need-to-know basis. The Contractor, and any member of the Team in physical possession of any business's financial information, is contractually required to maintain such information in a secure manner that ensures that access is limited only to those individuals who need the information to fulfill their functions within the Team.

Only the Team members responsible for providing relevant business assistance, including but not limited to, strategic planning or identifying possible adjustments to optimize the business's financial structure, will have access to appropriate financial information. Those Team members that provide technical, marketing, equipment selection, testing and certification or other types of assistance do not have a "need-to-know" and would not have access to the financial information.

## LETTER OF DESIGNATION AND EXAMPLE

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The grant application package must include an authorizing document from the applicants' governing body, owner, or chief executive, authorizing submittal of an application for the Tire-Derived Product Business Assistance Program Grant and identifying the title(s) of the individual(s) and the position title of the official authorized to execute all grant-related documents, including the Grant Agreement.

Please select the authorized representative carefully because this will be the only person whose signature will be accepted by CalRecycle on the Grant Agreement and Payment Requests.

### Authorizing Document Example

Sample Authorizing Document (Private entity -- provided as an example, only. Do not submit this sample.)

[Letterhead – applicant's address should also be shown in letter]

Date

CalRecycle

Tire-Derived Product Business Assistance Program

PO BOX 4025, MS#9A

Sacramento, CA 95812

To Whom It May Concern:

Enclosed is an application for the 2010/11 Tire-Derived Product Business Assistance Program. The (name of company) is a (type of entity) based in (City, State) that (describe main products or services provided).

By submitting this application, I certify that this document and all attachments were prepared under my direction, and hereby certify under the penalty of perjury under the laws of the State of California that the information submitted is true and accurate to the best of my knowledge and belief.

I NAME OF SIGNATURE AUTHORITY, have authority to execute a binding agreement on behalf of (name of company). [In addition to myself, I authorize the following individual to sign other official correspondence relating to this project:

Name & Title

Name of Company

Mailing Address

City, State, Zip Code

Telephone Number (Optional]

Sincerely,

John Doe

Title

Name of Company

## DEFINITIONS

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**Applicant**—the business submitting an application requesting assistance grant.

**Assistance Grant Agreement**—See Grant Agreement.

**Assistance Team**—the CalRecycle Grant Manager, the Contractor and/or any of its subcontractors.

**Authorized Signature**—the signature of the person authorized (by position title) by the applicant's owner or chief executive to execute in the name of the company all necessary applications, contracts, agreements, and amendments for the purpose of securing grant assistance and receiving assistance under the Program, and to implement and carry out the purposes specified in the grant application.

**Business Description**—a comprehensive description of a business, its products, production, sales, and all other relevant areas.

**CalRecycle**—refers to the Department of Resources Recycling and Recovery

**Competitive Grant**—an award of money or technical or consultative assistance for which applicants compete.

**Confidential Information**—information that includes, 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](#).

**Contingency**—an unforeseen event. Contingent expenses are those used for unexpected conditions.

**Contractor**—the consultant that is responsible for evaluating applicant businesses and delivering technical and consultative services to Grantees under the Tire-Derived Product Business Assistance Contract.

**Cost Savings**—in-kind services, re-use and recycling options, and use of pre-existing promotional materials, etc.

**Criterion**—a rule for evaluating; a standard of judgment.

**Endorsement**—written approval or sanction.

**Environmental Justice**—"The fair treatment of people of all races, cultures, and income with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies" {Government Code § 65040.12(e)}. (revised March 23, 2009)

**Environmentally Preferable Purchases and Practices Policy**— "Environmentally preferable purchasing (EPP)" as defined in PCC section 12400 means "the procurement or acquisition of goods and services that have a lesser or reduced effect on human health and the environment when compared with competing goods or services that serve the same purpose. This comparison shall take into consideration, to the extent feasible, raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, disposal, energy efficiency, product performance, durability, safety, the needs of the purchaser, and cost." In other words, EPP considers, among other things, the environment, performance and cost."

**Estimate**—a written statement of the approximate charge for the work to be done, submitted by a person, or company ready to undertake the work.

**Evaluation**—to determine the significance or quality of; to assess methods used to measure the success of the project.

**General Business Needs Assessment (GBNA)** —the written assessment performed by the Assistance Team of the Applicant.

**Goal**—an object or end one tries to attain.

**Grant Manager**—CalRecycle staff responsible for administering the TBAP technical assistance grants.

**Grantee**—the term used to refer to the business after it has been awarded a grant by CalRecycle and the Assistance Grant Agreement has been fully executed by both the business and CalRecycle.

**Grant Agreement**—a legal, binding document that includes a cover sheet, terms and conditions, procedures and requirements, attachments, and is signed by both the grantee (with designated signature authority) and CalRecycle's Executive Director or his designated signatory.

**Grant Award**—amount of assistance awarded by CalRecycle consistent with the GBNA.

**Need**—a condition requiring supply or relief.

**Objective**—a measurable target that must be met on the way to attaining a goal.

**Primary Contact**—the main person with whom the CalRecycle Contract Manager will communicate regarding questions, requests, and clarifications.

**Program**—the Tire-Derived Product Business Assistance Program.

**Qualifying Indian Tribe**—means an Indian tribe, band, nation or other organized group or community, residing within the border of California, which: 1) is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians; or 2) can establish that it is a governmental entity and which meets the criteria of the grant program.

**Quote**—to provide in writing the current or market price of a service, supply, materials, or piece of equipment.

**Recycle**—to treat or process used or waste material so as to make it suitable for re-use or a new use.

**Recycled-Content Material (Recycled Product)**—as defined in PCC, Section 12200(a) (1). All materials, goods, and supplies, no less than fifty (50) percent of the total weight of which consists of secondary and post-consumer material with not less than ten (10) percent of its total weight consisting of post-consumer material. A recycled product shall include any product that could have been disposed of as solid waste having completed its life cycle as a consumer item, but otherwise is refurbished for reuse without substantial alteration of its form.

**Recycled-Content Purchasing Directive**—an administrative order, policy, or memo instructing the purchase of recycled-content products.

**Recycling Program**—a plan of action to accomplish recycling and/or to create awareness of the importance of recycling.

**Reference**—a formal statement regarding a person's or organization's character or experience.

**Resolution**—a formal authorization of opinion, support or intention made, usually after voting by a formal organization.

**Resume**—a brief written account of personal, educational, and professional qualifications and experience.

**Secondary Contact**—the alternate person (if the primary contact is not available) with whom the CalRecycle Contract Manager will communicate regarding questions, requests, and clarifications.

**Secondary Material**—as defined in PCC 12200(c) "...fragments of unfinished products or finished products of a manufacturing process that has converted a resource into a commodity of real economic value, and includes post-consumer material, but does not include excess virgin resources of the manufacturing process." The material (product) did not get to the consumer before being recycled.

**Task**—the specific activities conducted to complete a project.

**Timeframe**—a period of time during which something has taken or will take place; the project beginning and ending date required to complete the project or task.

**Total Grant Request**—the amount of the grant funds requested.

**Unmet Need**—a lack of service, equipment, funding, or facility to fulfill the project.

**Used Tire**—means a tire that meets all of the following requirements:

1. The tire is no longer mounted on a vehicle but is still suitable for use as a vehicle tire;
2. The tire meets the application requirements of the Vehicle Code and Title 13 of the California Code of Regulations; and
3. The used tire is stored by size in a rack or a stack, but not in a pile, in a manner approved by the local fire marshal and vector control authorities and in accordance with the state minimum standards. The used tire shall be stored in a manner to allow inspection of each individual tire.

**Volunteer Labor**—work produced by a person or persons willingly and without pay or compensation.

**Waste Tire**—a tire that is no longer mounted on a vehicle and is no longer suitable for use as a vehicle tire due to wear, damage, or deviation from the manufacturer's original specifications. A waste tire includes a repairable tire, scrap tire, and altered waste tire, but does not include a tire derived product, crumb rubber, or a used tire that is organized for inspection and resale by size in a rack or a stack in accordance with Public Resources Code Section 42950(k).

**Work Plan**—the detailed listing of all tasks (and sub-tasks) necessary to provide the Grantee with the assistance identified in the GBNA and approved by CalRecycle.