

REQUEST FOR APPROVAL

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

From: Cara Morgan, Chief
Local Assistance and Market Development Branch

Request Date: February 4, 2013

Decision Subject: Approval Of Scope Of Work For The Tire Outreach And Market Analysis Contract (Tire Recycling Management Fund, FYs 2013/14, 2014/15, and 2015/16)

Action By: March 19, 2013

Summary of Request:

Staff requests approval of the Scope of Work (SOW) for the Tire Outreach and Market Analysis (TOMA) Contract. This contract is intended to provide an annual in-depth analysis of the tire market in California as has been previously provided through the Tire-Derived Product Business Assistance Program contracts. The contract also seeks to build upon the initial success of the focused technical outreach and education that was initiated under the Tire Derived Product Business Assistance program Contracts. This focused technical outreach and education is aimed at increasing demand for tire-derived products (TDPs), fostering new technologies, and expanding the use of waste tire-derived material into a variety of applications including higher value-added products. In support of the targeted technical outreach and education, research and testing is proposed to overcome gaps in data that present barriers to TDP market development.

Based upon approval of the Five Year Tire Plan and funding availability, funding for this contract is estimated at \$500,000 per fiscal year for a total of \$1.5 million (including administrative costs). Upon approval of the SOW, staff will work with CalRecycle administrative staff to issue a Secondary Request for Proposals (RFP). The Secondary RFP will require evaluation of proposals by a committee with the award made to the responsible proposer earning the highest score, taking into account expertise, approaches, method, innovation, and cost effectiveness.

Recommendation:

Staff recommends approval of the Scope of Work for the Tire Outreach and Market Analysis contract (Attachment 1).

Deputy Director Action:

On the basis of the information and analysis in this Request for Approval and the findings set out above, I hereby approve the SOW for the TOMA contract and direct staff to prepare and issue a Secondary Request for Proposals.

Dated: _____

Howard Levenson, Deputy Director
Materials Management and Local Assistance

Attachments:

1. Scope of Work for the Tire Outreach and Market Analysis contract
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Background Information, Analysis, and Findings:

The prior Tire-Derived Product Business Assistance Program contracts had two main aspects. One component focused on industry-wide projects aimed at strengthening the overall waste tire recycling and tire-derived product industry. The other component provided technical and consultative assistance to individual TDP businesses to assist them in improving the operational and cost efficiencies of their businesses, fostering tire derived product market development, and conducting tire-derived product analysis and testing. Both initiatives have been successful in overcoming barriers and helping individual businesses and the industry as a whole better target tire derived product (TDP) markets through projects that have:

- assessed the management of scrap tires in California;
- conducted feedstock conversion research to determine TDP feasibility and further expand uses of waste tires;
- conducted supply and demand inventories;
- mapped the waste tire industry to better understand California's process and manufacturer infrastructure;
- conducted market penetration analyses and evaluation of California waste tire market development programs;
- facilitated government and green building sales support through compilation of a TDP catalog and its dissemination to state agency procurement officials, architects, and landscape designers;
- provided business quality control and process improvement training; and
- conducted workshops to assist and inform stakeholders about market development activities.

Through the technical and consultative support provided, individual businesses have been strengthened and other tire derived product market development programs should now take the lead. However, there is still a lot of work to be done to foster the waste tire and TDP industry as a whole. Thus, the focus of the TOMA contract is placed upon initiatives that strengthen the overall waste tire recycling industry and support CalRecycle's other waste tire market development efforts.

The TOMA contract is designed to provide an in-depth analysis of the tire market in California. CalRecycle's Five-Year Plan for the Waste Tire Recycling Management Program, which is required to be revised every two years, guides efforts to reach a 90 percent diversion goal by 2015. Ongoing analysis of the California tire market will support CalRecycle's efforts by providing detailed information on the waste tire diversion rate, market trends, and supply/demand balance as well as identifying opportunities and barriers.

The contract also seeks to build upon the groundwork laid in the Tire Derived Product Business Assistance Program and advance focused technical outreach and education efforts. This technical outreach and education is aimed at increasing demand for tire-derived products (TDPs), fostering new technologies, and expanding the use of waste tire-derived material into a variety of applications including higher value-added products. Research and testing is included in the

contract to address barriers to TDP market development caused by a lack of data regarding TDP specifications and performance.

Funding would be allocated as follows:

Fund Source	*Amount Available	Amount to Fund Item	Amount Remaining	Line Item
Tire Recycling Management Fund (FY 2013/14)	\$500,000	\$500,000	\$0	Tire Outreach and Market Analysis
Tire Recycling Management Fund (FY 2014/15)	\$500,000	\$500,000	\$0	Tire Outreach and Market Analysis
Tire Recycling Management Fund (FY 2015/16)	\$500,000	\$500,000	\$0	Tire Outreach and Market Analysis
Total	\$1,500,000	\$1,500,000	\$0	

*Pending amount available approval