



# Department of Environmental Protection

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TO: Cities, Counties, and Other Interested Parties  
FROM: Ron Henricks, Administrator  
Waste Reduction Section  
DATE: August 8, 2002  
SUBJECT: FY 2003-2004 Innovative Recycling/Waste Reduction Grants Update

## ***Introduction***

This memorandum discusses the following topics:

- (1) **Innovative Grants Statutes**
- (2) **Funding**
- (3) **Grant Caps**
- (4) **County Annual Solid Waste Management Reports**
- (5) **Criteria and Scoring**
- (6) **Timeline/Review Process**
- (7) **Rulemaking**
- (8) **Web Site**
- (9) **Questions/Contact**

DEP's official Request for Proposals (RFP) for the Innovative Recycling/Waste Reduction Grants should be available online via our web site no later than Wednesday, August 14. (See Section 8 of this memorandum for web site information). That RFP will include all of the basic administrative and programmatic information for applicants to use in developing their proposals. **Please read that RFP carefully, because it will have some very specific requirements regarding the format and substance of proposals. Proposals failing to implement those requirements will be disqualified.**

The purpose of this memorandum is to (1) delineate our policy decisions that will be part of the RFP and (2) discuss the rationale for those decisions.

For reasons discussed later in this memorandum, the process we have used in past Innovative Grants funding cycles will be very abbreviated for this cycle. We regret this, but we see no way around it if we are to provide the required list of proposed projects to the Legislature in a timely manner. Also, because of the short timeframe for this cycle, **we are not requiring pre-proposals** for this grant cycle.

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## **(1) Innovative Grants Statutes**

In FY 1997-98, the Legislature initiated the Innovative Grants for waste reduction and recycling, continuing to fund them for four years until stopping for FY 2001-02 and FY 2002-03. During its 2002 session, the Legislature passed House Bill 851, which reinstates these grants. However, there are some **significant modifications compared to previous years**:

- Counties are no longer the only eligible applicants; **cities** may now also apply.
- **Waste tires** are specifically added as a focus.
- The **Legislature, not DEP, makes the final determination** as to what specific projects will be funded.

Details are delineated in this excerpt from HB 851, which modifies part of Section 403.7095, F.S.:

- (1) The department [DEP] shall develop a competitive and innovative grant program for counties, municipalities, special districts, and nonprofit organizations that have legal responsibility for the provision of solid waste management services that:
  - (a) Demonstrate technologies or processes that are not in common use in Florida, that represent a novel application of an existing technology or process, or that overcome obstacles to recycling and waste reduction in new or innovative ways;
  - (b) Demonstrate innovative processes to collect and recycle or reduce materials targeted by the department and the recycling industry; or
  - (c) Demonstrate effective solutions to solving solid waste problems resulting from waste tires, particularly in the areas of enforcement and abatement of illegal tire dumping and activities to promote market development of waste tire products.

Because the Legislature recognizes that input from the recycling industry is essential to the success of this grant program, the department shall cooperate with private-sector entities to develop a process and define specific criteria for allowing their participation with grant recipients.

- (2) The department shall evaluate and prioritize the annual grant proposals and present the annual prioritized list of projects to be funded to the Governor and the Legislature as part of its annual budget request submitted pursuant to chapter 216, beginning with fiscal year 2003-2004. Potential grant recipients are encouraged to demonstrate local support for grant proposals by the commitment of cash or in-kind matching funds.

**Nonprofit Organizations:** Several parties have asked DEP to clarify what exactly is meant by this phrase from paragraph (1) above: “nonprofit organizations that have legal responsibility for the provision of solid waste management services.” We have determined that legal responsibility to provide solid waste management services is obtained via:

- **Statute**, such as Section 403.706, stating that counties have the responsibility to provide disposal services,
- **Special legislative acts**, such as the one that created the Palm Beach County Solid Waste Authority, or

- **Interlocal agreements which are authorized by law**, such as Section 403.706(19), which provides that special districts or other entities given power to manage solid waste through interlocal agreements can be eligible for grants just like counties. An example is New River Solid Waste Association.

Just because a nonprofit agency might happen to have legal *authority* under its charter to provide solid waste services to some group of people does not mean it has the legal *responsibility* to provide those services, at least not in the context of these grants.

**Targets:** HB 851 modifies Section 403.709(5), F.S., to explicitly state that the Innovative Grants are to be used for “recycling and reducing the volume of municipal solid waste [MSW], including waste tires requiring final disposal.” Therefore, at a minimum, any targeted materials or sectors for the Innovative Recycling/Waste Reduction Grants must either be MSW or a generator of MSW. **MSW is defined in Section 403.706(5) of Florida Statutes as:**

any solid waste, except for sludge, resulting from the operation of residential, commercial, governmental, or institutional establishments that would normally be collected, processed, and disposed of through a public or private solid waste management service. The term includes yard trash but **does not include solid waste from industrial, mining, or agricultural operations.** [Emphasis added.]

During the last round of Innovative Grants (FY 2000-01) there was much discussion about targeting the grants. At that time, local governments made it clear that they did not want any specific MSW materials or generators targeted. Put another way, they wanted the target to be any MSW or generator of MSW. Their rationale was that they felt they ought to be allowed to determine the most important use of the grants for their area rather than have the state target items that might or might not be a problem in their area.

The counter argument at that time was that because the grants are appropriated by the state legislature, one can reasonably assume that the legislature wants those limited resources to be spent on those items that are causing the most problems over most of the state. That assumption was further supported by the fact that the legislature specifically spelled out targeting as a separate criterion in the legislation for that fiscal year, though it did not mention of any specific materials or sectors to target.

In FY 2000-01, we decided to go along with local governments’ desire to list targets no more specific than just MSW in general. However, for the upcoming round of grants, we are changing that policy. We are listing some specific targets. **We will accept, review, and rank proposals that do not focus on the targets, but we will award additional points to those proposals that do focus on the targets.**

**Timing:** Even though the Legislature will not be making its decision on what Innovative Grants proposals will be funded until Spring of 2003, DEP will have to submit its prioritized list of grant applications for the Legislature’s consideration before that, no later than the beginning of January. To give us enough time to review and rank applications, **the deadline for us receiving those applications will be close of business, Tuesday, October 15, 2002.**

## **(2) Funding**

For the first time in the history of the Innovative Grants, the Legislature, rather than DEP, will be making the final determination as to which proposals are funded. **That determination will be made during the 2003 legislative session and will be effective for FY 2003-04 (starting July 1, 2003).** We have no way of knowing how much money the Legislature will allocate for these grants. At this writing, we are planning to ask for approximately \$1,500,000. **DEP's performance and obligation to award program grants is contingent upon an appropriation by the Legislature.**

## **(3) Grant Caps**

House Bill 851 gives DEP the authority to set grant caps. For this round of grants, we are setting the following caps:

- **Number of proposals per applicant:** No more than **two per applicant**, with maximum total requests per applicant adding up to no more than **\$200,000**.
- **Per project maximum:** No more than **\$200,000 per project, regardless of how many applicants collaborate on a project**. A couple of years ago we allowed multi-applicant projects to add their maximum allowable amounts together. For example, if 3 applicants collaborated, we allowed them to submit an application for up to \$900,000 (3 applicants x \$300,000 maximum per applicant). There was some justification for this procedure when the grants statute contained a criterion that favored regional projects. However, the 2000 Legislature removed that criterion, thereby removing the statutory justification for giving a special incentive for regional projects. The 2002 legislative session did not reinstate that criterion.

Because of the short timeframe for our review of proposals, **we will disqualify all proposals from an applicant, including that applicant's share of multi-applicant proposals, if (a) more than two proposals come from the applicant or (b) all of the proposals from the applicant total more than \$200,000.** If a department within an applicant's bureaucracy plans on submitting a proposal, it is that department's responsibility to take the initiative to communicate and coordinate with other departments in that applicant's bureaucracy that might also logically be expected to possibly have an interest in submitting a proposal. For multi-applicant proposals, it is all of the participating applicants' responsibility to coordinate and communicate amongst themselves relative to this issue.

- **Management of similar proposals:** If we receive **two or more similar proposals**, we reserve the right to **request the applicants to collaborate** in revising their proposals per our direction regarding proposal elements and costs.

## **(4) County Annual Solid Waste Management Reports**

HB 851 eliminated and streamlined much of the data required in the counties' annual solid waste management reports to DEP effective July 1, 2003. However, there is some data that the Legislature still requires counties to report to DEP annually. **Counties who have overdue or inadequate data relative to the October 1, 2001 annual report deadline** may apply for an Innovative Grant, but they will also have to submit the required data to us before or no later than when they submit their grant application. **If we find their data is still inadequate by the time we submit our prioritized list of applications to the Legislature, their application will be disqualified.**

Also, after the Legislature decides during its March/April regular session which applications can receive grants, **we reserve the right to withhold those grants from any county that has overdue or inadequate data relative to the November 1, 2002 annual report deadline.** Release of the grant will be dependent upon our receipt of the required data.

## **(5) Criteria and Scoring**

These are the criteria and points allocation we will be using to review proposals:

- **35 points**      **Technologies or Processes**
- **10 points**     **Targets**
- **35 points**     **Benefits/Cost-effectiveness**
- **10 points**     **Transferability**
- **10 points**     **Local Support**
- 
- **100 points**    **Total**

Before getting into a detailed discussion of each criterion, some background might be useful. Much of the criteria will look familiar to those persons who were involved in the most recent cycle of grants (FY 2000-01). While HB 851 does not list all of these specific criteria, as previous legislation has, it does not prohibit DEP from using these criteria to evaluate grant proposals. We have determined that the criteria listed above are appropriate to help assure the most effective use of the grants from both an environmental and economic perspective.

Also, please note that **if a proposal does not address MSW as defined in statute, it will be disqualified from further consideration.** The definition of MSW in Section (4) of this memorandum is not totally and unambiguously clear about what is considered MSW. There are some gray areas and room for interpretation. **If you have any question as to whether your project will address what DEP considers to be MSW, please call us before you get too far along in your proposal.** Please do not wait until the last minute to ask us for such a determination, because there is no guarantee that we will be able to give you an answer as quickly as you need it.

Following is a more detailed discussion of each criterion.

(a) **(35 Points) Technologies or Processes:** *Demonstrate technologies or processes that (1) are not in common use in Florida, that (2) represent a novel application of an existing technology or process, or that (3) overcome obstacles to recycling/waste reduction in new or innovative ways.*

**Discussion:** The range of scoring is between 0 and 35 points, with a range of 0-15 points for meeting one of the following subcriteria, up to an additional 10 points for meeting two, and up to an additional 10 points for meeting all three:

- **Not in common use in Florida:** The proposal should provide information via survey, literature review, or some other means to support its assertions that the proposed technologies or processes are not in common use in Florida or in Florida areas of similar size or demographics.
- **Novel application of an existing technology or process:** The proposal should provide documentation showing how the existing technology or process is novel.
- **Overcome obstacles to recycling/waste reduction in new or innovative ways:** The proposal should spell out what obstacles are being addressed, explain how the proposal would overcome those obstacles, and provide documentation supporting the newness or innovation of the ways in which the proposal will address those obstacles.

(b) **(10 Points) Targets:** *Demonstrate innovative processes to collect and recycle or reduce materials targeted by the department and the recycling industry. Demonstrate effective solutions to solving solid waste problems resulting from waste tires, particularly in the areas of enforcement and abatement of illegal tire dumping and activities to promote market development of waste tire products.*

**Discussion:** In DEP's 2001 report to the Legislature, *Florida's Recycling and Litter Programs: Current Status and Potential Future Directions*, DEP recommended:

The existing Recycling and Education grants program should be replaced with a small scale competitive "seed grant" program that launches innovative waste reduction/recycling projects, improves recycling in Construction and Demolition (C&D) debris and the commercial/institutional sector, and develops new markets for recycled C&D debris. These areas have the greatest potential for increasing the state's overall recycling rate.

Therefore, proposals that focus on C&D and the commercial/institutional sector will be eligible for up to 10 points.

Additionally, since waste tires are specifically listed in HB 851 as a focus for the grants, projects focusing on that issue will be eligible for up to 10 points. Though it may be stating

the obvious, please note that we are looking for *innovative* proposals for dealing with waste tires.

(c) **(35 Points) Benefits / Cost-effectiveness:** *Demonstrate the potential economic and environmental benefits of the proposed program and the cost-effectiveness of the program's approach.*

*Discussion:* There are three components for this criterion:

- **(15 Points) Environmental benefits:** Under which we will consider two parameters:
  - **Methodology:** Source reduction and resource conservation rate higher than material reuse which rates higher than recycling and composting programs. A combination of these approaches rates somewhere in between. This reflects the waste management hierarchy established by the 1991 Legislature in Section 403.061(33), Florida Statutes.
  - **Toxicity:** Programs that reduce (a) exposure to or (b) release of hazardous or toxic materials which pose a threat to public health.
- **(10 Points) Economic benefits:** This will include, but not necessarily be limited to, such things as more jobs or increased marketability of a product.
- **(10 Points) Cost-effectiveness:** This will include, but not necessarily be limited to, consideration of such issues as:
  - How the results of the program could potentially result in a substantial **reduction in the cost** of recycling/waste reduction.
  - How long the **payback period** is for program costs. Shorter paybacks rate higher than longer paybacks.
  - **Sustainability** of the program. Programs that are designed to continue after the grant ends are more desirable than programs that die with the end of grant funds.
  - How the program will make the most **cost-effective** use of vendors, subcontractors, products, and other program resources to complete the project

(d) **(10 Points) Transferability:** *Demonstrate transferability of technology and processes used in the program and specify how the program will promote transferability.*

*Discussion:* There are basically two subcriteria here:

- **(5 points) Transferability of technology and processes:** how and what other local governments will be able to gain from the completion of the project; how the technology or process will apply to a broad audience. If a project is transferable to areas with demographics or situations substantially different than its home base, then that project should get more points than a project that is transferable to areas with more limited demographics or situations.
- **(5 points) How the program will promote that transferability:** the greater the effort to promote transferability, the greater the points. For example, projects that plan and budget for mentoring counties or communities with similar demographics in Florida will score higher than those who simply propose to write an article or give a presentation.

**(e) (10 Points) Local Support:** *Demonstrate local support for the proposed program by the commitment of cash or in-kind matching funds.*

**Discussion:** Either public or private sector contributions may count as match. Points for either cash or in-kind matching funds will be allocated per the following:

- 0 points      0% up to and including 1% of total project cost
- 1 points      Greater than 1% up to and including 10% of total project cost
- 2 points      Greater than 10% up to and including 20% of total project cost
- 3 points      Greater than 20% up to and including 30% of total project cost
- 4 points      Greater than 30% up to and including 40% of total project cost
- 5 points      Greater than 40% up to and including 50% of total project cost
- 6 points      Greater than 50% up to and including 60% of total project cost
- 7 points      Greater than 60% up to and including 70% of total project cost
- 8 points      Greater than 70% up to and including 80% of total project cost
- 9 points      Greater than 80% up to and including 90% of total project cost
- 10 points      Greater than 90% up to and including 100% of total project cost

For example, a project's total cost will be \$100,000 with \$50,500 of that covered by in-kind match while the other \$49,500 will be covered by an Innovative Recycling/Waste Reduction Grant. This is a 50.5% match, resulting in 6 points under this criterion. Here are the steps to use in calculating the percentage match:

1. Total grant requested + Total local match = Total project cost
2. (Total local match / Total project cost) x 100 = Percentage match

**Proposals should clearly state (a) the amount of matching funds and (b) the percentage of matching funds as part of total project costs.**

Please note that the above excerpt and example calculation is based on the percentage match of total project cost, not total grant requested. If it had been based on percentage of total

grant requested, the example calculation would have resulted in a 102% match, giving the proposal 10 points under this criterion. We will correct any calculations done in that manner.

## **(6) Timeline/Review Process**

08/14/02 Request for Proposals posted on DEP's 2003-04 Innovative Recycling/Waste Reduction Grants web site ([http://www.dep.state.fl.us/waste/categories/recycling/pages/grants\\_igg04.htm](http://www.dep.state.fl.us/waste/categories/recycling/pages/grants_igg04.htm)).

10/15/02 Proposals due at DEP no later than 5 p.m. (**that does not mean postmarked by 5 p.m., it means at DEP by 5p.m.**). **Maximum length: 9 pages.** Twelve hard copies and one electronic version in Microsoft Word format. **No binders or covers, just plain paper. Margins no less than 0.5 inches. Font no smaller than 12 points.** Review the RFP for any additional formatting details.

- No more than **two proposals** per applicant.
- No more than **\$200,000** per applicant.
- No more than **\$200,000 per project, regardless of how many applicants collaborate on the project.**
- In multi-applicant collaborative proposals, **each applicant's share of the proposal budget** should be explicitly identified. Also, the **lead applicant should be identified** for administrative and project management purposes. For each applicant participating in a multi-applicant proposal, that participation counts as one proposal towards the maximum of two proposals per applicant. Likewise with each applicant's share of the proposal budget counting towards the maximum of \$200,000 per applicant.
- No more than **one page** for **abstract**.
- No more than **one page** for project **description**.
- No more than **two pages** describing how the project will demonstrate or utilize uncommon or novel or innovative **technologies or processes**.
- No more than **one page** for **materials or sectors targeted** by DEP.
- No more than **two pages** for **economic/environmental benefits and cost effectiveness**.
- No more than **one page** for **transferability**.
- No more than **one page** for **local support**.

11/05/02 DEP Review Committee meets to do preliminary ranking of applications. Also at this meeting DEP will decide if any additional information is needed from any applicants. DEP will also decide if any applicants should combine efforts or cooperate more closely with other applicants.

12/03/02 DEP Review Committee meets to finalize ranking of applications.

- 01/03/02 DEP submits finalized ranking of applications to Legislature.
- 05/02/03 (Tentative date.) Legislature decides what applications will be funded.
- 05/07/03 (Tentative date.) DEP notifies applicants selected to receive Innovative Recycling/Waste Reduction Grants. Grantees must check with their DEP district office and local environmental permitting agencies on compliance issues regarding proposed project work.
- 06/04/03 (Tentative date.) Scope of Service (SOS) and Environmental Certification Form due. SOS shall contain applicable amendments to the proposal along with final timeline (dates), deliverables (work), itemized costs of each deliverable (budget) and applicant contact details (i.e. Project Manager address, phone, e-mail, and FEID#).
- 07/09/03 (Tentative date.) DEP sends Grant Agreements to applicants for signatures.

## **(7) Rulemaking**

HB 851 authorizes DEP to develop and implement a rule for the Innovative Grants program. We did not develop a rule for the previous cycles of the Innovative Grants. However, staff will be requesting permission to initiate rulemaking in the near future. Assuming that permission is given, the rulemaking will occur over the next year. Ideally, we would like to see the rule in place for the next cycle of Innovative Grants after the one we are currently in. Suggestions for any changes to the process that we are using for the current cycle will be considered during the rulemaking process.

## **(8) Web Site**

The Request for Proposals, and all other information connected with the FY 2003-04 Innovative Grants, will be available via this new web site, which **should be up and running no later than August 14**: [http://www.dep.state.fl.us/waste/categories/recycling/pages/grants\\_igg04.htm](http://www.dep.state.fl.us/waste/categories/recycling/pages/grants_igg04.htm).

For information about past Innovative Grants, please go to this web site:  
<http://www.dep.state.fl.us/waste/categories/recycling/pages/grants.htm>.

## **(9) Questions/Contact**

If you have any questions, please feel free to contact the Innovative Recycling/Waste Reduction Grants program manager: **Suzanne Boroff** (850/488-0300; [suzanne.boroff@dep.state.fl.us](mailto:suzanne.boroff@dep.state.fl.us)).