EGM Consulting, LLC

Preparing a Competitive Application in Response to a Request for Proposals (RFP)*

Responding to an RFP is very different from developing an unsolicited proposal. In the case of an unsolicited proposal, your organization defines a program need, then develops a project plan to meet the need and a proposal to raise funds for the project. In the case of an RFP, someone else has defined the need and also outlined the type of response required. You must show that your organization can implement the kind of project the funding source wants. On the other hand, RFPs – particularly those for grant programs involving multiple awards, usually in the form of grants or cooperative agreements – do allow for a good deal of creativity. Your task is to design a project that meets the needs of your community and fits the priorities and capability of your organization, and at the same time is fully responsive to the requirements of the RFP.

Following are some steps and hints that can help you improve the "competitiveness" of your proposal in response to an RFP:

1. Read the RFP – sometimes called a Funding Opportunity Announcement (FOA), Notice of Funding Opportunity (NOFO) or guidance – very, very carefully:

- Find out whether this is a grant, cooperative agreement, or contract. Your organization has the most program implementation flexibility with a grant, while a cooperative agreement is a joint effort, with substantial staff involvement by the funding agency. A contract is used when the federal agency wants to purchase well-defined goods or services, with the contractor carrying out specified tasks and providing clearly defined deliverables; it is often closely monitored by the funding agency. The RFP will clearly state what kind of agreement is planned – for example, “grant funds authorized under” specified legislation – and you should design your project based on that information.
- Find the section labeled “Program Summary,” “Funding Opportunity Description,” “Program Purpose,” “Program Description,” “Program Expectations,” “Allowable Activities,” or (in plain language RFPs) “What am I expected to do with the Grant Funds?” These are the sections of the RFP that give the background, define the purposes and objectives of the program, and specify what activities the funding agency will support. Read first for general content. Check to see that the RFP calls for projects that are consistent with your organizational mission and capabilities. (If not, stop reading and start looking for a more appropriate funding opportunity!)
- Review the section on “Eligible Applicants” or “Eligibility Information” to be sure your organization is eligible for funding, and to find out how broad your competition will be: just other nonprofit organizations, or public and/or for-profit ones as well. For example, a recent Department of Labor (DOL) FOA included as eligible applicants not only “non-profit organizations with IRS 501(c)(3) status,” but also state or local governments, Indian or

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Native American entities, and for-profit businesses and business-related nonprofit organizations.

- Look for any special “Application Screening Criteria” requirements. For example, some funding opportunities are available only to organizations in particular counties or regions based on documented need, or only to organizations with a defined type or level of previous funding or experience.
- Check the RFP section on “Funding Restrictions” or “Use of Funds” to see whether you are allowed to use grant funds for the activities of most interest to your organization. Also determine whether a cash or in-kind “match” is required or whether the funding agency will provide full project funding. Check “Cost Sharing or Matching” to see if the funder will pay the entire cost of the project, or if you will need to provide part of the funding.

After the initial review, read the RFP again and ***mark*** key information. Put asterisks in the margin or highlight information so you can easily find hints about priorities, objectives, preferred methods, activities that are NOT fundable, etc. *If you don't read the RFP carefully, you may forget to include some information or some component that is required, and your proposal may be judged "non-responsive" and not even considered.* Some RFPs provide a very useful Application Checklist. Be sure you understand exactly what is required.

2. Review the section that tells you how to prepare and organize your proposal. Usually it will be called “Instructions for Preparing the Narrative Proposal,” “Application Procedures,” “Project Narrative,” or (in plain language RFPs) “How Should I Prepare My Application?” This usually tells you the proposal outline or format to be followed, and what information is supposed to be included in each section. Read it carefully, then reread and underline key information.

Be especially careful to identify the proposal outline that is to be followed, and to note whether page limitations are specified. For example:

- One DOL Employment and Training Administration (ETA) FOA required a project narrative of “not more than 25 double-spaced single-sided 8.5 x 11 inch pages with Times New Roman 12-point text font and 1-inch margins.” Some specified attachments, such as an abstract of up to two pages, were excluded from the page limit.
- A Centers for Disease Control and Prevention (CDC) Cooperative Agreement RFP required an abstract of not more than one page, a Description of the Target Population and Needs Assessment of not more than three pages, a Program Plan of not more than five pages, and an Applicant Capability and Coordination of Efforts statement of not more than four pages (excluding letters of support), plus Personnel and Budget information.
- A Substance Abuse and Mental Health Services Administration (SAMHSA) substance abuse and HIV program guidance called for an abstract not to exceed 35 lines, a program narrative of 25 single-spaced pages, and unlimited attachments, except that biographical sketches could not exceed two pages and job descriptions for key personnel one page.

The trend in public agencies is towards limiting the length of applications, including appendices. Each RFP specifies page limits for the narrative and often for attachments. It is *extremely* important to follow page limit instructions. If you exceed the stated page limits, your application will either be returned without being reviewed, or excess pages will be removed and not read or considered by reviewers. In addition to agency-specific limitations, Grants.gov suggests limiting the file size of the entire grant application package including all attachments to 200 MB.

3. Carefully study the "Evaluation Criteria" or similar section, which usually tells you the basis on which applications will be evaluated and often numerically scored. These criteria and point allocations are sometimes a part of the Project Narrative instructions. In traditionally formatted RFPs, the scoring usually *but not always* corresponds to a section of the proposal narrative. Whatever the format, the RFP will typically indicate the maximum number of points your proposal may be awarded for each proposal component or the percent of total points you can receive for that component. For example, one DOL RFP for services to currently and formerly incarcerated individuals called for applications to be rated using the following maximum scores, and the scoring was included in the Project Narrative section and summarized in the Application Review Information subsection on Criteria (scores add to 100, with an additional 2 points available for "priority consideration"):

- Statement of Need – 4 points
- Performance Data Collection Strategies – 6 points
- Project Design – 22 points
- Mandatory and Recommended Partnerships – 24 points
- Organizational, Administrative, and Fiscal Capacity – 6 points
- Part Performance—Programmatic Capability – 30 points
- Budget and Budget Narrative – 8 points
- (Additional Points) Priority Consideration: Designated Qualified Opportunity Zone – 2

Study the point scales carefully. They usually include a description of the factors to be rated and tell you where to focus your time and effort in preparing the application. For example, the criteria above make it clear that major focus in this application must be on demonstrating past performance on similar projects, with partnerships and project design also important and much less focus on the statement of need and on organizational capacity.

It is extremely important that you thoroughly understand the funding agency's evaluation criteria, and that you understand the required proposal format and its relation to these criteria. Sometimes, reviewers will look for specific information in a particular section and if they fail to find it, will assume that it was excluded and give you no points, even if you put the information in another section. Sometimes the criteria and the proposal format instructions are inconsistent. When in doubt about what goes where, *ask*. RFPs almost always have a contact person to answer questions.

4. Once you have thoroughly read and marked up the RFP, decide whether you should "bid" this project. Consider eligibility, application requirements, and review criteria. Look carefully at special requirements such as signed memoranda of understanding with partner organizations or a cash match requirement. Be sure you have time to submit a competitive application. Look at the time available and be sure there is someone with the time and skills to coordinate your application preparation.

5. Now prepare a detailed "content" outline of your application. Be absolutely sure that the format is the one required or suggested in the RFP, and that the subsections contain all the information needed to meet the specified scoring criteria. When you prepare the outline, write in the required components for each section and subsection. Be careful to use the *same terminology* as the RFP. If it says “Statement of Needs,” use that as your section title, not “Problem Statement.” If it asks for a “Work Plan,” don't call that section “Methods.” Get in the habit of looking for the funding agency's preferred terminology and using it throughout your narrative. It implies a familiarity with the funder and its priorities and will help improve your application's score. It is also important to demonstrate your familiarity with the preferred terminology of the discipline or program area involved.

6. Now take a careful look at cost information. With most programs for which multiple awards are projected, you may be funded at a level lower than the amount you request in your proposal, so the budget amount is not as critical as the proposal. The important thing is to have a reasonable budget that is within the maximum permitted and allows you to carry out all the activities specified in the work plan. Some RFPs will indicate an *average* or *maximum* grant amount. If the RFP says “6 awards of approximately $300,000,” then it is fine to go for all $300,000. If it says the agency has $16.0 million available to support “approximately 30-40 awards” that are “expected to range from $100,000 to $500,000,” you might want to ask for less than the maximum, unless your organization is large and well known, with a strong track record and demonstrated capacity to manage grants of the maximum size. If the organization is small and doesn’t have a history of similar projects, you are probably more likely to be funded – and certainly more likely to be fully funded – if you ask for something less than the maximum – perhaps $300,000 to $400,000 in the second example ($16 million divided by 40 grants is $400,000). Sometimes there is a clear maximum request. One CDC Program Announcement required that applicants request “no more than $350,000, including indirect costs,” if applying under Category A or no more than $500,000 under Category B.”

Your budget must generally be submitted using the SF-424A Budget Information Form. Use the link provided in the RFP to be sure you have the correct version of the form, and pay close attention to the general SF-424A instructions, found on Grants.gov. Some agencies or programs have special budget or fiscal requirements (such as limits on administrative costs), which may reflect the legislation authorizing the program. Be sure to read the instructions in the RFP carefully. In addition to the form, a budget narrative will be required, with instructions for the format and level of detail desired. For example, some agencies want the budget narrative to be “sufficiently detailed to demonstrate the cost per participant.” Personnel information usually includes the staff by name, position, title, project roles and responsibilities, and financial information including annual salary, percent of time to be devoted to the project, and amount to be funded by the grant. Fringe benefits must be broken down by amounts and percentages for specific items such as health insurance, other insurance, FICA, and retirement. Travel costs must generally provide separate information on the number of in-state and out-of-state trips, with purpose, number of staff traveling, estimated transportation cost (air fare, mileage), per diem, and other costs such as on-site transportation. Check requirements for equipment; federal agencies generally limit equipment to items with a useful life of more than one year with unit costs of $5,000 or more, and consider less costly items to be "supplies."[*] Planned contracts and sub-awards to other nonprofits will usually require budgets showing costs by purpose and activity. Often, construction costs are not permitted. Use the "Other" category for any costs not included elsewhere, such as project-related facilities costs. While you may be permitted to modify a budget during the project period, some agencies will not allow you to add additional cost items. If you forget to include something necessary, like telephone, copying, or internet expenses, that cost may go unfunded for the life of the project.

Where a single or small number of awards are expected – for example, to run a technical assistance center or evaluate a program – cost may be a major factor in who gets the funding. Some RFPs may require two separate proposals, a "Technical Proposal" including your proposal narrative but excluding any cost data, and a "Business Proposal" that provides your budget and budget narrative. In such cases, it is much to your benefit if you can come up with a cost a bit below that of other bidders, since cost will be a major factor in determining who wins the contract. Often no maximum cost will be given in such RFPs. Usually there will be at least an estimate (sometimes in the RFP cover letter, sometimes elsewhere in the RFP) of the number of "professional person-years of effort" the funding agency believes will be required to carry out the project. That means the number of full-time equivalent professional staff and consultants. Figure about 220-230 days to a "person year," to allow for vacation, holidays, and sick days. Through contacts familiar with the agency or a review of staffing on previously funded proposals, attempt to determine the cost per person year allowed by the funding agency involved.

Most federal agencies want their grantees or contractors to have a negotiated indirect cost rate to cover administrative costs not easily identified with a single project. Indirect costs are usually charged to a grant or contract as a percentage of some or all budgeted direct costs. You can develop an indirect cost proposal before or after submitting your first application, and sometimes the agency allows for use of a *de minimis* 10% indirect rate either temporarily or indefinitely. Since your actual indirect costs are likely to be higher, you will want to negotiate a provisional rate that will be adjusted based on your annual audit. You will need to identify your "cognizant agency" (usually the agency you expect to be your primary federal funder), prepare an indirect proposal, and negotiate a provisional indirect cost rate.[†]

7. If you have unanswered questions once you have completed the review process, e-mail or call the identified contact within the funding agency and ask for information. Most RFPs identify a contact person within the funding agency who may be approached with questions. Be sure that you contact *only* those persons identified (no one else in the agency is supposed to talk to applicants during the application process). Sometimes you are required to submit technical questions via email, referencing the RFP number in your email. Also, be sure to list all your questions before contacting the agency representative, so that you can get all the information

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[*] This definition of equipment is in the Code of Federal Regulations, 2 CFR 200.1 Definitions. If the non-federal entity (e.g., applicant) has established a lower capitalization level "for financial statement purposes," that can be used instead.

[†] For more information on indirect costs from a DOL perspective, see Frequently Asked Questions (FAQs) on the Office of the Assistant Secretary for Administration and Management website; https://www.dol.gov/agencies/oasam/centers-offices/office-of-the-senior-procurement-executive/cost-price-determination-division/faq.

through a single e-mail. Remember that dozens of other potential applicants may also be asking questions.

Agencies sometimes identify two contacts for assistance: someone from Grants Management to provide grants management or costs-related questions and someone from the appropriate program branch to provide program-related information. These contacts are sometimes referred to as sources of “business management technical assistance” and “program technical assistance.” Direct your queries appropriately.

An e-mail to the contact person can enable you to avoid costly misinterpretations of the RFP. For example, if the RFP is not clear about whether required charts are included in page length limitations, call and ask. If you incorrectly assume charts are included in the page limits, you will have fewer pages of narrative compared to other bidders, which will put you at a competitive disadvantage. If you incorrectly assume they are excluded, your proposal will exceed the allowable length and may be rejected without consideration or have excess pages removed and ignored.

8. Prepare early for submitting your application and keep updated about any changes in the RFP requirements through Grants.gov. You will almost certainly be submitting your application using Workspace on Grants.gov. Many agencies now require online submission; mailed applications are no longer accepted. To upload an application, you will need to be registered with Grants.gov, a process that can take as long as four weeks. You must also have an up-to-date registration on SAM (System for Award Management), the registration system for any entity seeking federal grants or contracts. You must also have a DUNS (Dun and Bradstreet) number, but transition from DUNS to a Unique Entity Identifier (UEI) is in process, and should be completed in April 2022. Make sure you have met these requirements well before the application due date!

Grants.gov is also your primary source of information about RFP amendments or clarifications. Funding agencies sometimes write RFPs quickly (particularly when there is a major focus on getting funding out to the community when some kind of stimulus legislation is passed), borrowing from other RFPs. This can lead to inconsistent information, especially in relation to proposal format requirements and evaluation criteria. Such errors or inconsistencies are often corrected through RFP modifications or amendments. To learn about them, go to the Grants.gov posting page and use your Grants.gov login to “subscribe,” to receive notifications when changes are made to that specific RFP.

9. Develop a work plan and schedule for preparing the application. This enables you to identify all the tasks and activities required in preparing the narrative and collecting and organizing the needed information. The application process often includes work not directly related to the writing of the program narrative, such as obtaining Memoranda of Agreement from partner organizations or getting letters from prospective staff or consultants committing themselves to working with you if the application is funded. Include meeting Grants.gov requirements. Develop a work plan with tasks, activities, responsibilities, and time deadlines, and go over it with the staff who will help prepare the application package. Be sure there is agreement on the division of labor and the deadlines. This is especially important if you are preparing the application in collaboration with other organizations, whose capability and cost information will need to be collected and integrated with those of the applicant agency.

Make a list of all information needed, from resumes to summaries of past projects and a map of the proposed service area. Be *sure* to collect statistics, resumes, letters of commitment, and other data as early as possible, since without them, you will be in real trouble as the submission deadline nears. Most applications require the use of federal forms, such as the Face Sheet (Standard Form 424) for an Application for Federal Assistance, and the Budget Information Form (SF-424A) for most federal submissions. You can download them from a website, but allow time for glitches.

Sometimes you must identify by name and provide resumes for all "key personnel," which includes, at a minimum, the Project Director. This may mean talking to individuals not on your staff and getting their permission for you to use their resumes, with the understanding that if you win the grant or contract, you will offer them the position. Be sure the resumes reflect the skills required by the application. You can lose many points if the resumes are poorly written or the staff do not have the required experience or training. Sometimes you can simply provide job descriptions for the specific roles personnel will play in this project, but your proposal is always stronger if the Project Director and other key staff are identified by name, with resumes provided. An excellent proposal with weak staffing often will not be competitive – check the review criteria to see how many points are allocated to Personnel or Organizational Capacity. If your agency has limited directly related experience, a Project Director who has run similar projects before joining the organization can help fill that experience gap.

10. Make writing assignments. If possible, have one person do the narrative, another the capability and back-up materials. If you have to divide responsibility for the narrative, have one person do the needs statement, the other the methodology and work plan (which is often in chart form). The fewer writers, the better. On the other hand, involve as many knowledgeable people as possible in meetings to discuss the proposal, agree on objectives, and come up with a detailed content outline. *Be very strict about deadlines for drafts*. If you use an outside consultant to help do the writing and complete an application at the last minute, the chances of omitting something or having a weak section that will make your application noncompetitive are very great. Leave time to review and revise drafts and – if there were several writers – make all the sections fit together in a tight proposal.

11. Have someone responsible for editing and reviewing, and for seeing that all supporting material is prepared. Meet quickly every few days on progress. Have back-up personnel who can help if bottlenecks develop. Allocate the time to carefully review the content outline before the proposal is written, focusing on performance objectives, components, and work plan, to avoid costly and time-consuming rewriting. It is much easier to change the outline than to rewrite the proposal – and inconsistencies often result when a change is made in one section without checking other sections. Be sure your agency capability information is revised to fit *this* RFP. If you plan ahead, you may have time to send the draft proposal to someone outside the organization for review. If you are submitting with partners, it can be very helpful to get their input on a draft of the project narrative.

12. Once the objectives and scope of the project have been developed and the work plan has been outlined, prepare the budget. First be sure you have in mind a target figure. Then do a rough budget including everything you feel is needed to carry out the project as outlined. Review it carefully. If you are not experienced in budget preparation, be sure to bring in your Finance Director or someone else skilled in budgeting. Generally, the best approach is to first prepare a budget using your agency's standard budget format, to be sure that no cost categories are forgotten. Then revise the format to fit the funding agency's requirements and be sure you aren't including any unallowable costs. Don't forget that you will need to allow for indirect costs.

Sometimes the budget as initially drafted is above the maximum allowable for the application or above what you feel is reasonable. Yet you may feel that cutting it will mean you can't carry out the project as designed. This requires redesign! Modify the work plan and scale back the scope and objectives until the budget is at a reasonable level. If the cost will be a major factor in the award, cut as much as you can without jeopardizing your project. Check the review criteria for RFP. Consultants can be cheaper than staff if you have a high fringe benefit or indirect cost rate, but "in-house" capability may be needed for high scores on the organizational capability section. Balance the proposal's need to get a high score with the need to keep the cost reasonable. Don't propose a personnel plan or a work plan you cannot implement successfully.

13. Complete the application at least one or two days before the deadline, so you don't get caught on the last day by a broken copier, technical problems with Grants.gov, or a technical staff member who is out sick. Remember to go over the completed application package, from letter of transmittal to attachments, very carefully, and be sure all RFP requirements are met. If the RFP says to label each page in a certain way or use a particular font and type size, be sure to meet these requirements. If you do not, the application may be judged nonresponsive and returned without review. If you are including a video or audio attachment, be sure you compress those files before uploading and that you use a compression method that fits agency instructions. Some RFPs (especially those for contracts as opposed to grants) require that your letter of transmittal includes a statement that your bid is "firm for a period of X days" and that your proposal is "predicated upon acceptance of all terms and conditions contained in the RFP and resulting therefrom." When you get ready to submit your application, re-check the RFP to be sure you have followed all the instructions and met all requirements.

14. Submit your application. Make certain that you meet the deadline in the RFP or the application will be refused. That usually means completing the upload on Grants.gov by a specific hour on the deadline date (one recent DOL application was due at "no later than 4:00:00 p.m. Eastern Time on the closing date"). In loading attachments, be sure to follow Grants.gov instructions. (For example, in completing a PDF form using Adobe software, you must use only the "Add Attachments" button in the form, not other Adobe attachment functions, or the documents will not attach.) The process can be complicated, and technical problems are not uncommon, so plan to submit before the due date if possible. If you are permitted to mail the application and choose this approach, get a readable postmark with the date and time mailed, and mail it certified, return receipt requested, so you will know it got there – and so if it gets lost, you will have the proof needed to send another package. Be sure to save the certified mail receipt until you receive the return receipt card from the funding agency. Most public agencies stopped accepting couriered or hand-delivered applications after 9-11 for security reasons, and the COVID-19 pandemic meant most staff were working remotely so everything had to be submitted only online.

15. Once you have submitted the application, get a good night's sleep. Then have the team debrief and try to learn from your experience. Staff should talk about what worked well. They should also identify and write down problems encountered and how to minimize them in the future.

16. If you do *not* get the funding, request in writing a debriefing or the evaluation and comments on your application. The federal government – like State and local agencies allocating federal funds – is required to provide such information either in a meeting or by mail. It will help you do better the next time you want to submit a competitive application.