

# EXHIBIT B PROCEDURES AND REQUIREMENTS

## RUBBERIZED PAVEMENT GRANT PROGRAM Fiscal Year 2015–16

Copies of these Procedures and Requirements should be shared with BOTH the Finance Department AND the staff responsible for implementing the grant activities.

### INTRODUCTION

The Rubberized Pavement Grant Program is administered through the Department of Resources Recycling and Recovery (CalRecycle). These Procedures and Requirements describe project and reporting requirements, report due dates, report contents, grant payment conditions, eligible and ineligible project costs, project completion and closeout procedures, records and audit requirements.

In a **Regional Grant**, the term “grantee” used throughout this document refers to the Regional Lead Participant (Lead). The Lead is designated to act on behalf of all participating jurisdictions (Participants). The Lead manages the grant, is responsible for the performance of the grant and all required documentation, and administer the grant funds to its Participants on its behalf.

This document is attached to, and incorporated by reference, into the Grant Agreement.

### MILESTONES

<b>February - May 2016</b>	<b>Grant Term Begins</b> on date indicated on the Notice to Proceed (NTP)
<b>April 1, 2017</b>	<b>Progress Report Due</b>
<b>April 1, 2018</b>	<b>Grant Term End Final Report and final Payment Request Due</b>

**No extensions will be granted for submittal of Final Report and final Payment Request.** Failure to submit the Final Report (referred to as Final Progress Report in GMS) and final Payment Request with appropriate documentation by April 1, 2018, may result in rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding.

### GRANT MANAGEMENT SYSTEM (GMS)

GMS is CalRecycle’s web-based grant application and grant management system. Access to GMS is secure; grantees must log in using a WebPass. WebPass accounts are tied to a specific email address. If an email address changes, or if it becomes inactive, the grantee must create a new WebPass account to continue accessing GMS. Establish or manage a WebPass at [CalRecycle's WebPass page](https://secure.calrecycle.ca.gov/WebPass) (<https://secure.calrecycle.ca.gov/WebPass/>).

### Accessing the grant

Grantees must [log into GMS](https://secure.calrecycle.ca.gov/Grants) (<https://secure.calrecycle.ca.gov/Grants>) using their web pass. After login, locate the grant in the **My Awarded/Open Grants** table and select

the **Grant Management** button. The **Grant Management Module** includes the following sections:

- **Summary tab** – shows approved budget, paid and remaining amounts. (This section is available to the grantee in read-only mode.)
- **Payment Request tab** – requests reimbursement.
- **Reports tab** – uploads required reports.
- **Documents tab** – uploads other grant documents that are not considered supporting documents to a payment request or a report. This section also provides access to documents that were uploaded within other sections of GMS.

Follow the instructions in GMS to work in the system. Use the information in the following sections to determine what reports, transactions, and supporting documents are required.

### **Contact Updates**

Access to the grant is limited to those listed in the **Contacts** tab of the **Application Module** with the access check box marked. A contact may be listed but not granted access by not checking the box. Please note, if a contact is granted access to a grant they will be able to edit contacts, submit payment requests, upload reports, and view all documents. Those with access may update contact information for all contact types except Signature Authority. Email the assigned Grant Manager regarding any changes to Signature Authority information.

### **PRIOR TO COMMENCING WORK**

Prior to commencing work under this grant, the grantee's Grant Manager or primary contact and authorized grant Signature Authority should review the Terms and Conditions (Exhibit A) and the Procedures and Requirements (Exhibit B) to identify key grant administrative requirements. Evaluation of the grantee's compliance with these requirements is a major focus of grant audits.

### **Reliable Contractor Declaration**

Prior to authorizing a contractor(s) to commence work under this grant, the grantee shall submit to the Grant Manager a declaration from the contractor(s), signed under penalty of perjury, stating that within the preceding three (3) years, none of the events listed in [Section 17050 of Title 14](#)

([www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5](http://www.calrecycle.ca.gov/Laws/Regulations/Title14/ch1.htm#ch1a5)), California Code of Regulations, Natural Resources, Division 7, has occurred with respect to the contractor(s) and the subcontractor(s), respectively.

If a (sub) contractor is placed on the CalRecycle Unreliable List after award of this grant, the grantee may be required to terminate that contract. Obtain the Reliable Contractor Declaration form (CalRecycle 168) from [CalRecycle's form web page](#) ([www.calrecycle.ca.gov/Funding/Forms](http://www.calrecycle.ca.gov/Funding/Forms)).

A scanned copy of the signed Reliable Contractor Declaration form must be uploaded in GMS. To upload the form:

1. Go to the **Reports** tab.
2. Click on **Reliable Contractor Declaration** under **Report Type**.
3. Click the **Add Document** button.

4. Select Reliable Contractor Declaration in the **Document Type** drop down box, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
5. Click on the **Submit Report** button.

For further instructions regarding GMS, including login directions, see the section above titled Grant Management System.

### **GRANT TERM**

The Grant Term starts on the date indicated in the NTP. The Grant Term ends on **April 1, 2018**. This is also the date the Final Report and final Payment Request are due to CalRecycle.

Grant-eligible program expenditures may start no earlier than the date indicated in the NTP. Eligible program costs must be incurred no later than **April 1, 2018**.

### **PERMITTING**

The grantee is responsible for ensuring that the entire project, not just the portion reimbursed by this Grant, is in compliance with all federal, state, and local laws and permitting requirements. The grantee is also responsible for ensuring that project contractors and subcontractors have all necessary permits and licenses to perform the work for which they are hired, including, but not limited to, permitting by the appropriate Air Pollution Control District, Air Quality Management District, or other local air quality agency when required. Failure to comply with permitting requirements may result in denial of payment under this Grant.

### **PROJECT REQUIREMENTS**

All projects are subject to the following requirements:

- The grantee will construct one or more Rubberized Asphalt Concrete (RAC) Hot-Mix or Rubberized Chip Seal project(s) at the location(s) specified in the approved grant application, unless otherwise approved by the Grant Manager (Work Plan and Changes/Modifications section).
- Only California-generated waste tires, processed in California, shall be used in the crumb rubber portion of the project(s).
- The project(s) must be located in California.
- The binder material must contain a minimum of 300 pounds (equivalent to 15 percent by weight) of tire-derived crumb rubber per ton of rubberized binder. The binder may be either asphalt rubber/field blend or terminal blend.
- Reimbursement will not exceed the amount stated on the Grant Agreement Cover Sheet (CalRecycle 110).
- Construction of the RAC portion of any project must commence on or after the date indicated in the NTP and be completed by April 1, 2018.

Additionally, the following project requirements are specific to the individual project as indicated:

#### **RAC Hot-Mix (Hot-Mix) Project**

- Project(s) must use a minimum of 3,500 tons of RAC hot-mix.

- If a grantee has not previously received a CalRecycle Pavement or RAC grant, appropriate grantee staff must attend a CalRecycle-sponsored training before beginning the project. Topics for the training are typically in one-hour modules and may include a general introduction to the program or a more detailed discussion regarding the RAC manufacturing and construction processes and procedures.

### Rubberized Chip Seal (Chip Seal) Project

- Project(s) must use a minimum area of 40,000 square yards of chip seal material.

### Reimbursement Rates

The following table provides reimbursement rates, as approved in the application, by grant category for both individual and regional grants. Regional grants will be reimbursed at the RAC-1 and/or Chip Seal rate, as applicable.

Grant Category	Reimbursement Rate
RAC-1	Total grant award is based on <b>100%</b> of the \$10 per ton base rate (\$10 per ton)
RAC-2	Total grant award is based on <b>70%</b> of the \$10 per ton base rate (\$7 per ton)
RAC-3	Total grant award is based on <b>40%</b> of the \$10 per ton base rate (\$4 per ton)
Chip Seal	\$0.50 per square yard

### PROJECT ACKNOWLEDGEMENT REQUIREMENTS

By April 1, 2018, the grantee must list on their website, for a minimum period of one year, an acknowledgement of CalRecycle's funding and the waste tire diversion amounts for the project(s). The acknowledgement must include the following three required components:

1. Funded by grant from CalRecycle
2. CalRecycle Logo<sup>1</sup>
3. Number of California waste tires<sup>2</sup> diverted from the waste stream by this project

<sup>1</sup> CalRecycle Logos are available in the [Image Gallery web site](http://www.calrecycle.ca.gov/Gallery/Logos/) (<http://www.calrecycle.ca.gov/Gallery/Logos/>); or contact your Grant Manager.

<sup>2</sup> To determine the number of tires diverted, refer to the Rubberized Pavement Certification (CalRecycle 739-TRP) or the Payment Calculation Summary (CalRecycle 748-TRP) for the calculation formula. This is typically calculated after construction.

When the web site acknowledgement posting is problematic due to grantee-specific issues, the grantee may substitute alternative forms of acknowledgement requirements upon written pre-approval from the Grant Manager. The alternative must include the three required components listed above.

Alternatives to the web site posting acknowledgement requirement must include one or more of the following:

- Utility bill inserts
- Newspaper ads/stories
- Local radio
- Television public service announcement (PSA)
- [Rubberized Asphalt Concrete Signage](http://www.calrecycle.ca.gov/Tires/Grants/Resources/#Signage) (<http://www.calrecycle.ca.gov/Tires/Grants/Resources/#Signage>) placed in a prominent location at the project site(s)

## **WORK PLAN AND CHANGES/MODIFICATIONS**

Proposed changes or modifications to the approved project(s) must be requested in writing to the Grant Manager. The request must include the reason for change and a revised Project Summary and Calculation. The Grant Manager must approve the proposed changes in writing prior to the grantee performing any changes or incurring any related costs. The approval document should be retained by the grantee for audit purposes.

For a regional grant, changes that would remove one or more participating jurisdictions from the grant will be evaluated on a case-by-case basis to determine whether the grant amount and/or reimbursement rate should be adjusted.

## **ELIGIBLE COSTS**

Eligible costs include expenditures incurred during the Grant Term (from the date indicated in the NTP through April 1, 2018) directly related to the project's rubberized paving material and its installation.

## **INELIGIBLE COSTS**

Ineligible costs include, but are not limited to:

- Costs incurred for projects that start construction of the RAC paving prior to the date indicated in the NTP, or end construction after April 1, 2018.
- Projects utilizing crumb rubber material that is not made from only California-generated waste tires processed in California.
- Projects using less than the required amount of crumb rubber, as specified in Project Requirements.
- Binder material not meeting the minimum 300 pounds (equivalent to 15 percent by weight) of tire-derived crumb rubber per ton of rubberized binder.
- Slurry Seal and/or Cape Seal materials/applications (whether or not they contain rubber).
- Testing costs.
- Personnel costs, including fringe benefits.
- Overhead and/or indirect costs.
- Any other costs deemed unreasonable or unrelated to the purpose of the grant by the Grant Manager.

## **REPORTING REQUIREMENTS**

A Progress Report and a Final Report are required by this Agreement; however, the Grant Manager may request a Progress Report at any time during the Grant Term.

All reports must be uploaded in GMS. For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.

To upload a report:

1. Go to the **Reports** tab.
2. Click on the appropriate Report Type.
3. Click on the **Add Document** button.
4. Choose the Document Type, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
  - You may upload multiple documents to complete reporting requirements.
  - The maximum allowable file size is 35MB.
5. Click the **Submit** button when the report is complete.

The reports must be current, include all required sections and documents, and must be approved by the Grant Manager before any Payment Request can be processed. Failure to comply with the specified reporting requirements may be considered a breach of this Agreement and may result in the termination of this Agreement or rejection of the Payment Request and/or forfeiture by the grantee of claims for costs incurred that might otherwise have been eligible for grant funding. Any problems or delays must be reported immediately to the Grant Manager.

## **PROGRESS REPORT**

The grantee must submit a **Progress Report** by **April 1, 2017**. This report should cover grant activities that occurred from the date indicated in the NTP through **April 1, 2017**. The Progress Report must address the work completed during the reporting period and be accompanied by all required supporting documentation, including pre-construction photographs.

The Progress Report must be submitted even if no work has started on the project. **If you are submitting a Grant Payment Request at the same time as your Progress Report, you must follow the guidelines under the Final Report.**

The Progress Report must be prepared in the format specified below and uploaded into the GMS system, see “Reporting Requirements” section for instructions.

**For a Regional Grant**, the Lead will be responsible for compiling all reporting documentation from its Participant(s).

## **PROGRESS REPORT COMPONENTS**

### **Cover Page**

- Name of the grantee
- Grant number
- Amount of grant award
- Dates of report coverage
- Report preparation date
- Disclaimer statement, as follows:  
“The statements and conclusions of this report are those of the grantee and not necessarily those of the Department of Resources Recycling and Recovery, its employees, or the State of California. The State makes no warranty, express or

implied, and assumes no liability for the information contained in the succeeding text.”

### **Project Summary and Status**

Provide a brief description of the progress of the rubberized pavement project(s) including:

- Approved, completed and in-process project(s)
- The timeline for completion of remaining project(s)
- Results Achieved
- Problems encountered or anticipated
- Provide a brief description of any changes to the project and/or schedule including:
  1. Changes in grantee contact information
  2. Changes or modifications to the original project

### **FINAL REPORT**

**The Final Report** may be submitted at any time after the project is completed, but must be submitted no later than **April 1, 2018**. This report should cover grant activities **from the NTP through April 1, 2018**, or completion of project, whichever is sooner. **Failure to submit the Final Report with appropriate documentation by April 1, 2018, may result in rejection of the final Grant Payment Request and/or forfeiture by the grantee of any claims for reimbursement of otherwise eligible costs.**

The Final Report must be prepared in the format specified below and must be uploaded into the GMS system, see *Reporting Requirements* section for instructions; you may need to upload multiple documents to complete all the requirements listed below. If requested, the grantee shall make an oral presentation to CalRecycle.

**For a Regional Grant**, the Lead will be responsible for compiling all reporting documentation from its Participant(s).

### **FINAL REPORT COMPONENTS**

#### **Cover Page**

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- Amount of grant award
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#### **Table of Contents**

Identify report contents and corresponding page numbers.

## **Project Summary and Status**

Provide a concise Executive Summary of the project(s). Within the narrative of the report, the following information must be included:

- Amount of rubberized pavement material used (tons for hot-mix, square yards for chip seal)
- General Information (thickness of paving, type of mix – e.g. asphalt-rubber, type G, gap graded, open graded, dense graded, warm mix, etc.)
- Binder information – asphalt-rubber/field blend or terminal blend (include: asphalt cement type/grade, percent crumb rubber, percent binder in mix)
- Cost of material (cost per ton of hot-mix, cost per square yard of chip seal)
- Problems encountered
- Total pounds of crumb rubber used in project(s) Refer to the Payment Calculation Summary form (CalRecycle 748-TRP) to calculate total pounds. See “Payment Calculation Summary Form” section for more information.

**For Hot-Mix Projects:** the total pounds of crumb rubber can be derived by determining the amount (pounds) of crumb rubber per ton of hot mix and then multiplying this number by the total tons of hot mix used in the project(s).

The amount (pounds) of crumb rubber per ton of hot mix can be derived by multiplying the percent binder in the mix (usually between 7-8 percent for asphalt rubber) and the percent of crumb rubber in the binder [usually 15-20 percent for asphalt rubber (minimum of 15 percent for the grant project(s))] multiplied by 2000 (pounds per ton).

**For Chip Seal Projects:** the total pounds of crumb rubber are derived by multiplying the amount (pounds) of binder used in the project(s) and the percent of crumb rubber in the binder [usually 15-20 percent for asphalt rubber (minimum of 15 percent for the grant project(s))].

## **Waste Tires Diverted**

Total number of California waste tires diverted from the waste stream as a result of the project’s completion. This number can be calculated when completing the Rubberized Pavement Certification form (CalRecycle 739-TRP) and the Payment Calculation Summary form (CalRecycle 748-TRP). For more details about these forms, refer to item C of the Supporting Documentation section in the Payment Request and Documentation section and the Payment Calculation Summary Form section. These forms are available at the [CalRecycle Grant Forms website](http://www.calrecycle.ca.gov/Funding/Forms/) (<http://www.calrecycle.ca.gov/Funding/Forms/>).

## **Photographs**

Two digital photographs of the completed project. Pre-construction photographs are highly recommended, however, not mandatory.

## **Project Acknowledgement**

A copy of your internet web page (or alternative) project acknowledgement, including the web address (URL). See Project Acknowledgement Requirements section for more alternatives.



## **Contractor Summary**

List of all contractors and subcontractors that supplied rubberized asphalt materials for the project. For each contractor and subcontractor the following information must be included:

- Name of Firm
- Contact person
- Address
- Concise statement of work completed
- Time period in which the work was completed
- Amount paid
- A copy of the Reliable Contractor Declaration (CalRecycle 168) required by Exhibit A – Terms and Conditions (Unreliable List) and filed for each contractor and subcontractor at the beginning of the project

Additionally, provide the subcontractor<sup>3</sup> for the following (if applicable):

- Binder Supplier
- Hot-Mix/Chip Seal Manufacturer
- California Crumb Rubber Provider

<sup>3</sup>Refer to your paving/prime contractor for this information.

## **PAYMENT CALCULATION SUMMARY FORM**

As part of the Final Report submittal, a Payment Calculation Summary form (CalRecycle 748-TRP) must be uploaded in GMS. Complete the form, as appropriate. Enter locations of paving (list of streets) and limits of paving (point A to point B). Pounds of crumb rubber used and number of waste tires diverted can be calculated by completing this form. Samples of completed form are provided on the last three tabs of the document. Various options are displayed showing different ways to enter street names and group data for easy-to-follow calculations. The last tab (titled Page 1 Regional Sample) illustrates a sample for a **Regional Grant**. ABC County is the Lead and City of XYZ is the Participant, requesting reimbursement for a joint hot-mix project. The form is available at the [CalRecycle Grant Forms website](http://www.calrecycle.ca.gov/Funding/Forms/) (<http://www.calrecycle.ca.gov/Funding/Forms/>). Save and upload the completed form as an Excel file. Do not save as a PDF file.

## **GRANT PAYMENT INFORMATION**

1. Payment to the grantee for eligible grant expenses is made on a reimbursement basis only and for only those materials and services specified in the approved grant application.
2. Reimbursement may be requested only twice during the grant term. In conjunction with (or after) submission of the Progress Report and in conjunction with the Final Report. When the Progress Report is submitted, the grantee must follow the reporting guidelines under the Final Report Components.
3. The grantee must submit the required Progress Report/Final Report, and the Grant Manager must approve the report prior to, or concurrent with, submission of the Grant Payment Request.
4. The grantee must submit a completed Grant Payment Request and provide supporting documentation as described in the “Payment Request and Documentation” section for completed project(s) only.

5. Grant payments will only be made to the grantee. It is the grantee's responsibility to pay all contractors and subcontractors for purchased goods and services.
6. Ten percent of each approved Grant Payment Request will be withheld and retained until all conditions stipulated in the Agreement, including submission and Grant Manager approval of the Progress and/or Final Report, have been satisfied. Reimbursement of the ten percent retention must be requested in the final Grant Payment Request.
7. CalRecycle will make payments to the grantee as promptly as fiscal procedures permit. The grantee can typically expect payment approximately 45 days from the date a Grant Payment Request is approved by the Grant Manager.
8. The grantee must provide a [Reliable Contractor Declaration \(CalRecycle 168\)](http://www.calrecycle.ca.gov/Funding/Forms) (<http://www.calrecycle.ca.gov/Funding/Forms>) signed under penalty of perjury by the grantee's contractor(s) and subcontractor(s) in accordance with the "Unreliable List" provision of the Terms and Conditions (Exhibit A). The declaration must be received and approved by the Grant Manager prior to commencement of work. See "Unreliable List" provision in Terms and Conditions (Exhibit A) for more information.

## **PAYMENT REQUEST AND DOCUMENTATION**

Payment requests must be submitted in GMS. For further instructions regarding GMS, including login directions, see the section above entitled, Grant Management System.

To submit a Grant Payment Request:

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
  - Choose **Reimburse** for the Transaction Type and enter the amount spent in each budget sub category.
  - When the transaction is complete, click the **Save** button.
  - After the transaction is saved, the **Upload Supporting Documentation** button will appear in the lower right corner.
3. Click the **Upload Supporting Documentation** button.
  - Choose the Document Type, enter a document title, click the **Browse** button to search and upload the document, and then **Save**.
  - Select the **Back** button to upload another document and continue this process until all required supporting documents as listed below are uploaded.
  - The maximum allowable file size for each document is 35MB.
4. Click the **Submit Transaction** button, located on the transaction page, to complete your payment request (including uploading all the documents listed below).

**Supporting Documentation**

- A. A scanned copy of the **Grant Payment Request form**. Mail only the **original** Grant Payment Request form (CalRecycle 87), with the original signature of the signatory or his/her designee\*, as authorized by grantee’s Resolution or Letter of Commitment to:

Via standard mail:	Via courier/personal delivery:
Department of Resources Recycling and Recovery Rubberized Pavement Grant Program FiRM Branch, 13 <sup>th</sup> Floor P.O. Box 4025 Sacramento, CA 95812-4025	Department of Resources Recycling and Recovery Rubberized Pavement Grant Program FiRM Branch, 13 <sup>th</sup> Floor 1001 I Street Sacramento, CA 95814

\*A designee may sign on behalf of the grantee if a) authorized by the Resolution or Letter of Commitment, and b) a Letter of Designation has been provided to the Grant Manager.

- B. Cost and payment documentation, such as invoices; receipts, weigh tickets or approved progress payment authorizations containing:
- ✓ Vendor name, phone number or address, purchase amount and date
  - ✓ Description of goods or services
  - ✓ Proof of payment (e.g., copies of cancelled checks, bank statements, invoice marked as paid with corresponding receipts or cancelled checks)
  - ✓ Amount of hot-mix or chip seal material produced for the project

For a Regional Grant, the Lead will be responsible for compiling all payment documentation from its Participant(s).

- C. A scanned copy of the Rubberized Pavement Certification form (CalRecycle 739-TRP). You must provide verification that only California-generated waste tires, processed in California were used (in an appropriate amount) in the crumb rubber portion of the project by signing and uploading this form via GMS. This form will be completed by your Binder Supplier.

Provide a copy of the signed Certificate of Compliance (CalRecycle 810-TRP) verifying that only California-generated waste tires, processed in California were used for this grant project. Request your Crumb Rubber Provider to complete this document.

Refer to your paving/prime contractor to determine who your Binder Supplier and Crumb Rubber Provider is for the project(s).

**Note:** All supporting documentation must be maintained in accordance with the “Audit/Records Access” section of Exhibit A – Terms and Conditions.

All forms listed above can be downloaded from the [CalRecycle Grant Forms website](http://www.calrecycle.ca.gov/Funding/Forms) (http://www.calrecycle.ca.gov/Funding/Forms).

## **AUDIT CONSIDERATIONS**

The grantee agrees to maintain records and supporting documentation pertaining to the performance of this grant subject to possible audit for a minimum of three (3) years after final payment date or Grant Term end date, whichever is later. A longer period of records retention may be stipulated in order to complete any action and/or resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later.

Examples of audit documentation include, but are not limited to, expenditure ledger, payroll register entries, time sheets, personnel expenditure summary form, travel expense log, paid warrants, contracts and change orders, samples of items and materials developed with grant funds, invoices and/or cancelled checks. Please refer to the Terms and Conditions (Exhibit A) for more information.

## **ANNUAL SURVEY**

Post-grant term Annual Surveys are encouraged by this Agreement to help assess your long-term satisfaction with the rubberized pavement projects funded by this Grant Agreement. The grantee must complete and submit an Annual Survey for the Rubberized Pavement Grant Program every year for five (5) years after the grant is closed.

You will be notified via e-mail once the [annual online survey](http://www.calrecycle.ca.gov/Tires/Grants/Pavement/default.htm) (<http://www.calrecycle.ca.gov/Tires/Grants/Pavement/default.htm>) is available.

**Note:** The link to the survey is only active during the survey period.