

REQUEST FOR APPROVAL

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

From: **Shirley Willd-Wagner**
Branch Manager, Financial Resources Management Branch

Request Date: August 16, 2011

Decision Subject: Approval of Application Process, Applicant Eligibility, Project Eligibility, and Evaluation Process for the Tire-Derived Aggregate Grant Program (Tire Recycling Management Fund, FY 2011/12)

Action By: August 23, 2011

Summary of Request:

This memo proposes the application process, applicant eligibility, project eligibility, and evaluation process for the new Tire-Derived Aggregate (TDA) Grant Program for Fiscal Year (FY) 2011/12.

Recommendation:

Staff recommends approval of the proposed application process, applicant eligibility, project eligibility, and evaluation process for the TDA Grant Program for FY 2011/12, as described below under *Proposed Process*.

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, and evaluation process for the TDA Grant Program for FY 2011/12.

Dated: _____

Howard Levenson
Deputy Director

Background Information

Tire-Derived Aggregate (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. 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. In 2010, R.W. Beck, in consultation with stakeholders, evaluated CalRecycle's Waste Tire Programs and produced the *Waste Tire Market Development Program Evaluation Final Report*

<http://www.calrecycle.ca.gov/Publications/default.asp?pubid=1368>. The report specifically recommended that CalRecycle establish a new TDA program. The report further suggests that, "... a grant program may be the most appropriate as it can be quickly implemented without substantial start-up development time, and because a relatively small number of projects may be proposed." Consistent with the report's recommendations, staff proposes establishment of a TDA Grant Program.

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 (SB) 937, (Vuich, Statutes of 1990, Chapter 35), Public Resources Code (PRC) Sections 42860 et seq. PRC Section 42873 allows for the awarding 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 42873.

In May 2011, CalRecycle adopted the draft *Five-Year Plan for the Waste Tire Recycling Management Program (Sixth Edition Covering Fiscal Years 2011/12 – 2015/16) Report to the Legislature (Draft Five-Year Plan)*. It is currently being reviewed by Natural Resources Agency and Governor's Office before presentation to the Legislature. The *Draft Five Year Plan* allocates \$1,500,000 to the TDA Grant Program for FY 2011/12.

Analysis and Findings

Proposed Process and Eligibility

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. Potentially interested entities will be notified through the TDA listserv, various publications, and newsletters.

Consistent with CalRecycle's continuing effort to streamline grant processes and reduce waste, applications will be submitted online. The proposed TDA Grant Program will provide competitive grants to "local governments" (cities, counties, or cities and counties) as defined in PRC Section 48617, special districts, state agencies (including offices, departments, bureaus, and boards), and qualifying Indian Tribes.

Eligible projects/categories include:

- Lightweight fill (slope stabilization, embankment fill, and landslide repair)
- Landfill applications (leachate and gas collection systems, drainage layers, leachate injection)
- Retaining wall backfill (where lightweight material is required)
- Vibration mitigation

Septic leach fields are not eligible at this time. CalRecycle recently contracted with CSU, Chico to study the use of TDA in septic leach fields. A final report is expected in summer 2012.

Project Requirements:

- One hundred percent (100%) California-generated waste tires must be used in the project(s).
- A minimum of 750 tons of TDA must be used in the project(s).
- 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 April 1, 2014.
- All projects must comply with CalRecycle's *TDA Project Guidance Manual*.
- Plans and specifications must be reviewed and approved 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, and engineering/design work for the project. The maximum grant award is \$350,000.

If oversubscribed, CalRecycle will fund one eligible application from each project category using the greatest appropriate amount of TDA material within each category. The remaining applications will be ranked starting with project(s) that use the greatest appropriate amount of TDA material, regardless of category.

Tentative Timeline for FY 2011/12

Target Date	Activity
September 28, 2011	Post Notice of Funds Available, Application, and related instructions and documents on the web site
November 16, 2011	Applications due
Nov/Dec 2011	Conduct application evaluation/review process; determine funding for eligible applicants
Jan/Feb 2012	Grant awards presented at CalRecycle Public Meeting
Mar/Apr 2012	Grant Agreements executed: grant term ends April 1, 2014