



# Request for Applications

## End Market Development for Colorado's Recycling Industry

October 6, 2014

### 1.0 - Goals

The Colorado Department of Public Health and Environment, working through the Pollution Prevention Advisory Board and the Assistance Committee to the board, requests applications for grant projects awarded from the Recycling Resources Economic Opportunity Fund. The Recycling Resources Economic Opportunity Act created a grant program to fund implementation projects that promote economic development through the productive management of recyclable materials that would otherwise be treated as discards.

The intent of this solicitation is to fund projects that will:

- create or expand the processing capacity of a recyclable material that will produce a feedstock suitable for end-use manufacturing; or
- create or expand an end-use manufacturing process that uses recycled materials as a feedstock; or
- purchase the equipment needed, or the materials to build the equipment needed, to implement a proven, market-ready concept that will contribute to greater degrees of waste diversion.

By focusing on projects that address one of the goals listed above, the board hopes to incentivize economic growth and job creation within Colorado's recycling industry. A total of \$1.25 million is available for this solicitation. The board wishes to limit the number of funded projects to six, though up to 100% of the available grant dollars may be allocated to a single project if that project will have a significant impact on the state's recycling industry. Awarded projects will be reimbursed for expenses incurred per the project's Scope of Work. See Section 8.0 for more information on disbursement of funds.

### 2.0 - Scope

Funding for this grant program originates from a surcharge on solid waste taken to Colorado landfills for disposal. The act that created this grant program declared recycling as an important means of realizing:

- environmental benefits;
- economic benefits to the state, including job creation; and
- preservation of the state's natural beauty.

The board recognizes the difficulty of capturing and processing residential and commercial recyclables in Colorado, as well as the challenges of producing a product from those recyclables within the state. To encourage market development for products made with recycled content, this solicitation is focused on creating new markets for recycled products and expanding existing markets. Transportation costs are a significant barrier to building a sustainable recycling infrastructure within Colorado. The majority of the end-markets for recyclables are great distances from Colorado's borders. It is this board's intention to incentivize end-market development to create an in-state demand for recyclable materials.

Grants are available to qualified applicants whose applications address the goals listed in Section 1.0. In an effort to expedite the review process with the board and contract execution with the department, grant funds will be restricted to the purchase or fabrication of equipment only. Such equipment may be used in the direct manufacture of a product with recycled content or for the purpose of processing recycled materials that creates a feedstock needed in the manufacturing process. Equipment may also be used to implement a new or improved processing or manufacturing technique that has been fully vetted through a robust research and design phase, particularly if this new process or technique focuses on a hard-to-recycle material. For example, equipment eligible for grant funding includes, but is not limited to, the following activities:

- sort
- pelletize
- grind
- shred
- wash
- extrude
- alter a recyclable material to a condition necessary to create a feedstock for manufacture
- manufacture a product with post-recycled material or finished compost material

Ineligible equipment includes but is not limited to:

- balers
- roll-off containers
- compactors
- windrow turners
- equipment used as part of a waste-to-energy or other conversion technology process
- equipment that processes a post-industrial and/or pre-consumer byproduct
- collection or processing equipment to be used in a materials recovery facility

Funded projects will be reimbursed for expenses incurred per the project's scope of work. All grant funds must be spent by June 30, 2015 and can only be used for equipment purchases. See Section 8.0 for more information on the disbursement of funds. The equipment must be installed and fully operational by June 30, 2015. No extensions will be allowed. The department may exercise its right to monitor the use of the equipment beyond June 30, 2015.

## 2.1 - Eligibility

Entities that are eligible to apply include:

- Colorado-based for-profit businesses and nonprofit organizations;
- Out-of-state for-profit businesses and nonprofit organizations that are expanding in or relocating to Colorado that have an in-state business presence, are registered as doing business in Colorado, and whose project benefits Colorado directly (such entities must be registered with the Colorado Secretary of State's office prior to application submittal);
- Public and government agencies, including but not limited to, universities, schools, special districts, and intergovernmental partnerships.

All entities must be able to meet the department's insurance requirements. Though proof of insurance is **not** required with the grant application, applicants who are selected for a grant award will need to provide proof of insurance before a formal contract is signed with the department. Please visit the following website to view the department's insurance requirements: <https://www.colorado.gov/pacific/cdphe/recycling-grants>

Anaerobic digestion and other waste-to-energy projects are not eligible to apply for this grant opportunity. These include, but are not limited to, technologies such as mass burn, gasification, pyrolysis, plasma arc, and other thermal technologies. No portion of the waste-to-energy process is eligible for funding.

### 3.0 - Application Procedures:

#### 3.1 - Time Line

October 6, 2014	Release Request for Applications
October 20, 2014, 3:00 PM MST	Deadline to submit questions
October 22, 2014	Answers to questions posted on department website
<b>November 3, 2014, 3:00 PM MST</b>	<b>Application due date</b>
November 20, 2014	Selection committee issues questions via email to finalists, if applicable
December 1, 2014, 3:00 PM MST	Q&A period ends
December 8, 2014 - January 12, 2015	Notice of grant awards and issuance of contracts
January 12, 2015	Expected project start date
June 30, 2015	Completion of grant-funded projects

#### 3.2 - Questions

All questions must be submitted to Assistance Committee Chairperson, Marjorie Griek at [mgriek@cafr.org](mailto:mgriek@cafr.org). Please submit questions no later than 3:00 PM MST on Monday, October 20, 2014. Answers to questions sent via e-mail will be posted on the department's website by October 22, 2014.

### 4.0 - Application Evaluation Criteria

#### 4.1 - Threshold Requirements

Threshold requirements that must be met before any application will be fully evaluated include:

- All sections of the application are complete and the cover sheet is signed;
- The application is formatted correctly and within the defined page limit;
- The applicant is registered to do business within the State of Colorado

If any of the threshold requirements listed above are not met, the application may be disqualified and may not be reviewed by the selection committee.

#### 4.2 - Point Assignments

Applications will be scored by a selection committee composed of board and committee members. Scores will be based on the applicant's ability to successfully address the following categories in the application narrative (see Sections 5.3 through 5.5).

Feasibility of business and marketing plans	30 points
Economic impact	20 points
Environmental benefits	20 points
Experience and qualifications	15 points
Facility requirements	5 points
Project work plan (Attachment #2)	4 points
Project budget (Attachment #3)	4 points
Metrics	2 points
<b>Total:</b>	<b>100 points</b>

All proposals will be scored by a selection committee and ranked accordingly. Proposals that score highest in the initial round of deliberations are considered finalists. The number of finalists will vary depending on the amount of funding available to award. The selection committee reserves the right to ask each finalist one or more clarifying questions. The selection committee may adjust an application's initial score based on the answers received from each finalist, which will influence the committee's final decision to award or to reject a particular application. There is no guarantee that a finalist will be asked to answer any questions. If a finalist fails to respond to the selection committee's questions by the deadline, the proposal may be disqualified. The deadline to respond to questions is December 1, 2014, 3:00 PM MST. To ensure a transparent process, all questions and answers will be documented via email correspondence and will become part of the finalist's application.

**PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY**

## 5.0 - Required Application Format

Sections 5.1 - 5.8 of this proposal must not exceed five consecutively numbered (bottom center), 8.5x11-inch pages of single-spaced, standard 11-point type (e.g. - "Times New Roman" or "Arial" in black font only) with 1-inch margins. Applications must be organized using the headings listed below (in bold). Failure to adhere to format requirements may lead to disqualification.

### 5.1 - Cover Sheet

Use the application cover sheet (Attachment #1) to provide the following: project title, organizational contact information, federal tax identification number, total amount of funding requested, matching/in-kind contributions (if any), and contact information of both the project director as well as the financial officer.

**Note: The cover page is counted as the first page of the application and is included in the five page limit.**

### 5.2 - Project Abstract

Describe the intent of the proposed grant project in 250 words or less. Clearly state the project's objectives and intended results. Keep this paragraph free of any proprietary information. Awarded projects will have their abstracts posted on the department's website.

### 5.3 - Application Narrative

#### 5.3.1 - Criterion: Economic impact

- 1) Quantify how the project will increase the potential for economic growth and job development for Colorado businesses. Quantify how the project will increase the potential for new markets or how it will expand end-use manufacturing that will improve Colorado's waste diversion rate.
- 2) Describe specific jobs created as a result of this project and quantify the number of Full-Time Equivalent (FTE) positions, where one FTE equals a 40-hour per week position.

#### 5.3.2 - Criterion: Environmental benefit

- 1) Explain what material will be the focus of this project and why this material was chosen. Discuss the significance of the project's impact on recycling, waste diversion, and/or waste minimization.

#### 5.3.3 - Criterion: Feasibility of business and marketing plans

- 1) Provide a business or work plan for the project that shows a thorough knowledge of the current situation in the field/industry and how this project will offer new opportunities for industry growth.
- 2) Specifically describe who will buy the products or materials this project proposes to create or collect. If applicable, include a discussion on market research indicating a demand for the product manufactured. Additionally, discuss how the recyclables

collected over the course of the project will be processed and marketed, providing information on downstream markets.

- 3) What plan is in place to assure the project will continue after the grant period ends? How will the project continue to be funded?
- 4) Identify sources of any matching or in-kind funds or non-monetary support that will be used in conjunction with grant dollars to implement the project. While in-kind matching is not required, proposals that include in-kind funds will be scored more favorably.
- 5) Justify why grant dollars are needed to implement the proposed project. Consider whether current liquid assets or loans could negate the need for a grant. Explain why other funding sources were not feasible to fully fund the proposed project.
- 6) Confirm what permits will be needed to complete the project (storm water, air, recycling facility, local land use/zoning, etc.). Be sure to consider how delays in acquiring the necessary permits might affect the project's implementation timeline.

#### 5.3.4 - Criterion: Metrics

- 1) Consider metrics for both economic (jobs created, revenues generated, etc.) and environmental benefits (tons recycled, etc.) and how they will be documented.

#### 5.3.5 - Criterion: Experience and qualifications

- 1) Describe the applicant's relevant education and experience of key personnel.
- 2) If there is a partnership involved, how will relationships be maintained and what are the roles and responsibilities of the partners?
- 3) Compliance history will be considered. If the applicant is part of the regulated community, discuss the status of any environmental compliance issues with the department or the local governing body.

#### 5.3.5 - Criterion: Facility requirements

- 1) Describe the resources available that will be required to implement the project, including facilities, manufacturing capabilities, major equipment, and technical or administrative personnel.

### 5.4 - Work Plan

Using the standardized chart provided in **Attachment #2** of this document, create the project's work plan and timeline. This includes a list of each piece of equipment's purchase, delivery, installation, and operation start date. When identifying responsible entities in the work plan, use agencies or job titles instead of the names of key personnel. Include key decision points for early project termination if the project is not meeting the scheduled objectives. **The work plan template is included within the application's five page limit. Do not include the project's work plan in the Appendix.**

### 5.5 - Budget

#### 5.5.1 - Itemized Budget

Using the standardized format and budget categories provided in **Attachment #3** of this document, create a table listing all equipment purchases. Identify all other funding sources that will be dedicated to this project and include plans to obtain additional funding.

Matching funds do not include existing personnel, facilities, etc. Only new spending directly related to this project should be included as in-kind matching. Though in-kind matching is not required, proposals will score more favorably if in-kind matching is included in the project's budget. **The itemized budget table is included within the application's five page limit. Do not include the project budget table in the appendix.**

Applicants may offer more than one, but no more than two, project budgets in the proposal for the selection committee's consideration. For instance, Option A could entail a budget that allows the applicant to purchase everything needed to fully implement the project. Option B could alternatively request fewer grant dollars by including additional matching funds or creating a scaled back project that would still achieve most of the project's goals and remain equally sustainable in the long-term.

### 5.5.2 - Budget Narrative

Describe in detail each piece of equipment listed in the budget table, its purpose, and how it will be used. Describe how costs were determined.

Note: The reallocation of funds for any equipment purchase not originally requested in this application will not be allowed.

### 5.6 - Appendix

The appendix is limited to 10 pages.

The following information is **required**:

- Project leader(s) current resume(s)
- For all proposed equipment purchases, provide full industry specifications (make, model, serial number, age, ownership, etc.)
- Copy of Colorado's Secretary of State Certificate of Good Standing letter (for-profit or nonprofit entities only)

The following information is **optional**:

- Documentation that the project would be beneficial to the community where the project will be implemented
- Letters of support from institutions of higher education, community leaders, etc. dated within six months of the application deadline
- Citations of any patents, references, etc. used in the proposal
- Articles or list of publications about the project group and/or grant project
- Any other important materials relevant to evaluating the proposal
- Applicants who have service-disabled veteran owned status should submit evidence of certification through the U.S. Department of Veterans Affairs with their submission.

### 6.0 - Proprietary Information Policy

If proprietary information is provided by an applicant that constitutes a trade secret, confidential personnel information, or proprietary commercial or financial information, in accord with § 24-72-204(3), C.R.S., such documents may be withheld from disclosure if the department receives a request for records in accord with the Colorado Open Records Act, § 24-72-101 et seq. All such documents must be clearly marked with the term "Proprietary Information" on each appropriate page. Records marked as containing trade secret, confidential, personnel, or proprietary

information that do not actually contain such information could be released pursuant to an Open Records Act request.

## 7.0 - Reporting Requirements

A draft version of the final report is due 15 days after the grant cycle ends, July 15, 2015. The final report is due 30 days after the grant cycle ends, July 31, 2015. The report will include a financial status summary and will identify the tasks completed during the reporting period. Program staff will provide grantees with a reporting template. The final report will be placed on the department's website. The board and the committee reserve the right to request grantees present their findings at board or committee meetings.

## 8.0 - Grant Funding

The grant program funds projects on a reimbursement basis. Ongoing monitoring of capital expenditures may occur after the one-year funding period if deemed appropriate by the department. Projects will be reimbursed no more than once per month for expenses incurred. Reimbursement requests must include supporting documentation of payment such as receipts, copies of cleared checks, or invoices with zero balances. It is preferred that reimbursement requests are submitted electronically. The state will not reimburse any cost incurred by the applicant prior to the issuance of a legally executed contract, task order, or authorized purchase order. Depending on the nature of the project, reimbursements may be based on the ability of the grantee to provide proof that equipment or materials purchased in-kind were in fact purchased and installed. Grantees may be required to spend a portion of their in-kind match before the department reimburses any expense related to the project if the in-kind expenditures are essential to the project's success.

Five percent (5%) of each reimbursement request will be withheld until a final report has been submitted by the grantee and approved by the committee at the end of the grant cycle. Reallocation of dollars within the project budget for any equipment purchase not requested in this application will not be allowed.

Because the grant program funds projects on a reimbursement basis, the department recognizes that grantees may experience financial hardship when making high-dollar, project-related purchases. If for-profit or nonprofit entities require a loan to make purchases prior to being reimbursed by the department, or need additional in-kind funds to implement the project, contact the Colorado District Office of the United States Small Business Administration (SBA) at 303-844-2607 and ask to speak to a lender relations specialist. For lender approved loans, the US Small Business Administration will provide a respective guarantee on the approved loan amount for eligible businesses and nonprofits. This incentivizes participating banks to approve loans, oftentimes at lower interest rates and reduced collateral requirements. Additional resources are available online at the Colorado District Office's website <http://www.sba.gov/about-offices-content/2/3104>.

## 9.0 - Submitting an Application

Electronic applications are strongly preferred. The full application, including any appendices, must be contained in a single document and must be in PDF (read-only) format. Please e-mail your fully completed application to Eric Heyboer, Recycling Grant Program Administrator, at [cdphe.ppp2@state.co.us](mailto:cdphe.ppp2@state.co.us) (subject line: RREO Grant Program Application). Applications submitted in multiple attachments and/or e-mails will not be accepted. Please do not send an electronic file

larger than 10 megabytes since the e-mail may not be successfully delivered to the department's internal e-mail system.

If unable to submit electronically, the full application must be sent by courier or certified mail to:

RREO Grant Program  
Attn: Eric Heyboer, DEHS-B2  
Colorado Dept. of Public Health and Environment  
4300 Cherry Creek Drive South  
Denver, CO 80246-1530

The deadline for complete applications sent by e-mail is 3:00 PM MST on November 3, 2014. Applications that are mailed must be received by 3:00 PM MST on November 3, 2014. Applications postmarked on November 3 but delivered on a later date will not be reviewed. Incomplete applications and applications received after this deadline will not be reviewed. All applicants will receive an e-mail notification confirming receipt of their application within one business day. If you do not receive an e-mail notification after one business day, contact Eric Heyboer immediately at 303-691-4955. Do not send both an electronic application and an application by courier or certified mail. Questions about the grant program may be sent to [cdphe.ppp2@state.co.us](mailto:cdphe.ppp2@state.co.us) (subject line: RREO Grant Program Questions).

The successful applicant will be subject to the terms and conditions of the purchase order or contract. Applicants who are selected for funding will be asked to submit a final scope of work for their project, which will then be included in the final contract or purchase order.