

## 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:** November 3, 2015

**Decision Subject:** Eligibility, Scoring Criteria, and Evaluation Process for the Household Hazardous Waste Grant Program (Integrated Waste Management Account, FY 2016–17)

**Action By:** November 17, 2015

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### **Summary of Request**

Staff seeks approval of the proposed eligibility, scoring criteria, and evaluation process for the Household Hazardous Waste Grant Program (program) for fiscal year (FY) 2016–17. Staff proposes to use the same eligibility criteria and evaluation process that were used in previous cycles, except as described under *Proposed Changes* and summarized below.

1. Offer funding for both construction projects and small projects in the same fiscal year and distribute the \$1,500,000 allocation for FY 2016–17 among both project types: \$500,000 for construction projects and \$1,000,000 for small projects.
2. Reduce the maximum award for construction projects to \$250,000 and for small projects to \$75,000 for rural areas and regional applicants and \$50,000 for other individual applicants.
3. Revise the scoring criteria for the construction projects to increase clarity, request additional information, and redistribute points.

### **Recommendation**

Staff recommends approval of the proposed eligibility, scoring criteria and evaluation process for the Household Hazardous Waste Grant Program for FY 2016–17.

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### **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 eligibility, scoring criteria and evaluation process for the Household Hazardous Waste Grant Program for FY 2016–17.

Dated 12/15/15



Howard Levenson  
Deputy Director

### **Attachment 1**

Scoring Criteria for the Household Hazardous Waste Grant Program (Construction), FY 2016–17

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## Background and Analysis

### Statutory Authority

California Public Resource Code section 47200(a) authorizes the Department of Resources Recycling and Recovery (CalRecycle) to award grants to local government agencies for programs to reduce household hazardous waste (HHW) disposal: "...grants to cities, counties, or other local agencies with responsibility for solid waste management, and for local programs to help prevent the disposal of hazardous waste at disposal sites, including, but not limited to, programs to expand or initially implement household hazardous waste programs."

### Program Background

The purpose of the program is to provide funding for local governments to implement safe HHW programs for public education about HHW and for collection, source reduction, reuse, and/or recycling of HHW.

More than \$79,000,000 in grant funds have been distributed since the program began in FY 1990–91. There have been 28 grant cycles and 862 grants have been awarded to California entities responsible for solid waste management. The table below summarizes the history of the program since FY 2013–14.

<b>FY/Cycle</b>	<b>Program Priorities</b>	<b>Number of Applicants</b>	<b>Number of Awards</b>	<b>Amount Awarded</b>
2013–14 <sup>1</sup> Cycle 21	Construction of a new HHW facilities or expansion of an existing HHW facility.	13	10	\$1,400,080 <sup>2</sup>
2013–14 Cycle 22	Public education and outreach, mobile collection events, minor HHW facility improvements, etc.	n/a	4 <sup>3</sup>	\$181,170
2014–15 Cycle 23	Public education and outreach, extended producer responsibility collection, mobile collection events, minor HHW facility improvements, etc.	36	26	\$1,500,000
2015–16 Cycle 24	Construction of a new or expansion of an existing HHW facility.	5	3	\$343,192 <sup>2</sup>
2015–16 Cycle 25	Public education and outreach, extended producer responsibility collection, mobile collection events, minor HHW facility improvements, etc.	n/a	10 <sup>4</sup>	\$695,332

<sup>1</sup> CalRecycle received an additional one-time authority of \$81,250 through a settlement with Costco Wholesale Corporation to the Integrated Waste Management Account for the program.

<sup>2</sup> A sufficient number of facility projects did not receive a passing score to fully allocate the \$1,500,000 funds available for the cycle.

<sup>3</sup> Eligible unfunded or partially unfunded applicants from the FY 2012–13 cycle were awarded with the unallocated 2013–14 funds and Costco Wholesale Corporation settlement funds.

<sup>4</sup> Eligible unfunded or partially unfunded applicants from the FY 2014–15 cycle were awarded with the unallocated FY 2015–16 funds.

In August of 2015, CalRecycle conducted its annual HHW program survey in which stakeholders express their needs and concerns regarding their HHW programs. This year's survey confirmed that stakeholders need support for general HHW public education and outreach and HHW facility construction, expansion, and facility improvements. The survey also focused on HHW problematic materials. Survey results indicated that high disposal costs for compressed gas propane canisters and marine flares were the two most problematic materials. In addition to the annual survey results, program staff has received stakeholder feedback over the last couple of years concerning disposal costs of the compressed gas propane canisters and marine flares.

### **Proposed Changes**

1. *Offer funding for construction projects and small projects in the same fiscal year and distribute the \$1,500,000 allocation for FY 2016–17 amongst both project types as follows:*
  - \$500,000 for construction projects
  - \$1,000,000 for small projects

Rationale: Based on the August 2015 survey results, it is difficult for construction projects to coincide with construction grant solicitation when it is offered every other year.

#### ***Construction Projects***

Grants awarded for this component of the cycle will fund construction projects that establish a new or expand an existing HHW facility in California. Staff proposes that eligible applicants for construction projects include cities, counties, Joint Power Authorities, regional or local sanitation agencies, waste agencies, and qualifying Indian Tribes with responsibility for solid waste management programs that reduce the amount of HHW disposed of at solid waste landfills. Eligible applicants may submit an individual or regional application.

Staff further proposes that construction projects would not qualify for grant funding unless they are past the design phase of the project and are prepared for construction. Applicants must have completed proper site analysis, conceptual design, and most of the local approval processes. The permitting, licensing, and siting approval process must be well underway. Applicants must provide documentation by providing a completed General Checklist of Business Permits, Licenses, and Filings form (CalRecycle 669). The applicant must convincingly indicate that it is beyond the planning phase of the construction project and can successfully complete the HHW facility project before the grant term ends on March 28, 2019.

#### ***Small Projects***

Grants awarded for this component of the cycle would fund small projects that are innovative HHW materials collection programs. Staff proposes that eligible applicants for small projects include cities, counties, Joint Power Authorities, regional or local sanitation agencies, waste agencies, and qualifying Indian Tribes with responsibility for solid waste management programs that reduce the amount of HHW disposed of at solid waste landfills. Eligible applicants may submit an individual or regional application.

Staff further proposes that all applicants must indicate one or more of the focus areas in their application to be eligible for this component of the cycle:

- HHW public education and outreach for general audiences (may include extended producer responsibility information).

- Implementation of sustainable extended producer responsibility collection opportunities, including but not limited to:
  - Promotion of an ongoing retail take-back program such as batteries or fluorescent lamps at local hardware stores, businesses, or government facilities.
  - Promotional collection events hosted at businesses or government facilities.
  - Promotional public education and outreach materials specifically for local retail take-back programs.
- Set-up and operation of temporary or mobile collection program for one-day or multi-day collection events.
- Minor improvements to an existing HHW facility (examples include but are not limited to: storage bins, signage, painting, paving, shelving, carts, etc.).
- Purchase of personal protection equipment and/or 8-hour refresher Hazardous Waste Operations and Emergency Response Standards training.

Additionally, in response to stakeholder feedback, program staff recommends expanding the eligible costs section to include handling and disposal of compressed propane gas canisters, consisting of 5 gallons or less, and marine flares for temporary one-day and multi-day collection events.

2. *Reduce the maximum award.*

- Reduce the maximum award for construction projects from \$350,000 to \$250,000.
- Reduce maximum award for the small projects from \$100,000 to \$75,000 for rural areas and regional applicants and \$50,000 for individual applicants.

Rationale: The proposed grant amount is based on the August 2015 survey results which indicated more need for funds to implement smaller projects than construction activities. The maximum award amounts were adjusted to enable CalRecycle to award more grants to jurisdictions.

In the event that one of the project type components is undersubscribed or a sufficient number of projects were not eligible, staff proposes that CalRecycle may consider allocating unused funds from one component to an oversubscribed component.

3. *Revise the scoring criteria for the construction projects to increase clarity, request additional information, and redistribute points.*

- Revise criteria to increase clarity of the project and need descriptions and request additional information in the following areas: program strengths and weaknesses, site plans, permits, approvals, service area maps, and costs. This is to give program application reviewers a better understanding of the proposed project for scoring and evaluation purposes.
- Give up to 5 bonus points to applicants who did not receive a grant in FY 2013–14 and FY 2015–16.
- Redistribute points to reflect program priorities: increase Project Description by 5 points to emphasize construction readiness and reduce Need by 5 points to balance the distribution of points. Construction readiness is a good indicator for successful projects. Good planning, preparation, and presentation in this section will give scorers information needed to determine if the project is shovel ready.

### Review Process

For construction projects, staff will review applications to confirm applicant eligibility and application completeness. Using the same process applied in past construction cycles, applications will be evaluated and scored by a review panel of CalRecycle staff.

For small projects, staff will review all applications to confirm applicant and project eligibility and evaluate the application narrative to determine if the application meets all requirements. A random selection process will be conducted if this component of the cycle is oversubscribed.

### Tentative Timeline for FY 2016–17

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 be distributed through the Grants Management System database, HHW Information Exchanges and Yahoo Group listserv, outreach presentations and newsletters. Notices will also be sent to current and past HHW grant recipients and shared with CalRecycle’s Local Assistance and Market Development staff to inform their local jurisdictions. The table below identifies the target dates for both project types.

<b>Target Dates</b>		<b>Activity</b>
<b>Construction Projects</b>	<b>Small Projects</b>	
December 2015	February 2016	Post the Notice of Funds Available, application, and related instructions and documents on the website
February 2016	March 2016	Applications due
March 2016	April 2016	Conduct application evaluation/review process; determine funding for eligible applicants
June 2016	July 2016	Grant awards presented at CalRecycle public meeting
July-August 2016	July-August 2016	Grant agreements distributed and executed
March 27, 2019	March 27, 2019	Grant term ends

