

# Investment and Innovation Grants

## Guidelines (June 2018)

### 1) PURPOSE

Metro is committed to working with the residents and businesses of the region to manage and reduce the environmental impacts associated with the goods we all consume. These efforts include reductions in both the amount and the toxicity of waste. The Investment and Innovation Grants, established in Metro Code Chapter 5.04, aim to do this by stimulating investment by private for-profit businesses and not-for-profit organizations to create, expand, preserve, and broaden efforts that advance waste prevention, reuse, recycling, composting, and energy recovery in the Metro region. The grants will advance Metro's progress towards achieving both its Regional Waste Plan and diversity, equity, and inclusion goals.

### 2) OBJECTIVES

Projects funded by these grants are intended to:

- a) Strengthen the region's system for processing and recovering recyclable materials, with an emphasis on those materials for which there is the greatest environmental benefit from recycling or energy recovery.
- b) Strengthen the region's efforts to reduce the amount and toxicity of waste.
- c) Strengthen the region's reuse services and infrastructure.
- d) Strengthen the region's composting infrastructure.
- e) Strengthen the region's energy recovery infrastructure for materials that cannot be recycled.
- f) Encourage innovation and advance new technology in waste prevention, reuse, recycling, composting, and energy recovery.
- g) Encourage new participants in the region's waste prevention, reuse, recycling, and energy recovery system who are from communities of color or other historically underrepresented groups.

### 3) GOVERNANCE

#### a) Code

Metro Code Chapter 5.04 Investment and Innovation Program, provides the general structure for a program that invests public resources to create, expand, improve, preserve, and diversify efforts that advance waste prevention, reuse, recycling, composting, and energy recovery consistent with Metro's Regional Waste Plan and Metro's diversity, equity, and inclusion goals.

#### b) Metro Council

The Metro Council will:

- i) Assign a Metro Councilor to participate in project funding decisions and serve as a member of the Investment and Innovation Grant Committee.

- ii) Review Investment and Innovation Grant Program Seven-Day Notices issued by the Metro Chief Operating Officer to inform the Metro Council of project funding decisions. The Metro Council will have seven days from the date of the notice to request a Metro Council briefing or bring the matter forward for formal Metro Council action. The Metro Council may allow the decision to stand, send the decision back for reconsideration, or take formal action to deny or approve the decision. The funding decision will become final seven days after the date the notice was issued if no Councilor requests it be presented to the full Metro Council for review.
- iii) Adopt the Investment and Innovation Grants operating budget and annual grant funds as part of Metro's budgeting process.
- c) The Metro Chief Operating Officer (COO) will:
  - i) Provide the Metro Council with Investment and Innovation Seven-day Notices to inform the Metro Council of project funding decisions.
  - ii) Appoint Investment and Innovation Grant Committee members, who may include:
    - (a) One Metro Property and Environmental Services manager or Investment and Innovation Program Coordinator to serve as chair.
    - (b) One Metro Councilor, as designated by the Metro Council President and confirmed by the Metro Council.
    - (c) Two or three government agency representatives.
    - (d) Two or three representatives from an underserved or underrepresented community.
    - (e) One representative from a non-solid waste related business.
- d) The Property and Environmental Services Director will:
  - i) Select a priority project emphasis on annual basis, if the Director determines it would benefit the program in achieving its objectives.
  - ii) Determine a target amount of funding available for each category of grants offered, if the Director determines it would benefit the program in achieving its objectives.
  - iii) Review and approve, reject or modify Grant Committee funding recommendations.
- e) The Grant Committee will:
  - i) Evaluate and score proposals based on the published criteria.
  - ii) Make recommendations to the Property and Environmental Services Director on project funding.

#### 4) METRO REPORTING

Metro staff will produce an annual report documenting the types and amounts of grants awarded and grant outcomes. That report will be presented to the Metro Council and published on the Metro website.

## 5) PROGRAM DURATION

The initial duration of the Investment and Innovation Grant program will be three fiscal years, beginning on July 1, 2018, and ending on June 30, 2021. In the third year, staff will evaluate the program and make a recommendation to the Metro Council on whether it should continue to fund the program.

## 6) FUNDING GUIDELINES

### a) Eligible Applicants

- i) Non-profit organization (or fiscal sponsor) with a federal 501(c) tax designation.
- ii) For-profit business.

### b) General Eligibility Requirements

- i) An applicant must be in compliance with local, state, and federal requirements.
- ii) An applicant must demonstrate that it has matching funds or other contributions to share in the cost of the project. Details on the matching requirement are provided in the “Grant Categories” section below.
- iii) An applicant’s proposed project must be located within the Metro jurisdictional boundary or have a significant direct impact to waste reduction in the Metro region.

### c) Ineligible Costs

Investment and Innovation Grants may not be used for:

- i) Costs associated with preparing a grant proposal, stock or debt offering, formation of partnerships, incorporations, fundraising, or other forms of such business costs.
- ii) Costs not directly tied to the proposed project.
- iii) Costs incurred outside of the funding agreement.
- iv) Costs for which payment has been or will be received under another financial assistance program.
- v) The purchase of land.
- vi) Payment of fines, penalties, arrears, judgments, or other such obligations.
- vii) Projects that may degrade the quality of air, water and land resources.
- viii) Indirect or overhead costs may only be reimbursed by grant funds for non-capital grants, and for expenses that are directly related to the project. These costs are reimbursable up to 10% of the total grant award.

### d) Multiple applications

- i) An applicant may apply for funding for one or more projects within a grant cycle, but must submit a separate proposal for each individual project. Metro will not accept multiple proposals for the same project within the same grant cycle. Metro will award grants from the current year’s funding cycle and will not commit a future grant cycle’s monies.
- ii) An applicant may apply for both a capital grant and an implementing grant for the same project within the same grant cycle, with a single proposal.

## 7) PROGRAM FUNDING

- a) The Solid Waste Reserve Fund will fund the annual operating budget of the program beginning on July 1, 2018, and ending on June 30, 2021.
- b) The COO will request that the Metro Council fund the Investment and Innovation Grants with up to \$3 million per fiscal year. Any unawarded funds remaining at the end of a fiscal year will be used to reduce the following year's budget request.

## 8) GRANT CATEGORIES

- a) Investment and Innovation Grants.

The conditions of this grant category include:

- i) Grants may be awarded in amounts between \$10,000 and \$50,000 per proposal.
- ii) An applicant must match the Metro grant award with cash or in-kind contributions an amount equal to at least 20 percent of the Metro award. For example, a \$10,000 grant would require the applicant to provide at least \$2,000 in cash, in-kind contributions, or a mix of the two.
- iii) Grant proposals for this category will be solicited at least once but no more than twice per fiscal year.
- iv) The grant recipient must complete the Metro-funded project within 12 months of the date the grant contract is signed, unless otherwise agreed to by Metro. The grant recipient may request that Metro allow an extension of the timeframe for extenuating circumstances.
- v) Metro may determine the particular solid waste system needs to be prioritized during a grant cycle. Metro will identify such needs in the grant solicitation.

- b) Investment and Innovation Capital Grants.

The conditions of the grant category include:

- i) Grants may be awarded amounts between \$50,000 and \$500,000 per proposal.
- ii) This grant category is intended to fund investments in equipment, machinery, and buildings.
- iii) An applicant must fully match in cash the amount of the Metro grant award. For example, a \$100,000 grant would require the applicant to provide at least \$100,000 in cash.
- iv) Grant proposals for this category will be solicited once per fiscal year.
- v) The grant recipient must complete the Metro-funded project within 12 months of the date the grant contract is signed, unless otherwise agreed to by Metro. The grant recipient may request that Metro allow an extension of the timeframe for extenuating circumstances.
- vi) Metro may determine the particular solid waste system needs to be prioritized during a grant cycle. Metro will identify such needs in the grant solicitation.

## 9) PROPOSAL

- a) Information about the Investment and Innovation Grants including proposal procedures, selection criteria, program guidelines, and accomplishments will be posted on the Metro website.
- b) Metro staff will provide assistance to applicants in how to complete a proposal upon request
- c) Proposal
  - i) An eligible applicant must submit to Metro a complete proposal in order for Metro to consider a grant award.
  - ii) Metro will provide notice of the proposal solicitations on at least an annual basis. The notice will include the anticipated amount of funds available and any deadlines by which an applicant must submit a proposal. Metro will evaluate all complete proposals received by the submittal deadline date using the criteria identified in these guidelines.
  - iii) An applicant must submit a grant proposal in the form and format prescribed by Metro. Each final grant proposal must include a detailed narrative description of the scope of work, a detailed itemized budget, and timeline for the project. The itemized budget must show the overall total cost of the project and the amount of grant funds that will be applied towards the total cost.

## 10) GENERAL SELECTION CRITERIA

Metro will evaluate each proposal to determine the extent to which the project achieves the Investment and Innovation Grant objectives, as set forth in Section 2.

Metro will consider the following criteria in determining whether to award grant funding to an applicant. These criteria may not apply to every grant proposal.

- a) Organizational criteria (50 percent of the applicant project score)
  - i) Business Planning/Experience
    - (1) Does the proposal show sufficient business planning and management experience to ensure that the project is likely to succeed?
    - (2) Has the proposer demonstrated success with previous projects that utilized external funding?
  - ii) Project Planning/Cost-effectiveness
    - (1) Has the proposer provided a thorough and complete description of the proposed project?
    - (2) How well does the proposal address the essential elements of feedstock supply, market development, financing, material handling and other key issues?
    - (3) Is it likely that the proposed project will be economically viable?
    - (4) Is it likely that the project will be sustainable after the grant is complete?

(5) Are the cost elements and proposed time frame of the proposal appropriate for the successful completion of the project?

iii) Project Budget

(1) Does the budget appear to be complete and reasonable?

(2) Do the specific proposed expenditures appear to be conform to normally expected item costs?

(3) Does the proposal include official quotes from vendors for proposed project?

iv) Organizational Diversity, Equity and Inclusion

(1) Is the proposer's business or organization actively working to recruit, develop and retain a diverse workforce at all levels, or otherwise working to advance DEI outcomes?

b) Outcome criteria (50 percent of the applicant project score)

i) Infrastructure or Market Need

(1) To what extent does the proposed project address a specific waste prevention, reuse, recycling, composting, or energy recovery infrastructure or market need in the Metro region?

ii) Diversity, Equity, Inclusion

(1) To what extent will the project create economic opportunities for individuals from communities of color or other historically marginalized communities?

(2) To what extent will the project advance equity for communities of color with respect to waste reduction-related services?

(3) To what extent will the project reduce negative impacts on communities of color or other historically marginalized communities from waste reduction-related services and facilities?

(4) To what extent will the project generate benefits for communities of color or other historically marginalized communities?

iii) Waste Stream, Environmental, and Human Health Impacts

(1) To what extent will the project lead to a clear, measurable impact on the waste stream through prevention, reuse, recycling, composting, or energy recovery? (e.g., estimates of annual waste diversion or energy savings)

(2) To what extent will the project will reduce the environmental and human health impacts of the products manufactured, consumed, or disposed in the region?

(3) Does the proposal explain how the applicant will quantify or otherwise describe these impacts?

c) Bonus criteria (additional 10 percent to the applicant project score), if applicable

As set forth in Section 8, Metro may determine and prioritize solid waste system needs for grant program consideration. If a priority area is identified, Metro will award up to an additional 10 percent in evaluation points for proposals for projects that advances a Metro-identified priority area(s).

## 11) FUNDING CONTRACT

- a) Metro will enter into a contractual agreement with each successful applicant. The contract will specify the grant recipient's obligations, including legal and insurance requirements.
- b) Metro will award project funding on an expense reimbursement basis, unless otherwise agreed to by Metro.
- c) The recipient must submit periodic interim reporting describing project progress related to scope of work, schedule, and budget as specified in the contract.
- d) The recipient must provide Metro with an end-of-project report as specified in the contract. The final 10% of the total grant funds will be available after receipt and approval of the final grant report by Metro.
- e) Metro may specify other reporting requirements on a project-by-project basis.
- f) For a capital grant award of \$50,000 or greater that is used for the funding of equipment, machinery, or building improvements, Metro will require contract conditions to protect the public's interest, if within 3 years of purchase the applicant becomes insolvent, ceases use of the item, or sells the item.
- g) Metro may cancel a funding contract if it determines that the applicant has failed to make progress, the business has changed ownership, or if the project design or development is significantly different from what was approved for funding.

## 12) DIVERSITY, EQUITY, INCLUSION ENHANCEMENT

Metro may suggest enhancements to selected projects to create or strengthen diversity, equity and inclusion aspects of the specific project or the applicant's general business practices. These enhancements may become part of the contract as a condition of the award.

## 13) CONFIDENTIALITY

A grant applicant may identify as confidential any reports, books, records, maps, plans, income tax returns, financial statements, contracts, and other similar written materials that are directly related to the proposal and that are submitted to or reviewed by Metro. The applicant must prominently mark any information that it claims confidential with the mark "CONFIDENTIAL" prior to submittal to Metro.

Metro will treat as confidential any information so marked to the extent allowed under Oregon law. Metro will make a good faith effort not to disclose the information unless Metro's refusal to disclose would be contrary to applicable Oregon law, including, without limitation, ORS Chapter 192.