



DEPARTMENT OF CONSERVATION

DIVISION OF RECYCLING

801 K STREET • MS 19-01 • SACRAMENTO, CALIFORNIA 95814

PHONE 916 / 323-3836 • FAX 916 / 327-2144 • TDD 916 / 324-2555 • WEBSITE conservation.ca.gov

NOTICE

April 2, 2008

TO: All Interested Parties

**SUBJECT: 2008 Beverage Container Recycling
Market Development & Expansion Grant Program Solicitation Notice**

The Department of Conservation (Department) invites all private businesses, non-profit organizations, cities, counties, joint powers authorities, universities, tribes, and state or federal government organizations to submit applications for the 2008 Beverage Container Recycling Market Development & Expansion Grant Program.

Public Resources Code (PRC) Section 14581 (a)(11) authorizes the Department to issue up to \$20 million annually, until January 1, 2012, in grants for beverage container recycling market development and expansion-related activities, including research and development for sustainable products or packaging.

The primary goals of this grant program are to improve the California Refund Value (CRV) beverage container recycling rate in California and to encourage programs to achieve sustainable containers, packaging materials or systems, and reduce greenhouse gas emissions by improving the sustainability of these containers, packaging materials or systems. The Department seeks innovative, but realistic projects that: (1) create market opportunities for new, sustainable products or packaging made from recycled beverage container materials; (2) expand market-related activities for existing products made from recycled beverage container materials; (3) improve the quality and supply of beverage container material feedstock for use in manufacturing sustainable products or packaging; or (4) create market opportunities for new, sustainable beverage packaging. The Department is also interested in new job creation associated with such projects, including new jobs for youths and/or graduates of the California Conservation Corp or Local Conservation Corp.

The 2008 Container Recycling Market Development & Expansion Grant Solicitation, Questions and Answers, and example Grant Agreement Terms and Conditions may be viewed and downloaded from the Department's website at <http://www.consrv.ca.gov/dor/grants/rmdeg.htm>. If you do not have Internet access, please contact the person listed below for a paper copy.

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Market Development & Expansion Grant Program Solicitation Notice
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While Department staff cannot directly help you complete an application, the Department has posted Questions and Answers on the website to assist you. This document will be updated periodically until May 30, 2008.

Phase 1 – Concept applications must be *received* by the Department by **5:00 P.M. Monday, May 12, 2008**. Any applications received after this time and date will not be considered. Please carefully follow all instructions, as incorrect filing could disqualify an application without notice from the Department.

For general questions about the Beverage Container Recycling Market Development & Expansion Grant program, please contact Karla Haas at (916) 323-5878 or Karla.Haas@conservation.ca.gov

Sincerely,

Stephen M Bantillo
Assistant Director for Recycling



2008

Beverage Container Recycling Market Development & Expansion Grant Solicitation



PHASE 1 CONCEPT PACKAGE APPLICATION

The California Department of Conservation (Department) is making up to \$20 million available to promote beverage container recycling market development and expansion-related activities throughout California, pursuant to Public Resources Code (PRC), Division 12.1, Chapter 7, Section 14581(a)(11).

Organizations interested in applying must submit a **PHASE 1 - CONCEPT package** application to the Department by **5:00 P.M., May 12, 2008** in order to be considered.

BACKGROUND

Through the Division of Recycling, the Department administers the California Beverage Container Recycling and Litter Reduction Act (Act) which governs the recycling of California Refund Value (CRV) beverage containers. The goal of the Act is to achieve an 80 percent beverage container recycling rate in California and reduce litter in the State. The Department also supports efforts to reduce greenhouse gas emissions, such as those exemplified in the California Global Warming Solutions Act of 2006 (Chapter 488, Statutes of 2006).

GRANT FOCUS

The grant program aims to increase the beverage container recycling rate in California and reduce greenhouse gas emissions by improving the sustainability of containers, packaging materials or systems. The Department seeks innovative, but realistic projects that (1) create market opportunities for new, sustainable products or packaging made

from recycled beverage container materials; (2) expand market-related activities for existing products made from recycled beverage container materials; (3) improve the quality and supply of beverage container material feedstock for use in manufacturing sustainable products or packaging; or (4) create market opportunities for new, sustainable beverage packaging. The Department is also interested in new job creation associated with such projects, including new jobs for youths and/or graduates of the California Conservation Corp or Local Conservation Corp.

This grant program primarily addresses manufacturing and processing rather than collection activities. Certain broad collection functions, such as technology improvements at material recovery facilities or new methods for curbside collection that result in higher quality feedstock for manufacturers, may be considered. However, projects focusing narrowly on collection, such as purchase of recycling bins without consideration for the end-use of recycled CRV materials, will not be funded. (Note the Department also administers other grant programs that do focus on collection. See <http://www.conservation.ca.gov/DOR/index.htm> under the "Grants" link.)

Desirable projects may include, but are not limited to:

- Packaging or product sustainability. These projects promote the best outcomes for the human and natural environments both now and into the indefinite future. To the extent possible, successful projects will document minimal consumption of natural resources; reuse or recycling of all



waste; minimal emissions beyond what ecosystems can break down and harmlessly recycle; efficient use of energy; and reliance on clean and renewable energy. These projects will demonstrate a clear reduction in the direct and indirect factors that lead to greenhouse gas emissions.

- Research, development, and demonstration for sustainable products using recycled beverage container materials.
- Research to reduce the impacts of beverage containers or products made from beverage container materials on human and natural environments, including measurable reductions in greenhouse gas emissions.
- Research on system-wide improvements to sustainable processing and manufacturing.
- Research supporting a “product stewardship” approach to improved beverage container recycling. Product stewardship calls on those in the product life cycle – manufacturers, retailers, users and disposers – to share responsibility for reducing the environmental impacts of products.
- Expansion of current markets for recycled beverage container materials. Successful projects will document increases in beverage containers recycled or materials used, and jobs created. Examples include equipment to increase recycled-content manufacturing capacity or material processing yields, or technology upgrades to allow greater use of recycled materials.
- Supporting existing, new, and proposed recycled product manufacturers.
- Converting from virgin to recycled feedstock.

- Developing “best practices” in collection and processing that result in higher quality materials.
- Developing model practices that address barriers to the purchase of recycled-content and sustainable products or packaging, improve procurement specifications, or increase market leverage for “buying recycled”.
- Improving state-of-the-art equipment for processing and manufacturing with recycled beverage container materials, including enhanced energy and resource efficiency to reduce greenhouse gas emissions.

Certain qualities improve your chances of receiving an award, including but not limited to:

- Research or commercialization of sustainable containers, packaging materials or systems.
- Creative and innovative concepts with a well-demonstrated high likelihood of success, significantly increasing use of recycled CRV beverage containers.
- Use of partnerships, in-kind donations, and matching funds to leverage the scope, size, and duration of the project.
- A focus on an industry need and providing a benefit to an industry as compared to only the grant applicant.
- Elimination of barriers to using recycled beverage container materials.
- Sustainable, ongoing use of recycled beverage container materials.
- Commitment to long-term fiscal solvency after grant funding terminates.
- A system to track statistical data on baseline amounts and projected amounts of materials to be used (in pounds or tons, by material type).
- Commitments through the value chain from collection to processing to manufacturing with recycled beverage



containers that would minimize natural resources use and greenhouse gas emissions. Examples include, letters of commitment from business partners describing use of best available technology to reduce greenhouse gas emissions.

- To the extent possible, for manufacturing facilities include energy and mass balances.
- A system to measure baseline and projected environmental impacts of the project, including greenhouse gas emissions.
- Employ youths and graduates of the California Conservation Corp or Local Conservation Crop in the project.

WHO CAN APPLY?

Anyone can apply: individuals, cities, counties, joint powers authorities, universities, tribe, state or federal government agencies, private businesses, and non-profit organizations.

QUESTION / ANSWER PERIOD

Questions must be submitted in writing to Karla Haas at: Karla.Haas@conservation.ca.gov, or:

Department of Conservation
Division of Recycling
801 K Street, MS 17-24
Sacramento, CA 95814-3533

Attention: Market Research Branch, Karla Haas

Questions and answers will be posted periodically on the Department's Grants website at: (www.conservation.ca.gov/dor/grants/index/htm)

through May 9, 2008. These questions and answers will be mailed or faxed upon request for applicants without Internet access. After May 9, 2008 no other questions will be taken. Please note that questions should be general; questions about a specific project will not be answered.

APPLICATION PROCESS

The application process consists of two phases:

- **PHASE 1 – CONCEPT**
(DUE DATE: May 12, 2008)
- **PHASE 2 - FULL PROPOSAL**
(DUE DATE: August 22, 2008)
- In Phase 1 - CONCEPT, interested applicants will submit a Concept Summary. The Department will review and screen submissions and score each as "pass" or "fail".

In Phase 2 – FULL PROPOSAL, applicants whose concepts received a "pass" score in Phase 1 – CONCEPT will be invited to develop the concepts into full proposals. The evaluation committee will not review proposals received by the Department without going through Phase 1 - CONCEPT. **An invitation to submit a full proposal is not a guarantee of funding.**

The evaluation committee will review and score the Phase 2 – FULL PROPOSAL according to the Evaluation and Scoring Criteria. Final award selections will be made by the Director of the Department of Conservation from among the qualified applicants and may not be reflective of the relative scores of the Phase 2 – FULL PROPOSAL.



PHASE 1 - CONCEPT – MINIMUM REVIEW REQUIREMENTS

PHASE 1 REQUIREMENTS

To qualify for Phase 1 - CONCEPT, concept package applications must meet all of the following minimum requirements. **A concept package application consists of all required copies of the Concept Summary. Incomplete applications will be disqualified from further consideration in this grant cycle.**

- One original and six copies of the Concept Summary, for a total of **seven (7)**, must be received by the Department on or before **5:00 P.M., May 12, 2008**. Proposals can be submitted by mail or hand delivered. Do not send your completed concept package application electronically or by fax. Certified mail is recommended. However, the Department asks that applicants with email capability send an additional copy of the completed Attachment A, via email, to Karla.Haas@conservation.ca.gov. The Concept Summary is to be prepared with no special bindings or cover stock. The preferred method of binding is to be stapled in the upper left hand corner.
- The Grant Application Cover Page (Attachment A) must be signed by a person with authorization to bind the organization to a grant agreement. One original and six copies must be stapled on each of the seven proposals submitted.
- The Concept must focus **primarily** on CRV beverage container recycling and be within the specified grant focus.
- Applicants must be in good standing with the Department (no outstanding fines, penalties or audit findings due the Department).

NOTE: Exhibits 1, 2, 3, and 4 are **NOT** to be completed or submitted with the Phase 1 Concept Summary. These forms are to be completed and submitted **only** if you receive notification

from the Department that your Concept Summary has passed Phase 1.

PHASE 1 - CONCEPT SUMMARY - SCREENING CRITERIA

The evaluation committee will screen PHASE 1- Concept Summaries passing the initial minimum review. The review team will carefully consider responses to the information requested below. Applicants must provide sufficient information for screening of project outcomes. The Concept Summary must not exceed **four (4) pages printed double-sided on two sheets of paper** (not including Attachment A) with a minimum 10-point font, on at least 30% postconsumer recycled content paper.

- **Grant Application Cover Page (Attachment A):** Please complete entire form. On the Department's Grants website, Attachment A is provided as a Word document that can be completed electronically. The spaces in the form will expand as you enter information. If you do not have access to Microsoft Word, a hard copy of the form can be completed. The Concept Summary must be signed by a person with authorization to bind the organization to a grant agreement.

PROJECT DESCRIPTION

- Provide a brief summary of the project, including goals and objectives, type of recycled CRV material(s) or types of containers, packaging materials or systems addressed, and geographic area affected.
- Identify any partners involved, and describe the role of each in implementing the project.
- Discuss the anticipated length of the project and the approximate dates of major benchmarks to be accomplished.



- Describe your organization and explain the knowledge and experience that qualify it to conduct the project.

NEED

- Describe why the project should be funded and how demand for or use of recycled beverage container materials would be improved
- Identify any industry needs addressed and benefits to a specific industry. Explain how the proposal will reduce the environmental impacts of packaging or products into the indefinite future, including potential reductions in greenhouse gas emissions.
- Identify baseline conditions, market gaps and barriers to using beverage container materials and/or concerns with current containers, packaging materials or systems that the project would overcome. Provide evidence that supports the need for and potential outcomes from your project, such as government data, independent market analyses, public surveys, or other documentation. Include data by material type, if possible.
- Address the Department’s goals:** Describe how the project will encourage sustainable containers, packaging materials or systems; sustainable use of natural resources and reduction of greenhouse gas emissions; increase the CRV beverage container recycling rate; create California jobs (including jobs for youths and graduates of the California Conservation Corps or Local Conservation Corps); or reduce beverage container litter.
- Explain how the project will result in the reduction of greenhouse gas emissions. (Greenhouse gas emission: a gas, such as carbon dioxide, methane or nitrous oxide which has the potential to contribute to climate change.)

Example: This project will reduce greenhouse gas emissions by X tons per year by using collection trucks fueled by natural gas.

Example: We estimate this technology will reduce greenhouse gas emissions by X tons per year.

Example: The increase in recycling (or number of containers) is the equivalent of:

- Reducing X tons of greenhouse gas emissions
- Removing X passenger cars from the roadways per year
- Removing oil consumption by X barrels

Calculate the estimated amount of greenhouse gas emission reduction using the calculator on the California Environmental Protection Agency’s website:
<http://www.epa.gov/cleanenergy/energy-resources/calculator.html>

For more ideas on reducing greenhouse gas emissions visit the California’s Climate Change Portal website at:
<http://www.climatechange.ca.gov/index.html>

TENTATIVE SCHEDULE (Phase 1-CONCEPT)

April 2, 2008	Release solicitation and post on the web
Through May 9, 2008	Question and Answer Period
May 12, 2008	Phase 1 - Concept package due
June 30, 2008	Invite successful applicants to apply for Phase 2



PHASE 2 - FULL PROPOSAL INSTRUCTIONS

(Do NOT submit full proposal unless invited to do so)

PHASE 2 REQUIREMENTS

Successful Phase 1 applicants will be notified by the Department inviting them to submit a full proposal. A notice of applicants invited to submit a full proposal will also be posted on the Department's website at www.conservation.ca.gov/DOR/Grants/.

Applicants invited to submit a full proposal (Phase 2) must submit all of the following by the **August 22, 2008** deadline. **Incomplete full proposals will be disqualified from further consideration in this grant cycle.**

- **One original and six (6) copies:** Proposals can be submitted by mail or hand delivered. Do not send your proposal electronically or by fax. Certified mail is recommended. All copies must be double-sided on at least 30% postconsumer recycled-content paper, with a minimum 10-point font. The full proposal is to be prepared with no special bindings or cover stock. The preferred method of binding is to be stapled in the upper left hand corner.
- **Completed Grant Application Cover Page (Attachment A):** One original with original signatures and six copies attached to each of the proposals submitted. Include your grant identification number as shown in the Department's Invitation Notice. *Attachment A (as well as the Exhibits) are provided as Word documents that can be completed electronically. The spaces in the forms will expand as you enter information. If you do not have access to Microsoft Word, hard copies of the form can be completed.*
- **Project Narrative:** Clearly discuss your proposal in detail based on the Concept Summary you provided in Phase 1. List

each major project task from project inception to completion, with target dates at which progress can be measured. When applicable, identify project deliverables and key personnel for each task. The Narrative must not be more than twenty (20) pages of text printed double-sided on 10 sheets of paper and include, at a minimum, the following five sections:

- **Need:** Present detailed information about the need for the project, based on your narrative in the "Need" section in Phase 1 (Concept Summary). Provide additional data to support your assumptions, as appropriate.
- Explain how the market gaps and barriers you identify may impede achieving higher beverage container recycling rates or sustainable containers, packaging materials or systems.
- **Explain how the project will result in reduction of greenhouse gas emissions.** (Greenhouse gas emission: a gas, such as carbon dioxide, methane or nitrous oxide which has the potential to contribute to climate change.)
- **Goals and Objectives:** State what you plan to accomplish and a specific objective(s) to be achieved by the end of the agreement term, if applicable.

Example: *This research and development project will allow manufacturers to reduce their environmental footprint (goal) by eliminating all toxic solvents currently used in the production process (objective).*

Example: *This project will allow our company to convert from using virgin feedstock to recycled beverage container material (goal) and use X tons*



per year to manufacture our product (objective).

Example: This project will allow our company to reduce greenhouse gas emissions impacts of our manufacturing plant (goal) by the equivalent of X tons per year of carbon dioxide emissions (objective).

The objective must be supported with baseline data (e.g., feedstock volumes used at current production capacity and projected volumes to be used). If volume-based targets are not applicable (such as for technology research and development and other sustainability proposals), specify performance measures to achieve.

- **Strategies for Effective Projects:** List the strategies you will use to achieve your goal(s). Support your strategies with baseline data. Identify when and how the data will be collected, and by whom. Explain how you will evaluate achievement of your goal.
- **Example:** *The proposed research, if successful, will allow manufacturers to reduce the environmental effects of PET blow molding by improving energy efficiency by X% annually and by reducing waste in the manufacturing process by Y% annually.*

Example: *The goal will be achieved by 1) installing state-of-art manufacturing equipment [specify] to blend recycled #2 HDPE resin with virgin resin in [specify products]; 2) increasing the percentage of recycled resin from X% to Y% in pilot runs over Z months; and 3) incorporating Y% recycled-content regularly in products by [specify date].*

Example: *The new equipment purchased under this grant will improve our processing capacity and performance. The new equipment will handle X tons per hour with XX% loss,*

compared to Y tons per hour and YY% loss with our current system. This will allow us to achieve our goal of processing XXX tons more recycled beverage container material per year.

Example: *In addition to the direct recycling benefits identified above, the new equipment (or strategy) will reduce our monthly energy use from X kilowatt hours (or therms or dollars, etc.) per month to Y kilowatt-hours (or therms or dollars, etc.) per month, a savings of Z%. We estimate this will reduce our carbon footprint by the equivalent of XX tons annually of carbon dioxide emissions.*

- **Applicant commitment:** Provide a detailed summary of all commitments, efforts, and financial resources that will ensure long-term solvency after grant funding terminates. Proposals identifying the ongoing operational costs and the ability to cover these costs in future years without additional Department grant funding will receive the highest scores in this area. Failure to adequately address long-term solvency may result in projects not being funded, regardless of their overall score. If applicable, attach letters of financial commitment from partners or investors to the proposal. Provide a summary of the capacity and stability of any impacted industries or markets and discuss if the proposed project improves market stability or directly competes with current adequate or under-utilized market capacity.
- **Applicant Qualifications:** Provide a brief summary of your organizational strength. Explain how your organization has the background, experience, capacity and staff resources necessary to successfully implement projects of this magnitude. Include a description of the organization's strengths based on organizational structure and position in industry. If applicable, provide a brief



description of projects previously funded by the Department and the success of these projects.

- **Financial Qualifications:** Provide a *brief* summary of your organization's financial strength. The preferred format to illustrate financial strength is a summary financial statement, including income statements and balance sheets from the last three fiscal years. Financial information shall not exceed seven (7) pages in length (six pages for income statements and balance sheets, printed double-sided on 3 sheets of paper, and a one page summary explanation). *Do not* submit complete audited financial statements. The Department will consider the size and nature of the grant request in relationship to the overall financial stability of the organization.
- **Project Budget (Exhibit 1):** Complete the Budget page and attach a maximum one (1) page budget narrative explanation and justification to explain line items. All line items should be justifiable, reasonable, and cost-effective when compared to the project goal. If staff benefits are usually paid to staff employed in the organization, benefits may be allowed in the budget for proposed new staff.

If the Full Proposal Project Budget has a total project grant funds requested amount that is different from the Concept Summary, it will be assumed to be a different project and will be disqualified.

Projects that are researching and developing new containers, packaging materials or systems should provide for a budget commitment that will measure the success of the research being conducted and the market feasibility of commercializing the item.

Applicants are strongly encouraged to request funds for costs relating to

project start-up and not for ongoing operation, salaries, or maintenance. Projects that demonstrate the highest likelihood of operating beyond the grant period without additional funding from the Department will receive funding preference. Applications requesting high percentages of funds for salary/wages must demonstrate how the project will continue in the absence of these funds at the end of the grant term.

Be specific as to the types of equipment requested. Applicants are encouraged, but not required, to contact multiple vendors to evaluate equipment and to obtain a minimum of three (3) bids for products and services over \$500. Applicants should retain copies of all bids for review if the grant is awarded. Generic (non-specific) line items such as "overhead expenses" or "administrative costs" will not be allowed. Preference will be given to equipment manufactured from recycled beverage container material, if applicable. (Please submit evidence from the vendor or other source indicating the percentage of recycled/post-consumer content.)

Budgetary contributions (matching funds and in-kind services) should be listed by line item. Provide justifications for the value of "in-kind" services and identify sources of funding for all leveraged resources.

- **Project Schedule (Exhibit 2):** The Project Schedule must list each of the project tasks as described in the Project Narrative and illustrate the duration of each task. The expected project start date is December 31, 2008. Projects must be at least six (6) months in duration, and may not exceed three years (36 months) duration. The Project Schedule must include time for evaluation and data reporting to the Department.



- **Project Estimated Impacts (Exhibit 3):** These estimates will be used as a scoring tool to assist the Department in evaluating grant proposals. The Department understands that calculating impacts may require order-of-magnitude estimates and projections on the part of the applicant. You may attach an additional sheet to Exhibit 3 if necessary.

Section 1 - *For projects that directly develop or expand markets for beverage container materials.* Such projects use available technology or equipment to increase the use of recycled materials. The increase in material volume and jobs will begin to be realized during the one- to three-year life of the grant project. The applicant should include an explanation of the assumptions and forecasts used to calculate the recycling impacts and jobs impact. The estimated impacts must be reasonable (within an order-of-magnitude) and clearly explained and justified on Exhibit 3. The scoring of the estimated impacts will be based not only on the magnitude of the final estimates but also on the reasonableness of the assumptions the estimates are based upon.

In Item A, identify the total grant request (do not include matching funds).

In Item B, provide an estimate of the annual additional number of beverage containers recycled each year as a result of the grant project. This figure should be the applicant's best estimate of the recycling impact, on an annual basis, once full project impacts are realized. For example, if the first year expected impact is only 5,000 containers, but by year three and after, the expected impact is 20,000 containers, use the latter figure. The Department realizes that for many projects it will be difficult to identify an accurate estimate of the additional number of containers recycled each

year. However, an important goal of this grant program is to increase beverage container recycling in California. Thus, it is important that each applicant is able to relate the impacts of their project to this State goal, even if the figures are projections that may only be accurate on an order-of-magnitude basis. If the project indirectly impacts recycling (for example, an end-use project that is projected to use 2 million PET containers a year), the applicant must provide a reasonable estimate of the actual impact on additional containers recycled as a result of the new market for those containers provided by the project.

In Item C, provide an estimate of the annual number of new jobs created in California as a result of this grant project. This figure should be the applicant's best estimate of the number of new California jobs, on an annual basis, once full project impacts are realized. The number of jobs should be based on full-time equivalents.

In Item D, calculate the recycling impact, "A" divided by "B". Example: *The project anticipates resulting in an additional 500,000 containers of PET plastic #1 beverage containers recycled annually with an initial investment of \$100,000 in grant funds, equating to a cost of \$0.20 per container.*

In Item E, calculate the jobs impact, "A" divided by "C". Example: *The project anticipates creating 5 new full-time annual jobs in California with \$100,000 in grant funds, for a cost of \$20,000 per job created.*

In Item F, identify the first calendar year that the recycling and jobs impacts in B and C are expected to be fully realized.

In Item G, identify the number of years that the recycling and jobs impacts will continue. For some grant projects, the recycling and jobs impacts may only be



realized during the time of the grant subsidy; for other projects, the impacts may be ongoing beyond the terms of the grant. Again, provide the best possible estimate for this item.

In Item H, use the space provided to explain the assumptions, projections, and extrapolations used to develop the estimate of beverage containers recycled in Item B and the estimates of new jobs in Item C. What is the applicant's level of confidence in the accuracy of these numbers? What are the factors that could influence these estimates upwards or downwards?

Section 2 - For research-based projects to improve sustainable containers, packaging materials or systems. Such projects explore *new* technology, equipment or systems to increase the sustainable use of recycled beverage container materials, or provide data to better understand the environmental impacts of materials. A direct increase in material volume may not be realized by the end of the one- to three-year grant project, but the applicant should provide reasonable estimates of the long-term impacts of the project, given current or projected data. The applicant should explain the assumptions used to calculate environmental impacts. Explain how your project will lead to reduced energy use and greenhouse gas emissions, improved resource efficiency, or other factors that will enhance container, packaging materials or system sustainability. How will you measure your success? What assumptions, projections, and extrapolations will support these measures? The Department realizes some measures may be well established (such as kilowatt-hours of electricity consumed per unit produced) while other impacts may be more difficult to quantify (such as life-cycle air

emissions of a new manufacturing process).

- **Proof of organizational status and authority (if applicable):** Provide one copy of your partnership agreement (if a partnership) or Articles of Incorporation or Organization (if a corporation or limited liability company), and proof of nonprofit status if a nonprofit organization. (Acceptable proof is the letter from the United States Internal Revenue Service or California Franchise Tax Board granting nonprofit status under 26 USC, 501 (c) or (d) or Section 23701 of the Revenue and Taxation Code). Governmental agencies are not required to provide proof of nonprofit status. City, county, and other government applicants will need to provide an approved resolution (can be provided immediately after a grant application is submitted and must be received prior to any funds awarded). Provide one copy of any current fictitious business name statement and business license, if applicable. In order to reduce costs and paper, do not include copies of these documents in the six copies of the proposal that you provide the Department. Do not send the entirety of the organization's articles of incorporation.
- **Supporting Documents: (Exhibit 4):** You should describe and justify your project within the limits mentioned above. However, you may need to provide special supplemental or confidential information to support your proposal. **Supplemental and confidential material must be included in Exhibit 4 only. This section must be bound separately from the rest of the application, and seven (7) copies must be provided.** Supplemental and confidential materials are to be prepared with no special bindings or cover stock. The preferred

method of binding is to be stapled in the upper left hand corner.

Exhibit 4 should *not* be used to provide additional project narrative or information on the qualifications of the applicant. Limit Exhibit 4 materials to the following types (other information will not be considered):

❖ Diagrams and Exhibits

If applicable, provide diagrams or charts of equipment or systems, not to exceed two (2) pages.

❖ Technical information

Useful technical information or published research papers that are necessary to support or explain the technical, economic, and market feasibility of the grant project.

❖ Confidential information

Confidential information on research methods, processing, production, or other aspects of the grant project. Confidentiality procedures are described below and must be followed. After award, grant applications become public information. While the Department discourages the inclusion of confidential information in grant applications, if the applicant feels it necessary to provide such information, it must be clearly labeled on each page as confidential and must be included only in Exhibit 4.

Confidentiality requirements:

The Department realizes that applicants may find it necessary to deliver proprietary or other information to the Department in order to adequately explain a project, and applicants may not want that information to become a public record. The applicant may submit a request for confidentiality to the Assistant Director of Recycling indicating that specified material submitted be designated confidential

and not publicly disclosed. Use the space provided in Exhibit 4 to describe the confidentiality request. If confidentiality is granted, the material will not be disclosed to the general public unless so ordered by a court of competent jurisdiction.

All confidential material must be contained in Exhibit 4 on pages separate from non-confidential material and stamped “CONFIDENTIAL” on each page. Only confidential material may be included on stamped pages and no confidential material may be included on pages that contain non-confidential material. Cross-reference each confidential item and the area of the application to which it is related. In the space provided on Exhibit 4, state the length of time the information should be kept confidential and provide justification for the length of time. Cite and discuss provisions of the Public Records Act (California Government Code 6250 et seq.), or other law, which allows the Department to keep the information confidential and the public interest is not harmed by non-disclosure of the information. If the applicant believes that the information should not be disclosed because it contains trade secrets or its disclosure would otherwise cause loss of a competitive advantage, the request shall also state the specific nature of the advantage and how it would be lost, including the value of the information to the requesting party and the ease or difficulty with which the information could be legitimately acquired or duplicated by others.

In Exhibit 4 state whether, and how, the information is kept confidential by the applicant and whether it has ever been disclosed to a person other than an employee of the applicant, and if so, under what circumstances.

The certification in Exhibit 4 must be executed by the person primarily responsible for preparing the application. Specify whether the applicant wishes the information returned or retained by the Department upon a denial of confidential designation.

Information returned to the applicant will not be considered or reviewed as part of the



application. Information retained may be subject to disclosure as a public record.

HOW TO SUBMIT PHASE 2 - FULL PROPOSAL

The full proposal is to be received at the following address no later than 5:00 P.M. August 22, 2008:

Department of Conservation
Division of Recycling
801 K Street, MS 17-24
Sacramento, CA 95814-3533
Attention: Market Research Branch

It is the responsibility of the applicant to ensure the Department receives a complete proposal by the deadline.

TENTATIVE SCHEDULE (Phase 2)

August 22, 2008	Full proposals due
August 27, 2008	Evaluation committee convenes to review proposals and recommend funding
October 24, 2008	Awards announced
December 1, 2008	Grant Agreements are in effect.

GRANT ADMINISTRATION

Grants awarded by the Department are administered through a grant agreement. Grant agreements consist of standard language, a project summary, project budget, and project schedule with measurable milestones.

Department policy discourages any changes to the standard language; only the most critical of circumstances will be considered adequate to justify any modification. A sample grant agreement can be downloaded from the Department Grants website at (www.conservation.ca.gov/dor/grants/index.htm)

All expenses incurred by the grantee are reimbursed in arrears, based on actual costs and require compliance with the grant agreement. **Advance payments of grant funds are not allowed.** Expenses incurred prior to the effective date of the grant agreement or after the closing date of the grant agreement are not reimbursable. The Department will retain ten percent of each grant progress payment until all tasks outlined in the grant agreement are completed. Final payment of the withheld funds will be made only after approval of a project final report.

As a condition for receiving grant funds, grantees must comply with all certification, registration, or permit requirements, if any, for the projects implemented with grant funds. The Department will not release funds for equipment or facility improvements unless the Grantee has submitted evidence that all applicable permits have been received or are pending final inspection. Grantees are required to submit status reports, including volume information for all CRV materials used. When possible, grantees must purchase recycled-content products in accordance with Department purchasing goals.

FULL PROPOSAL EVALUATION AND SCORING CRITERIA (Phase 2)

Proposals will be reviewed and scored by an evaluation committee according to the criteria below. Scores will be based on the merits of the information submitted in the proposal package. **Information provided by the applicant after the final filing date of August 22, 2008 will not be accepted or considered.**

The evaluation committee members may modify proposals in the evaluation process. The score from the evaluation committee will include a recommended funding level for each proposal being awarded. Grants recommended for funding must receive final approval by the Department Director.

EVALUATION AND SCORING CRITERIA (Phase 2)

15%	<p>Quality of Proposal: Project is well planned and the description succinctly and clearly defines the tasks to be performed from beginning to end and the resources required. The Project Narrative and Exhibit 2, Project Schedule lists major milestones for the Department to evaluate progress. Proposal identifies all permits, certifications, and/or registrations required. If applicable, partnerships to maximize the scope and depth of the project are described and documented via letters of financial commitment.</p>
15%	<p>Need: Proposal clearly describes why the project is needed and how it will benefit beverage container recycling in California. Demonstrates an industry need and how it will benefit a specific industry or achieve sustainable containers, packaging materials or systems. Addresses barriers and obstacles to using recycled CRV beverage container materials. Identifies significant market potential for using or improving processing of recycled CRV materials. Provides sufficient evidence and reliable data to support the need statement(s). Explains how the project results in the reduction of greenhouse gas emissions.</p>
15%	<p>Proposed Effectiveness: Project goal is clearly presented and includes relevant strategies for achieving the goal and is supported with baseline data. The goal is relevant and realistic for the identified need(s). The proposal includes a clear description of the data to be collected, by whom, how, at what frequency and how they will be analyzed to evaluate achievement of the goal. The project is innovative and will provide support for existing, new, and proposed recycled product manufacturing or improved processing of beverage container materials. For <i>projects that directly develop or expand markets</i> (see Exhibit 3), estimated additional beverage containers recycled and jobs created are reasonable compared to the project goals and funds requested. For <i>research-based projects to achieve sustainable containers, packaging materials or systems</i> (see Exhibit 3), estimates of natural resource consumption, greenhouse gas emissions, energy efficiency, jobs created and other measures are reasonable compared to the project goals and funds requested.</p>
10%	<p>Budget: All project costs are identified and reasonable and are consistent with the scope of the project. Line items are clearly described and justified. Budget clearly describes all matching contributions and the dollar value of in-kind services.</p>
10%	<p>Applicant commitment: Proposal identifies the necessary resources for ongoing operation and the ability to cover these costs without additional Department grant funding. Proposal identifies a method for evaluating the effectiveness and efficiency of project. Evidence supports a commitment to long-term solvency after grant funds terminate. Proposal demonstrates how the project improves market stability.</p>

15%	Applicant Qualifications: Applicant demonstrates reasonable financial stability relative to the scope of the project and amount of funding requested. Applicant demonstrates the background, experience, capacity and staff resources necessary to successfully implement projects of this magnitude. If applicable, applicant has demonstrated an ability to comply with previously awarded grant agreements and successfully complete projects.
15%	Sustainability: Project achieves sustainable containers, packaging materials or systems. It measurably reduces greenhouse gas emissions compared to baseline data. It creates new, or expands existing, manufacturing end-uses for recycled beverage container materials while providing the best outcomes for human and natural environments both now and into the indefinite future. Projects should demonstrate clear, measurable elements of energy efficiency; minimal consumption of natural resources; minimal emissions beyond what ecosystems can break down and harmlessly recycle; reuse or recycling of all waste; and rely on clean and renewable energy to the extent possible. It includes copy of land use or permitting policy on recycling opportunities.
5%	Job Creation (CCC/LCC): Project creates new jobs for youths and/or graduates of the California Conservation Corps or Local Conservation Corps.

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ATTACHMENT A

COVER PAGE

Contact Name		Telephone Number ()	Fax Number ()
Title		E-mail Address @	
Organization Name		Amount Requested \$	
Mailing Address		City	State Zip Code
Business Address		City	State Zip Code
County	Federal Identification Number	Grant Period (MM/YY) From: To: Total number of months:	
Assembly District Number(s)		Senate District Number(s)	

Provide a concise, one-paragraph summary of your project.

Type of Grant Project (click one box that most applies)

Projects that directly develop or expand markets for beverage container materials using available technology or equipment (see Solicitation text):

- Manufacturing – new products or end-uses for materials
- Manufacturing – expanding existing end-uses
- Collection and/or processing – improving the quantity or quality of recycled materials
- Other: _____

Research-based projects to improve packaging or product sustainability (see Solicitation text):

- Research & Development – processing
- Research & Development – manufacturing
- Research – system-wide improvements for sustainable beverage packaging
- Research – system-wide improvements for sustainable use of beverage container materials
- Research – Other: _____

Type of Organization (click one box)

- Private Business Non-Profit Government Agency University Tribe Other: _____

Materials to be Addressed (click all boxes that apply)

- Aluminum Glass Bi-Metal PET # 1 HDPE # 2
 PVC # 3 LDPE # 4 PP # 5 PS # 6 Other # 7

Person Authorized to bind organization in grant agreement

Name:	Title:	
Signature (required):	Date (MM/DD/YYYY):	
Project Director, Title	Telephone Number ()	Fax Number ()
Project Manager, Title	Telephone Number ()	Fax Number ()
Contact Person, Title	Telephone Number ()	Fax Number ()

<p>Recycling Program History</p> <ul style="list-style-type: none"> ■ Are you currently certified or have you ever been certified in any category by the Department of Conservation, Division of Recycling? If yes, please provide certification and/or registration numbers: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%; padding: 2px;">Certification Number(s):</td> <td style="width: 50%; padding: 2px;">Registration Number(s):</td> </tr> </table> ■ Has the applicant, or any grant principal, ever had a Department certificate denied, suspended, or revoked by the Department? <input type="checkbox"/> Yes <input type="checkbox"/> No ■ Has the applicant, or any grant principal, been previously awarded a Department grant (excluding Local Community Conservation Corps and City/County Payment Program Funding)? <input type="checkbox"/> Yes <input type="checkbox"/> No ■ If yes, indicate the years(s) and amount(s) below: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 25%; padding: 2px;">Year:</td> <td style="width: 25%; padding: 2px;">Amount: \$</td> <td style="width: 25%; padding: 2px;">Year:</td> <td style="width: 25%; padding: 2px;">Amount: \$</td> </tr> <tr> <td style="padding: 2px;">Year:</td> <td style="padding: 2px;">Amount: \$</td> <td style="padding: 2px;">Year:</td> <td style="padding: 2px;">Amount: \$</td> </tr> </table> <p>If Yes, please explain how this grant proposal differs from past proposal(s). Is it a completely new project? Is it an expansion or improvement to a previously completed grant project? Why should the Department fund another project for your organization?</p>	Certification Number(s):	Registration Number(s):	Year:	Amount: \$	Year:	Amount: \$	Year:	Amount: \$	Year:	Amount: \$	<div style="text-align: right; margin-bottom: 10px;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div> <div style="text-align: right; margin-bottom: 10px;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div> <div style="text-align: right;"><input type="checkbox"/> Yes <input type="checkbox"/> No</div>
Certification Number(s):	Registration Number(s):										
Year:	Amount: \$	Year:	Amount: \$								
Year:	Amount: \$	Year:	Amount: \$								
<p>Financial/Legal History</p> <ul style="list-style-type: none"> ■ Has the applicant, or any grant principal, experienced foreclosure, repossession, bankruptcy, civil judgment, or criminal penalty (or been party to a consent decree) as a result of any violation of federal, state, or local law? <input type="checkbox"/> Yes <input type="checkbox"/> No ■ Has the applicant, or any grant principal, been the subject of any proceedings that are pending, or to the best of their knowledge, threatened against them, which may result in any adverse change in applicant financial condition, or materially adversely affect applicant operations? <input type="checkbox"/> Yes <input type="checkbox"/> No ■ Has the applicant, or any grant principal, been previously awarded a government grant for projects related to this proposed project? <input type="checkbox"/> Yes <input type="checkbox"/> No <p><i>If any of the above are answered "Yes," please provide additional explanation on separate sheets of paper (i.e., Grantor, Year, Amount, and Outcome).</i></p> <p>How did you hear about the Market Development and Expansion Grant Program?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Department of Conservation: (Please explain) _____ <input type="checkbox"/> Internet/Website: (Please explain) _____ <input type="checkbox"/> Magazine Advertisement : (Please explain) _____ <input type="checkbox"/> Newspaper/Press Release: (Please explain) _____ <input type="checkbox"/> Other: (Please explain) _____ 											

■ **PHASE 2 GRANT IDENTIFICATION NUMBER** _____
(The Identification number provided by the Department indicated on the Department's Invitation Notice.)

Checklist - Phase 1 Concept Summary

Use this checklist to help confirm that all the required information is included in the Phase 1 Concept Summary package prior to submittal to the Department. This checklist is only an aid to the applicant, as the applicant is solely responsible to ensure that all requirements stated in the Grant Solicitation are fulfilled.

- One (1) original and six (6) copies, for a total of **seven (7)** packages, printed double-sided on at least 30% postconsumer recycled content paper, with a minimum 10-point font. The Concept Summary does not exceed four (4) pages printed double-sided on two sheets of paper (not including Attachment A).
- Cover page (Attachment A) completed, and signed by a person with authorization to bind the organization to a grant agreement. One (1) original and six (6) copies attached to each of the proposals submitted.
- Project focuses primarily on CRV beverage containers and within the specific grant focus.
- Applicant is in good standing with the Department (no outstanding fines, penalties or audit findings due the Department).
- Concept Summary is prepared with **no special bindings or cover stock**. The preferred method of binding is to be stapled in the upper left hand corner.

Checklist - Phase 2 Full Proposal (to be completed *only* if invited by the Department)

Use this checklist to help confirm that all the required information is included in the Phase 2 Full Proposal application package prior to submittal to the Department. This checklist is only an aid to the applicant, as the applicant is solely responsible to ensure that all requirements stated in the Grant Solicitation are fulfilled.

- One (1) original and six (6) copies, for a total of **seven (7)** packages, printed double-sided on at least 30% postconsumer recycled content paper, with a minimum 10-point font.
- Cover page (Attachment A) completed, and signed by a person with authorization to bind the organization to a grant agreement. One (1) original and six (6) copies attached to each of the proposals submitted.
- Project Narrative does not exceed twenty (20) pages printed double-sided on ten sheets of paper, with a minimum 10-point font, and includes the following five sections:
 1. Need
 2. Goals and Targets
 3. Strategies for Effective Projects
 4. Applicant Commitment
 5. Applicant Qualifications
- Financial Qualifications component does not exceed seven (7) pages in length
- Proof of Organizational Status and Authority
- Exhibits are completed, additional explanation pages follow each exhibit, as necessary (1 additional page may be required for Exhibit 1 or 3):
 - o Exhibit 1 – Project Budget (Total Project Budget must be the same as shown on Attachment A, Amount Requested submitted with Phase 1 Concept Summary.)
 - o Exhibit 2 – Project Schedule
 - o Exhibit 3 – Project Estimated Impacts
 - o Exhibit 4 – Supporting Documents – if included, this section must be bound separately from the rest of the application, and seven (7) copies must be provided.
- Full proposal is prepared with **no special bindings or cover stock**. The preferred method of binding is to be stapled in the upper left hand corner.

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Exhibit 1

**BEVERAGE CONTAINER RECYCLING
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Project Budget

Organization Name:

Contact Name:

BUDGET CATEGORY	First 12 Months of Grant		Second 12 Months of Grant		Third 12 Months of Grant		Total	
	Grant Funds	Match Funds	Grant Funds	Match Funds	Grant Funds	Match Funds	Grant Funds	Match Funds
1. Salary and benefits by person								
2. Equipment by category								
3. Buildings and facilities (explain)								
4. Supplies								
5. Rent and utilities								
6. Travel								
7. Contractual services (explain)								
8. Other operating costs (explain)								
9. Other non-operating costs (explain)								
10. TOTAL								

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MARKET DEVELOPMENT & EXPANSION GRANTS**

Exhibit 2

Project Schedule

<i>Organization Name</i>	<i>Contact Name</i>
--------------------------	---------------------

Project Tasks, Milestones, and Reporting	December 2008			March 2009			June 2009			September 2009			December 2009			March 2010			June 2010			September 2010			December 2010			March 2011			June 2011			September 2011		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
1.	<input type="checkbox"/>																																			
2.	<input type="checkbox"/>																																			
3.	<input type="checkbox"/>																																			
4.	<input type="checkbox"/>																																			
5.	<input type="checkbox"/>																																			
6.	<input type="checkbox"/>																																			
7.	<input type="checkbox"/>																																			
8.	<input type="checkbox"/>																																			
9.	<input type="checkbox"/>																																			
10.	<input type="checkbox"/>																																			
11.	<input type="checkbox"/>																																			
12.	<input type="checkbox"/>																																			
13.	<input type="checkbox"/>																																			
14.	<input type="checkbox"/>																																			
15.	<input type="checkbox"/>																																			

Each box above represents one month. Click the appropriate box(es) for each task or milestone.

BEVERAGE CONTAINER RECYCLING

MARKET DEVELOPMENT & EXPANSION GRANTS

Project Estimated Impacts

<i>Organization Name</i>	<i>Contact Name</i>
--------------------------	---------------------

Section 1 - For projects that directly develop or expand markets for beverage container materials using available technology or equipment:

<p>A. Total grant funding request: \$ _____</p>	<p>B. Estimated <u>annual</u> number of additional beverage containers recycled as a result of this project: _____</p>	<p>C. Estimated <u>annual</u> number of new California jobs created as a result of this project: _____</p>
<p>D. Recycling impact = "A" / "B" = _____ / _____ = _____ \$/container</p>		
<p>E. Jobs impact = "A" / "C" = _____ / _____ = _____ \$/job</p>		
<p>F. First year of expected recycling/job impacts: Recycling: _____ Jobs: _____</p>	<p>G. Number of years of expected recycling/job impacts: Recycling: _____ (example: "1 yr.", "2 yrs.", "ongoing") Jobs: _____</p>	
<p>H. Recycling and job impacts: <i>(Explain the assumptions and projections used to determine the estimated impacts)</i></p>		

Section 2 – For research-based projects to improve packaging or product sustainability:

<p><i>Where applicable, explain the assumptions and projections used to determine how your project will lead to:</i></p> <ul style="list-style-type: none"> • Reduced consumption of natural resources • Reduced emissions to air, land or water, including greenhouse gas emissions • Improved reuse, recycling and zero-waste systems • Efficient use of energy

Organization Name	Contact Name
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**Include this cover sheet and bind this section
separately from the rest of the application.
Provide seven (7) copies.**

Materials Included in Exhibit 4 *(check all that apply)*

- Diagrams or Exhibits *(no more than two (2) pages)*
- Technical information provided as background
- Confidential information *(if checked, provide the information requested below)*

If you are providing confidential information, cite the reasons for confidentiality, length of time to be kept confidential, and how the information is kept confidential. (See the Grant Solicitation for a detailed explanation of confidentiality requirements.)

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I certify, under penalty of perjury, that the information contained in this request for confidential designation is true, correct, and complete to the best of my knowledge, and that I am authorized to make this request and certification on behalf of: _____
(name of organization)

Name:	Title:
Signature (required) :	Date (MM/DD/YYYY):