

REQUEST FOR APPROVAL

To: Howard Levenson
Deputy Director, Materials Management and Local Assistance Division

From: Michelle Martin
Branch Chief, Financial Resources Management Branch

Request Date: July 1, 2014

Decision Subject: Eligibility Criteria and Evaluation Process for the Tire-Derived Aggregate Grant Program (Tire Recycling Management Fund, FYs 2014/15 and 2015/16)

Action By: July 15, 2014

Summary of Request:

This memo seeks approval of the proposed eligibility criteria and evaluation process for the Tire-Derived Aggregate (TDA) Grant Program for FYs 2014/15 and 2015/16.

Staff proposes to conduct the FYs 2014/15 and 2015/16 grant cycles using the same application process, applicant eligibility, project eligibility, and evaluation process as was used in the FY 2013/14 cycle, except as described under *Proposed Changes* and summarized below:

- Adding Joint Powers Authorities as eligible applicants

Recommendation:

Staff recommends approval of the proposed eligibility criteria and evaluation process for the TDA Grant Program for FYs 2014/15 and FY 2015/16.

Deputy Director Action:

On the basis of the information and analysis in this Request for Approval and the findings set out herein, I hereby approve the application process, applicant eligibility, project eligibility, grant award categories, and the evaluation process for the Tire-Derived Aggregate Grant Program for Fiscal Years 2014/15 and 2015/16.

Dated: 7/15/14


Howard Levenson
Deputy Director

Background and Analysis:

Statutory Authority

CalRecycle receives an annual appropriation from the California Tire Recycling Management Fund (Tire Fund) to administer the California Tire Recycling Act (Senate Bill 937, Vuich, Statutes of 1990, Chapter 35) (Public Resources Code [PRC] Sections 42860 et seq.). PRC Sections 42872 and 42873 allows for the awarding and funding of grants for activities and applications that result in reduced landfill disposal or stockpiling of waste tires. The TDA Grant Program meets the statutory requirements of PRC 42872 and 42873.

The Five-Year Plan for the Waste Tire Recycling Management Program (Seventh Edition Covering Fiscal Years 2013/14 – 2017/18) Report to the Legislature allocates \$1,600,000 to the TDA Grant Program for each of FYs 2014/15 and 2015/16.

Program Background

The fundamental goal of CalRecycle's Tire Program is to promote the development of long-term, sustainable, and diversified markets for California's tire-derived products. TDA is the second largest use of recycled tires in the United States and provides a cost-effective alternative to conventional aggregate for use in various civil engineering projects. These uses include retaining wall backfill, lightweight embankment fill, landslide stabilization, vibration mitigation, and various landfill applications.

CalRecycle has funded TDA research and pilot projects for several years in an effort to ensure a solid base from which to expand TDA usage. There have been three TDA grant solicitations resulting in 9 awards totaling \$1,868,815, of which, one award for \$344,266 was withdrawn.

Fiscal Year	Number of Awards	Amount of Awards
2011/12	2	\$603,489
2012/13	5	\$718,955
2013/14	2	\$646,371
Total	9	\$1,968,815

Proposed Process and Eligibility

Staff will post a Notice of Funds Availability on CalRecycle's website informing potential applicants of the funding, eligibility requirements, deadlines, and other important information. Potentially interested entities will be notified through the TDA listserv, various publications, and newsletters.

Eligible entities include:

- local governments (cities, counties, or cities and counties) as defined in PRC Section 48617
- special districts; state agencies (including offices, department, bureaus, and boards)
- Qualifying Indian Tribes
- private, for-profit entities
- Staff proposes to add Joint Powers Authorities (JPA) as an eligible entity (where all of the participating entities are otherwise eligible). (See below for further explanation.)

Eligible projects include:

- Lightweight fill (slope stabilization, embankment fill, and landslide repair)
- Retaining wall backfill (where lightweight material is required)
- Vibration mitigation (under rail lines)
- Landfill application (aggregate replacement projects such as leachate and gas collection systems, drainage layers, leachate injection). Note: Landfill application projects receive the lowest funding priority.

Project requirements:

- The project(s) must be located in California.
- Use a combined minimum of 500 tons of TDA in the project(s).
- The project(s) represent a new category of activity at the project(s) facility/location. Projects that are currently underway or that have been completed at the same facility/location within three years of application are not eligible. However, projects in a different category or different location within the same facility may be eligible.
- Landfill projects must not use more than 0.5 tons of TDA per lineal foot of landfill gas collection or leachate injection line.
- Construction of the TDA portion of any project must commence on or after receipt of the Notice to Proceed and be completed by the end of the Grant Term.
- Plans and specifications must be reviewed by CalRecycle staff.
- Each project must incorporate technical assistance/training that will be provided by CalRecycle contractors and/or staff.

Staff will perform a review of all applications to determine completeness. Complete applications will be evaluated to confirm applicant and project eligibility and determine the recommended grant award.

The recommended grant award will be based on appropriate costs (as determined by CalRecycle staff) directly related to the purchase and transportation of the TDA material, and the installation, testing, engineering/design work for the project. The maximum grant award is \$350,000, except for very large projects which may receive an award not to exceed \$750,000. A very large project is defined as using more than 400,000 passenger tire equivalents or 4,000 tons of TDA material. Landfill applications are not eligible for consideration as a very large project

If oversubscribed, CalRecycle will fund one eligible application from each project category using the greatest appropriate amount of TDA material within each category, with the exception of applications for landfill projects. Landfill projects represent the lowest priority and will be funded only after all other eligible projects are funded. The remaining applications will be ranked starting with project(s) that use the greatest appropriate amount of TDA material in all categories except landfill projects, which will be funded only after all other eligible projects.

Proposed Changes

- *Adding Joint Powers Authorities (JPAs) as eligible applicants*
Some local governments participate in JPAs for waste management and transportation issues. Expanding eligibility to include JPAs, provided that the JPA is comprised of otherwise eligible entities, will facilitate more entities being able to take advantage of the beneficial properties of TDA.

Tentative Timeline for FYs 2014/15 and 2015/16

As shown in the table below, staff will post a Notice of Funds Available on CalRecycle's website informing potential applicants of the funding, eligibility requirements, deadlines, and other important information. Notices will also be distributed through CalRecycle's Local Assistance and Market Development staff to inform their local jurisdictions, the Grants Management System database, applicable listservs, outreach presentations, and newsletters.

Tentative Dates		Activity
FY 2014/15	FY 2015/16	
October 2014	October 2015	Post Notice of Funds Available, Application, and related instructions and documents on the web site
January 2015	January 2016	Applications due
March/ April 2015	March/ April 2016	Conduct application evaluation/review process; determine funding for eligible applicants
April/May 2015	April/May 2016	Grant Agreements distributed and executed
April 1, 2017	April 1, 2018	Grant term ends

Please refer to CalRecycle's website, www.calrecycle.ca.gov/Tires/Grants/TDA/default.htm, for more information.