



April 2021

Department of Resources Recycling and Recovery

# **Exhibit B**

## **Procedures and Requirements**

### **Tire-Derived Product Grant Program**

#### **20th Cycle (TDP20) – Fiscal Year 2021–22**

**Copies of these Procedures and Requirements must be shared with both the Finance Department and the staff responsible for implementing the grant activities.**

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# Introduction

The Department of Resources Recycling and Recovery (CalRecycle) administers the Tire-Derived Product Grant Program. 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, and records and audit requirements.

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

## Milestones

**Notice to Proceed Date: Grant Term Begins** on the date that CalRecycle emails the Notice to Proceed.

**April 1, 2023: Progress Report Due**

**April 1, 2024: Final Report and Final Payment Request Due**

**April 1, 2024: Grant Term End**

## Grants Management System (GMS)

GMS is CalRecycle's web-based grant application and Grants 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 in to GMS](https://secure.calrecycle.ca.gov/Grants) (<https://secure.calrecycle.ca.gov/Grants>) using their web pass. After logging in, locate the grant in the **My Awarded/Open Grants** table and select the **Grant Management** link. 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:** Grantee requests reimbursement.
- **Reports tab:** Grantee uploads required reports.
- **Documents tab:** Grantee uploads all other grant documents that are not supporting documents to a payment request or a report. This section also provides access to documents that were uploaded within other sections of GMS.
- **Sites tab:** Shows approved project sites.

Follow the instructions in GMS to work in the system. The following sections describe the reports, transactions, and supporting documents CalRecycle requires.

### Contact Updates

Access to the grant is limited to those listed in the **Contacts** tab of the **Application Module** with the "Allow 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 or subcontractor to commence work under this grant, the grantee shall submit to the Grant Manager a declaration from the contractor or subcontractor, signed under penalty of perjury, stating that within the preceding three (3) years, none of the events listed in [section 17050 of Title 14](https://www.calrecycle.ca.gov/Laws/Regulations/Title14/) (<https://www.calrecycle.ca.gov/Laws/Regulations/Title14/>), California Code of Regulations, Natural Resources, Division 7, has occurred with respect to the contractor or subcontractor. The grantee must submit this form for each contractor and subcontractor working under the grant.

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

The grantee must upload a scanned copy of each signed Reliable Contractor Declaration form 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 "Grants Management System" section (above).

## Photo Requirement

Prior to commencing work or incurring costs, the grantee is required to upload at least one pre-construction digital photograph of the project site in the Documents tab of GMS.

## Tire-Derived Product Update Requirement

Prior to commencing work or incurring costs, the Grant Manager must approve in writing any proposed changes of the product manufacturer, supplier/vendor, and/or (sub) contractor from the one identified in the grantee's Grant Application. If approved, the grantee must submit a new, updated and complete Tire-Derived Product Certification Form (CalRecycle 227).

To obtain a form, visit the [CalRecycle's Grant Forms web page](https://www.calrecycle.ca.gov/Funding/Forms/) (<https://www.calrecycle.ca.gov/Funding/Forms/>).

The Tire-Derived Product Certification Form (CalRecycle 227) must be uploaded in GMS. To upload the Form:

1. In the **Documents tab**, go to the **Other Grant Documents** section.
2. Click on the **Upload a Document** button.
3. Type a title, i.e. Modification Tire-Derived Product Certification Form, then click the **Browse** button to search and upload the document.
4. Click the **Save** button.

# Grant Term

The Grant Term begins on the date of the Notice to Proceed (NTP) email, which is the formal notification from CalRecycle authorizing the grantee to begin the grant project and ends on April 1, 2024. The grantee must make all grant-eligible program expenditures and incur all grant-eligible costs within this period. Expenditures made or costs incurred prior to the NTP date or after the end date are not eligible for reimbursement.

The Final Report and final Payment Request are due on April 1, 2024. CalRecycle recommends reserving the period from March 1, 2024 to April 1, 2024 exclusively for the preparation of the Final Report and final Payment Request, though they may be completed earlier.

## Eligible Costs

Grantees may incur eligible costs only during the Grant Term, which starts when the grantee receives a Notice to Proceed from CalRecycle and ends on April 1, 2024. See “Grant Term” for additional information. All grant expenditures must be for activities, products, and costs specifically included in the approved Work Plan and approved Budget. To be eligible for reimbursement, costs must be incurred after receiving a Notice to Proceed and before the end of the Grant Term. All services must be provided and goods received during this period in order to be eligible costs. Invoices for goods and services must be paid by the grantee prior to the inclusion of those goods or services on a payment request.

Eligible costs are limited to the following:

- Actual cost of the California-generated tire-derived product material, tax, and shipping up to a total maximum of five dollars (\$5) per passenger tire equivalent (PTE) not to exceed the grant award. (See Tire-Derived Product Certification (CalRecycle 227) form for example of PTE calculation)
- This cost is exclusive of truck tire buffings. Truck tire buffings may be used in the product, but they are **not** an eligible cost.
- The waste tires must have been processed and manufactured into a final product in California or in the case of EOL material, the source of the material is located in California.

## Ineligible Costs

Any costs not specifically included in the approved Budget and not directly related to Tire-Derived Product Grant and the approved grant project are ineligible for reimbursement. The grantee should contact the Grant Manager if clarification is needed. Ineligible costs include, but are not limited to:

- Any costs incurred prior to the date of the Notice to Proceed email or after April 1, 2024.
- Materials that are not made from only California-generated waste tires, not processed in California, or that were not made into a final product in California.
- End-of-life (EOL) product(s) where the source of the EOL material (e.g., landscaping) is not located in California.
- Any cost other than the actual cost of the tire-derived product, tax, shipping up to a maximum of five dollars (\$5) per PTE.
- Truck tire buffings.
- Costs that exceed the cap of \$5 per PTE.

- Equipment, installation, signage, and labor costs.
- Any costs the Grant Manager deems unreasonable or unrelated to the purpose of the grant.

## Modifications

The grantee must submit any proposed revision(s) to the Work Plan in writing to the Grant Manager. The grantee may not incur costs or make expenditures based on the revision without first receiving the Grant Manager’s written approval. Proposed revisions must be clearly marked on the Work Plan document and must be accompanied by a summary of proposed changes or modifications, including justification for the proposed changes. If approved, the grant manager will upload the final revised Work Plan to GMS and notify the grantee. The grantee may submit proposed revisions in conjunction with a Progress Report but they cannot be submitted as part of the Progress Report. The grantee should retain the approval document(s) for audit purposes. See the “Audit Record/Access” section of the Terms and Conditions (Exhibit A).

The request must be uploaded in GMS and must include:

1. The reason for the change or modification, a summary of the new project and location information for each project site.
2. The new Work Plan and cost changes, if applicable (identify the modification or by number, e.g., Modification #1).
3. A new, updated and complete Tire-Derived Product Certification form (CalRecycle 227).

To upload a Project Modification Request in GMS:

1. In the **Documents** tab, go to the **Other Grant Documents** section.
2. Click on the **Upload a Document** button.
3. Type a title, i.e., Project Modification #1 Request, then click the **Browse** button to search and upload the document.
4. Click the **Save** button.

## Acknowledgements

The grantee shall acknowledge CalRecycle’s support each time a project funded, in whole or in part, by this Agreement is publicized in any medium, including news media, brochures, or other types of promotional materials. The acknowledgement of CalRecycle’s support must incorporate the CalRecycle logo. Initials or abbreviations for CalRecycle shall not be used. The Grant Manager may approve deviation from this requirement on a case-by-case basis where such deviation is consistent with CalRecycle’s Communication Strategy and Outreach Plan.

Expenses associated with these requirements are not reimbursable under the Grant.

The grantee must install a permanent sign at the Project site upon completion of the Project, no later than April 1, 2024. A high resolution file for production purposes, along with examples, are located at the [Tire Resources web site](https://www.calrecycle.ca.gov/tires/grants/resources/#Signage) (<https://www.calrecycle.ca.gov/tires/grants/resources/#Signage>).

The sign must include the following:

1. “Funded by a Grant from the Department of Resources Recycling and Recovery (CalRecycle)”;
2. CalRecycle logo<sup>1</sup>, and



3. Number of CA waste tires diverted<sup>2</sup> from the waste stream.

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

<sup>2</sup>To determine the number of tires diverted, refer to the Tire-Derived Product Certification Form (CalRecycle 227) for the calculation formula.

When the permanent sign is problematic due to grantee-specific issues, the grantee may 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 alternative acknowledgement must be pre-approved by the Grant Manager and include the three required components listed above.

## Electronic and Original Signatures

CalRecycle now allows for certified e-Signature or original wet signature on documents or forms that certify legally binding information.

**Note:** The e-Signature must be the Adobe Digital ID or through another certified digital signature program, and cannot be the "Fill and Sign" function within Adobe. Any documents using the "Fill and Sign" method will be considered as incomplete and may be sent back to the grantee.

If you have questions, email [grantassistance@calrecycle.ca.gov](mailto:grantassistance@calrecycle.ca.gov).

## Reporting Requirements

The Grant Agreement requires a Progress Report and a Final Report; however, the Grant Manager may require additional Progress Reports at any time during the Grant Term. Failure to submit the Final Report with appropriate documentation by the due date 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.

The grantee must upload all reports in GMS. For further instructions regarding GMS, including login directions, see the "Grants Management System" section (above).

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**.
  - Select the **Back** button to upload another document and continue the process until all required documents as listed below are uploaded.
  - The maximum allowable file size for each document is 35MB.
5. Click the **Submit Report** button to complete your report submittal. The **Submit Report** button will not be enabled until all required reporting documents are uploaded.

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 the Grant Agreement and may result in the termination of the Grant Agreement, 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. The grantee must report any problems or delays immediately to the Grant Manager.

## Progress Report

The grantee must submit a **Progress Report** and one pre-construction photograph of the project(s) by **April 1, 2023**. This report should cover grant activities that occurred from the Notice to Proceed date through **April 1, 2023**. The CalRecycle Progress Report template is available for download in GMS on the Summary tab in the Resource Documents section.

**The Progress Report must be submitted even if no work has started on the Project.**

## Final Report

The grantee must submit a **Final Report** and no less than five photographs of the Project site(s) showing the completed Project with signage by **April 1, 2024**. This report should cover grant activities **from the Notice to Proceed** through **April 1, 2024**. The CalRecycle Final Report template is available for download in GMS on the Summary tab in the Resource Documents section.

## Grant Payment Information

- Payment to the grantee for eligible grant expenses is made on a reimbursement basis only, and only for those materials and services specified in the approved grant application.
- The grantee may request reimbursement only twice during the Grant Term. In conjunction with (or after) submission of the Progress Report and in conjunction with the Final Report.
- The grantee must submit the required Progress Report/Final Report prior to, or concurrent with, submission of the Grant Payment Request. No reimbursement is made prior to Grant Manager approval of the report.
- 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.
- CalRecycle will make grant payments to only the grantee. It is the grantee’s responsibility to pay all contractors and subcontractors for purchased goods and services.
- CalRecycle will withhold and retain 10 percent of each approved Grant Payment Request amount until all conditions stipulated in the Agreement, including submission and Grant Manager approval of the Progress and Final Reports have been satisfied.
- 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 the Grant Manager approves a Grant Payment Request.
- The grantee must provide a [Reliable Contractor Declaration \(CalRecycle 168\)](https://www.calrecycle.ca.gov/Funding/forms/) (<https://www.calrecycle.ca.gov/Funding/forms/>) signed under penalty of perjury by the grantee’s contractors and subcontractors in accordance with the “Reliable Contractor Declaration” section of the Terms and Conditions (Exhibit A). The declaration must be received and approved by the Grant Manager prior to

commencement of work. See the “Reliable Contractor Declaration” section in Terms and Conditions (Exhibit A) for more information.

### **Payment Request and Documentation**

Failure to submit the final Payment Request with appropriate documentation by the due date 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.

The grantee must submit payment requests in GMS. For further instructions regarding GMS, including login directions, see the “Grants Management System” section (above). To submit a Grant Payment Request:

1. Go to the **Payment Request** tab.
2. Click on the **Create a Payment Request** button.
  - a. Choose **Reimburse** for the **Transaction Type** and enter the amount spent in each budget subcategory.
  - b. When the transaction is complete, click the **Save** button.
  - c. After the transaction is saved, the **Upload Supporting Documents** button will appear in the lower right corner.
3. Click the **Upload Supporting Documents** button.
  - a. Choose the **Document Type**, enter a **document title**, click the **Browse** button to search and upload the document, and then **Save**.
  - b. Select the **Back** button to upload another document and continue this process until all required supporting documents as listed below are uploaded.
  - c. 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. The **Submit Transaction** button will not be enabled until all required supporting documents are uploaded.
  - a. **Note:** Once a transaction is saved, select the transaction number from the **Payment Request** tab to access it again. Please do not create multiple transactions for the same requested funds.

### **Supporting Documentation**

- **Grant Payment Request form** (CalRecycle 87)
  - A scanned copy with the signature of the signatory or his/her designee, as authorized by grantee’s Resolution or Letter of Commitment, must be uploaded to GMS.
    - **Note:** 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.
- **Cost and Payment Documentation**
  - Acceptable cost and payment documentation must include at least one of each of the following.
    - Invoices, receipts, or purchase orders must include the vendor’s name and telephone number, address, description of goods or services purchased, amount, date and description of goods/services.
  - Proof of payment may include:
    - copy of cancelled check(s) that shows an endorsement from the banking institution
    - invoice(s) showing a zero balance, or stamped “paid” with a check number, date paid, and initials

- accounting system report from local government if it contains the vendor name, date of invoice, invoice number, check number or internal ID, and date amount was paid
  - bank statement(s) along with a copy of the endorsed check or invoice showing the check number
  - copy of an electronic funds transfer confirmation
  - copy of a credit card statement(s)
- The Grant Manager may require additional cost and payment documentation as necessary to verify eligible costs.
- **Tire-Derived Product Certification form (CalRecycle 227)**
  - A final Tire-Derived Product Certification form completed by the product manufacturer, supplier/vendor and/or contractor.
  - Acceptable documentation, verifying that the TDP was made from only California-generated waste tires and that the tires were processed and manufactured into a final product in California. Documentation must verify the flow of the California-generated waste tire material from the California processor to the final product manufacturer (if different) to the supplier/vendor or contractor (if different) to the grantee and include a Certificate of Origin (completed by the processor) or Bill(s) of Lading. Note: To ensure grant payment, it is recommended that the grantee obtain this documentation from its supplier/vendor/ or contractor prior to payment of supplier/vendor/ or contractor, as applicable.

All forms listed above can be downloaded from the [CalRecycle Grant Forms website](https://www.calrecycle.ca.gov/Funding/Forms) (<https://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. CalRecycle may stipulate a longer period of records retention 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, competitive bids, grant amendments if any relating to the Budget or Work Plan, copies of any agreements with contractors or subcontractors if utilized, 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 cancelled checks. Please refer to the Terms and Conditions (Exhibit A) for more information.