

Investment and Innovation Grants

Guidelines (Revised May 2019)

1) PURPOSE

Metro is committed to working with the residents and businesses of the region to manage and reduce the environmental and health impacts associated with the goods we all consume. These efforts include “upstream” efforts to reduce impacts in the manufacturing and use of goods, and “downstream” efforts focused on 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 reduce impacts throughout a product’s life cycle, including advancing waste prevention, reuse, recycling, composting, and energy recovery in the Metro region. The grants will advance Metro’s progress towards achieving both its 2030 Regional Waste Plan and diversity, equity, and inclusion goals.

2) OBJECTIVES

Projects funded by these grants are intended to:

- a) Reduce environmental impacts throughout the product life cycle.
- b) 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.
- c) Strengthen the region’s efforts to reduce the amount and toxicity of waste.
- d) Strengthen the region’s reuse services and infrastructure.
- e) Strengthen the region’s composting infrastructure.
- f) Strengthen the region’s energy recovery infrastructure for materials that cannot be recycled.
- g) Encourage innovation and advance new technology in waste prevention, reuse, recycling, composting, and energy recovery.
- h) 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 serve as a member of the Investment and Innovation Grant Committee.
- ii) Review Investment and Innovation Seven-Day Notices issued by the Metro Chief Operating Officer to inform the Metro Council of grant project funding decisions. The Metro Council will have seven days from the date of the notice to request a 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) Determine whether to adopt the Investment and Innovation Grant Program's 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 grant project funding decisions.
- ii) Appoint Investment and Innovation Grant Committee members, who may include:
 - (a) One Metro Property and Environmental Services manager or Property and Environmental Services staff member to serve as chair.
 - (b) Two or three non-Metro government agency representatives.
 - (c) Two or three community members, including at least two people representing an underserved or underrepresented community.
 - (d) One representative from a non-solid waste related business.

d) The Property and Environmental Services Director will:

- i) Select one or more priority project emphases 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) Determine the scope of responsibility for the Grant Committee as to whether it will evaluate both Capital and Program grants, or one or the other.
- iv) Review and approve, reject or modify Grant Committee funding recommendations.

e) The Grant Committee will:

- i) Evaluate 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 have secured all relevant permitting licensing, approvals, waivers and other authorizations applicable to the grant-funded project (or have these processes substantially completed with a plan for completion) at the time of application for the grant.
- iii) 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.
- iv) An applicant's proposed project must be located within the Metro jurisdictional boundary or significantly advance Investment and Innovation program objectives for 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 scope or time period 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 percent of the total grant award.

ix) Labor/personnel, benefits and related costs for capital grants. A capital grant recipient may meet up to 33 percent of its match requirement with labor/personnel costs.

x) Costs related to transactions with an affiliated company.

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 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 a program grant for the same project through separate applications and according to the respective application processes.

7) INVESTMENT AND INNOVATION 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 determine the amount of program funding to request through the COO's annual proposed budget. It is anticipated that for the period from July 1, 2018 through June 30, 2021 this amount will be between \$3 million and \$6 million per fiscal year.

8) GRANT CATEGORIES

a) Investment and Innovation Capital Grants.

The conditions of the grant category include:

i) Grants may be awarded in amounts between \$50,000 and \$750,000 per proposal.

ii) This grant category is intended to fund investments in equipment, machinery, and buildings.

iii) An applicant must fully match the amount of the Metro grant award. For example, a \$100,000 grant would require the applicant to provide at least \$100,000 in match.

iv) Grant proposals for this category will be solicited once per fiscal year.

v) The grant recipient must complete the Metro-funded project within 18 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 particular needs to be prioritized during a grant cycle. Metro will identify such needs in the grant solicitation.

b) Investment and Innovation Program Grants.

The conditions of this grant category include:

i) Grants may be awarded in amounts between \$25,000 and \$75,000 per proposal.

ii) This grant category is intended to fund investments in personnel, materials and supplies, equipment and contracted professional services.

- iii) An applicant must match the Metro grant award with cash or in-kind contributions in 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.
- iv) Grant proposals for this category will be solicited on a rolling basis with award decisions made approximately every 3 months.
- 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 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 proposal procedures 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: CAPITAL GRANTS

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. *To be considered for funding, projects must demonstrate positive impacts on the waste stream and/or reduce environmental and human health impacts associated with the life cycle of products.*

- a) Project Description
 - i) To what extent does the proposal include a clear, concise description of the project and what it intends to accomplish?
- b) Project Impacts: Waste Stream and Environmental/Human Health
 - i) To what extent will the proposed project address a specific infrastructure or market need that is important to the Metro region?
 - ii) 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 recovery or energy savings)
 - iii) To what extent will the project reduce or improve the environmental and human health impacts of the products manufactured, consumed, or disposed in the region?
- c) Project Impacts: Equity
 - i) To what extent will the project positively impact communities of color or other underrepresented groups?
Examples could include:
 - (1) Involvement of people of color in project implementation and decision-making.
 - (2) Increased physical or financial access to waste-related services.
 - (3) New or expanded economic opportunities for people of color in the solid waste industry.
 - (4) New or increased benefits to a specific geographic location with concentrations of underrepresented communities.
 - (5) Reduced negative impacts on communities of color or other historically marginalized communities from waste reduction-related services and facilities.
 - (6) Social benefit such as school programs or community education.
- d) Work Plan and Dependencies
 - i) To what extent does the proposal provide complete descriptions and time estimates of the project activities, milestones and deliverables necessary to achieve the goals and objectives?
 - ii) To what extent does the work plan seem well-aligned with the scale of effort and time frame necessary to achieve desired outcomes?
 - iii) To what extent does the proposal address external factors that must be in place in order for the project to be successful (dependencies)? This includes securing permits and approvals, feedstock supply, market development, financing, material handling and other key issues. If dependencies are not in place/secured, does the proposal provide a plan for their completion?
- e) Project Budget
 - i) To what extent does the proposal describe all funding necessary to complete the proposed project, including sources and amounts for all activities in the work plan?
 - ii) To what extent does the proposal describe how the grant request fits within the complete project financing strategy?

- iii) To what extent do the cost elements of the project appear to be complete, consistent with the work plan, and reasonable (i.e., the amount requested is proportional to the outcomes achieved and types of expenditures identified)?
 - iv) Does the proposal include supporting documentation, including official quotes from vendors, bids and estimate details?
- f) Applicant Readiness and Workforce Culture
- i) To what extent does the proposal demonstrate sufficient business planning, management experience and staff resources to ensure that the project is likely to succeed? Experience could include successful completion of past projects utilizing external funding.
 - ii) To what extent does the proposal demonstrate financial viability of the applicant organization or business such that there is a high likelihood that the project would be completed within the grant term?
 - iii) To what extent is the applicant organization or business implementing or planning activities to advance diversity and equity in its work place? Examples could include efforts to recruit and retain a diverse workforce, and ongoing workforce training and professional development for staff.
- g) Continuation of Impacts and Evaluation
- i) To what extent is it likely that the project impacts will be sustained after the grant is complete?
 - ii) To what extent does the proposal describe methods that will be used to evaluate (measure) the impacts of the project and whether/how project goals and objectives are achieved and sustained?
- h) Bonus criteria, 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 an additional 10 percent in evaluation points for proposals for projects that advance a Metro-identified priority area(s).

11) GENERAL SELECTION CRITERIA: PROGRAM GRANTS

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. *To be considered for funding, projects must demonstrate positive impacts on the waste stream and/or reduce environmental and human health impacts associated with the life cycle of products.*

- a) Project Description and Impacts
- i) Has the proposer provided a clear and complete description of the project and what it intends to accomplish as related to the Investment and Innovation program objectives?
 - ii) To what extent will the project prevent waste, increase reuse/repair of products, increase recycling, increase composting, or increase production of energy from materials that would otherwise go to landfill? (e.g., estimates of annual waste recovery or energy savings)

- iii) To what extent will the project reduce or improve environmental and human health impacts of the products manufactured, consumed, or disposed in the region?
 - iv) To what extent will the project increase benefits or reduce negative impacts for people of color or other marginalized communities?
- b) Project Plan and Budget
- i) To what extent does the proposal provide a thorough and complete description of the project work plan, and does the activities seem well thought out and adequate to achieve desired results?
 - ii) To what extent does the project budget appear to allocate sufficient resources to project activities? Does it appear to be complete and reasonable, and directly relate to the project?
 - iii) To what extent does it appear that the project outcomes will continue after the grant is complete?
- c) Organizational Capacity and Culture
- i) To what extent does the applicant organization or business have the capacity (including staffing) to implement the project work plan?
 - ii) To what extent is the applicant organization or business implementing or planning activities to advance diversity and equity in its work place? Examples could include efforts to recruit and retain a diverse workforce, and ongoing workforce training and professional development for staff.
- d) Evaluation
- i) To what extent does the proposal describe how progress and outcomes will be measured? This includes project metrics related to waste reduction/environmental/human health and equity impacts, and should include time and staff dedicated to implementing evaluation activities.
- e) Bonus criteria, 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 an additional 10 percent in evaluation points for proposals for projects that advance a Metro-identified priority area(s).

12) 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. A successful applicant must have all of the authorizations outlined in 6(b)(2) in place before Metro will execute a contract.
- 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 percent 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, Metro will require contract conditions to protect the public's interest, if within five 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.

13) DIVERSITY, EQUITY, AND 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.

14) 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.