



## Request for Applications

Social Finance, Inc.

# Outcomes Rate Card Development Competition

Date released: FEBRUARY 7, 2017

**DEADLINE TO SUBMIT APPLICATIONS: 5 PM Eastern Time, APRIL 10, 2017**

All applicants must submit an executive summary, application narrative, and supporting appendices by 5 PM Eastern Time on April 10, 2017. Applications should be formatted as a single PDF document and submitted via email to [solicitations@socialfinance.org](mailto:solicitations@socialfinance.org).

Resources and the Request for Applications can be found at the following link: <http://socialfinance.org/competitions/outcomesratecard/>

# Contents

- 1.0 INTRODUCTION ..... 3
  - 1.1 Competition timeline..... 4
  - 1.2 Outcomes rate cards and Pay for Success (PFS) ..... 4
  - 1.3 Technical assistance award description ..... 6
- 2.0 SELECTION CRITERIA ..... 8
- 3.0 APPLICATION MATERIALS ..... 10
  - 3.1 Notice of intent to apply ..... 10
  - 3.2 Required application materials ..... 10
- 4.0 SELECTION PROCESS AND AWARD ..... 12
  - 4.1 Selection process..... 12
  - 4.2 Notice of award ..... 12
- 5.0 ADDITIONAL INFORMATION..... 12
  - 5.1 Submissions of questions / inquiries ..... 12
  - 5.2 Webinar information sessions..... 13
  - 5.3 Service Recipient eligibility details..... 13
  - 5.4 Reporting requirements ..... 13
  - 5.5 Awardee compliance and monitoring ..... 15
  - 5.6 Project funding ..... 16

## 1.0 INTRODUCTION

### **“Rate card ready”: Innovate the US Pay for Success market by standardizing outcomes-based financing**

The [Social Innovation Fund](#) (SIF), a program of the Corporation for National and Community Service (CNCS), is a strong supporter of Pay for Success (PFS) financing as an innovative tool for governments to partner with nonprofits and private funders to advance community-based solutions. In November 2016, SIF awarded Social Finance, a nonprofit Pay for Success intermediary, a \$1.4 million grant to fund the development of **outcomes rate cards** as part of its Round 2 grants competition.

An outcomes rate card is a procurement tool through which government defines a menu of outcomes it wishes to “purchase” (e.g. improving student achievement, low-income citizens completing a degree/training program, increased earnings for at-risk youth) and the amount it is willing to pay each time a given outcome is achieved. The rate card is used to procure and contract with service providers to standardize outcomes-based financing. With one outcomes rate card, governments can launch multiple PFS projects, selecting multiple service providers to deliver against the same rate card and serving more of the most vulnerable populations.

This Request for Applications (RFA) establishes an open competition for government and/or nonprofit organizations<sup>1</sup> to apply for Social Finance’s assistance to:

1. Develop an outcomes rate card
2. Design and issue a Request for Proposals to procure for service providers to address a pressing social challenge
3. Manage the procurement, support contracting and launch PFS projects with procured providers

In this competition, governments and/or nonprofit organizations will apply to Social Finance, and selected applicants (“Service Recipients”) will receive technical assistance to develop an outcomes rate card. The result of that work is a procurement process run by the Service Recipient, based on the outcomes rate card, to launch PFS projects.

By introducing outcomes rate cards as an innovative new approach for PFS, Social Finance aims to (1) increase the ability of governments to generate, analyze and manage data for outcomes-based contracts, (2) improve outcomes in SIF priority issue areas of youth development, economic opportunity, or healthy futures,<sup>2</sup> and (3) increase the uptake of outcomes-based contracting and evidence-based policymaking throughout the country. Consistent with the broader mission of the SIF, this competition intends to encourage the implementation of PFS projects to enhance the impact of innovative community-based solutions in low-income communities.

### **About Social Finance**

[Social Finance, Inc.](#) is a 501(c)(3) nonprofit organization dedicated to mobilizing capital to drive social progress. We believe that everyone deserves the opportunity to thrive, and that social impact financing can play a catalytic role in creating these opportunities. We design and manage public-private partnerships that tackle complex social challenges, such as achievement gaps, health disparities, and prisoner recidivism. Core to our work is the development of Pay for Success financing, also referred to as Social Impact Bonds. An innovative funding model, Pay for Success helps to measurably improve the lives of people in need by driving government

---

<sup>1</sup> More information in section 5.1

<sup>2</sup> More information in section 2.0

resources toward better, more effective programs. Our sister organization, Social Finance UK, was founded in 2007 and launched the world's first Social Impact Bond in 2010.

Social Finance was one of the first PFS intermediary organizations in the United States, and is part of the Social Finance Global Network, collectively responsible for launching 25% of the 70 PFS projects worldwide, and advising on an additional 20%. Founded in 2011, Social Finance has conducted over 30 feasibility studies, is structuring ten PFS projects, and has executed six PFS contracts. Social Finance has raised or is raising over \$55M for PFS projects—the strongest PFS capital raise record in the country.

### **About the Social Innovation Fund**

The Social Innovation Fund (SIF) is a program of the Corporation for National and Community Service (CNCS), a federal agency that engages millions of Americans in service through AmeriCorps and Senior Corps, and leads the nation's volunteering and service efforts. The SIF fosters public and private collaborations to identify and support sustainable solutions that make a significant impact in transforming communities. For more information, visit [NationalService.gov/Innovation](http://NationalService.gov/Innovation)

### 1.1 Competition timeline

<b>DATE</b>	<b>ACTIVITY</b>
<b>2/7/2017</b>	Request for Application (RFA) released
<b>2/21/2017</b>	Webinar for prospective applicants
<b>2/28/2017</b>	Deadline for optional notice of intent to apply <sup>3</sup>
<b>3/15/2017</b>	Second webinar for prospective applicants
<b>3/21/2017</b>	Deadline to submit questions
<b>4/10/2017</b>	Deadline for applications
<b>5/24/2017</b>	Service Recipient(s) selected and announced

### 1.2 Outcomes rate cards and Pay for Success (PFS)

SIF's Round 2 Pay for Success grants competition was designed to build the pipeline of "PFS-ready" governments and address the developmental needs of SIF PFS projects to increase the likelihood that they will launch.

#### **About Pay for Success**

Pay for Success (PFS) is an innovative public-private partnership designed to identify, fund, and scale social service projects that have a measurable impact. PFS helps government fund better, more effective solutions by aligning funding with positive social outcomes. Through PFS, nonprofit service providers with a proven track record of success receive multi-year capital to serve more people, and performance management services to ensure they are on track. Government pays for positive outcomes, such as increased high-school graduation rates or achievement of credentials, instead of paying upfront for the promise of results. Impact investors or private funders often cover the upfront costs of providing services and are repaid with a modest return if individual lives are measurably improved, as determined by an independent evaluator.

---

<sup>3</sup> Applicants are encouraged, but not required, to notify Social Finance of their intent to respond to this RFA. See section 3.1 for details.

Since the first US PFS project launched in 2013, the PFS field has gained momentum. Today, 15 projects are delivering services across the country, with dozens more in development. PFS projects are providing services across a range of issue areas to improve outcomes for maternal and early child health, preschool programming, chronic homelessness, and criminal justice.

Social Finance has extensive experience working with service recipients for PFS development, and has worked with over 18 government entities and 25 nonprofit service providers to conduct PFS feasibility and transaction structuring projects across the country. We have worked with service recipients, partners, and clients to conduct over 30 PFS feasibility studies and over 10 PFS project transactions. Working effectively with our PFS partners is at the heart of Social Finance’s work as an intermediary, where our role entails significant stakeholder and project management with partners across distinct sectors to build successful projects that meet each partner’s diverse needs and goals.

For additional information on PFS, please see the following resources:

1. Pay for Success 101 - <http://www.payforsuccess.org/learn-out-loud/pfs-101>
2. How Pay for Success Works - <http://socialfinance.org/how-pay-for-success-works/>
3. Pay for Success Project Fact Sheets - <http://pfs.urban.org/pfs-project-fact-sheets>
4. Social Impact Bonds, The Early Years - [http://socialfinance.org/content/uploads/2016/07/SIBs-Early-Years\\_Social-Finance\\_2016\\_Final.pdf](http://socialfinance.org/content/uploads/2016/07/SIBs-Early-Years_Social-Finance_2016_Final.pdf)

### Outcomes rate cards

Social Finance was awarded the opportunity to advance the PFS field by developing outcomes rate cards, a PFS contracting approach that is common in the UK. Outcomes rate cards serve as a mechanism to accelerate PFS project development and, more importantly, increase the number of people served by high-quality, outcomes-based projects. Outcomes rate cards promote the same values as PFS—supporting high-quality services, ensuring effective programs have access to capital to scale, measuring results, and paying for what works—with adjustments to the order of project development.

An outcomes rate card is a procurement tool through which government defines a menu of outcomes it wishes to “purchase” (e.g. improving student achievement, low-income citizens completing a degree/training program, increased earnings for at-risk youth) and the amount it is willing to pay each time a given outcome is achieved. The rate card can then be used in a procurement process to select multiple service providers to launch PFS projects to achieve the defined outcomes. This approach to procure PFS projects enables governments to a) test the efficacy of multiple providers with one procurement; b) standardize performance-based contracts; and c) achieve greater impact on a faster timeline.



While outcomes rate cards were first used as an extension of PFS in 2011 in the UK, the concept draws on 100% performance-based contracts implemented in the US in the 1990s. The use of outcomes rate cards in the UK has led to faster PFS development timelines and has

facilitated widespread use of outcomes-based contracts. Three outcomes rate cards developed and released by the national government have deployed roughly £60 million, contracted with 21 different service providers, and served over 25,000 individuals across the country over just five years.

A July 2016 final evaluation report of that rate card's success, conducted by Insite Research and Consulting, found that the program providers, investors, and intermediaries determined the project to be "a great success, with targeted numbers of outcomes met or exceeded" and that "the funding model was seen as having been a significant factor in driving-up performance and developing expertise." (Note: Access to full report included below as #4 in the outcomes rate card resources.)

### **Differences from other PFS methodologies**

Like all PFS approaches, outcomes rate cards allow government to contract for outcomes. Similarly, to be used effectively, they require detailed and diligent work to specify a target population, understand the local service provider ecosystem, select outcome metrics, conduct economic analysis, calculate appropriate prices, and design an effective and verifiable measurement methodology. However, when PFS projects are developed in response to an outcomes rate card, the typical PFS development process is re-ordered.

In an outcomes rate card, the outcome payor (typically government) sets the outcomes, terms, prices, measurement methodology and timelines before publishing the outcomes rate card. After publishing the outcomes rate card, the outcome payor issues an RFP, and selects service provider partners to deliver services to achieve outcomes. If a service provider chooses to apply, it is confirming that it is able to operate under the described terms. As a result, the PFS process becomes more standardized, development timelines are cut, and governments can contract with multiple providers at once. In the U.K., each rate card procurement process has led to the launch of four to seven distinct PFS outcomes-based contracts with high quality nonprofit service providers – vastly advancing the efficiency and scale of the traditional PFS development process.

For additional information about outcomes rate cards, please see the following resources:

1. Outcomes rate cards webpage – <http://socialfinance.org/how-pay-for-success-works/outcomes-rate-card/>
2. Outcomes rate card fact sheet – [http://socialfinance.org/content/uploads/OutcomesRateCard\\_Overview.pdf](http://socialfinance.org/content/uploads/OutcomesRateCard_Overview.pdf)
3. FAQs about outcomes rate cards – [http://socialfinance.org/content/uploads/OutcomesRateCard\\_FAQ.pdf](http://socialfinance.org/content/uploads/OutcomesRateCard_FAQ.pdf)
4. Qualitative Evaluation of the DWP Innovation Fund – Final report (UK rate card) – [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/535032/rr\\_922-qualitative-evaluation-of-the-dwp-innovation-fund-final-report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/535032/rr_922-qualitative-evaluation-of-the-dwp-innovation-fund-final-report.pdf)

### **1.3 Technical assistance award description**

In this competition, Social Finance will select up to three Service Recipients to receive technical assistance for outcomes rate card development. Social Finance will work with Service Recipients to select outcomes associated with the identified issue area and target population, including a cost-benefit analysis to define the value of each outcome and an assessment of the service provider ecosystem to ensure the set of outcomes incentivizes strong performance by providers and fairly compensates them. Once the outcomes have been selected and the price of each outcome set, Social Finance and each Service Recipient will develop an outcomes rate card, which will then be used by the Service Recipient to procure service providers to enter into

outcomes-based PFS contracts. Social Finance will support selected Service Recipients with RFP design, management of service provider procurement and selection, and development of PFS contracts based on the outcomes rate card.

Over the 12 month project period, Social Finance will support Service Recipients with the following activities:

1. Provide each Service Recipient with data capacity assistance and support to develop an outcomes rate card that outlines project outcomes, prices, and measurement method(s) appropriate to the issue area and service provider ecosystem, and draft a model PFS outcomes-based contract tailored to the rate card, including measurement method(s) compatible with PFS project designs that maintain accuracy
2. Design and help issue an RFP with each Service Recipient, utilizing the outcomes rate card to procure service providers; and,
3. Help select service providers as needed and finalize awarded PFS outcomes-based contracts (selected interventions must have at least a preliminary level of evidence in support of the desired outcomes; emphasis will be placed on evidence to the extent possible<sup>4</sup>).

Additional support may include:

- a) Analysis of economic and demographic data to identify and stratify target populations and baseline outcomes;
- b) Calculation of cost/benefit/value analysis for the issue area and target population(s) identified;
- c) Overview of local service provider landscape to assess the market of service providers, including review of evidence-based practices, capacity analysis, cost of specific service delivery, and financial stability;
- d) Support for Service Recipient to develop plan to collect data and to administer the ongoing monitoring, validating, and payment of outcomes (additional data templates and standardized data processing procedures may also be developed during this time);
- e) Development of service provider selection criteria and evaluation system with an associated scoring rubric and weights, finalizing the timeline and milestones, and assembling required documentation and internal procurement approvals;
- f) Local market education for responding to a rate card RFP; and
- g) Support for Service Recipient(s) during (1) negotiation of final contract terms using the model PFS outcomes-based contract, and (2) finalization of PFS outcomes-based contracts with selected service providers.

---

<sup>4</sup> “Preliminary evidence” defined as evidence that is based on a reasonable hypothesis and supported by credible research findings such as third-party pre- and post-test research

“Moderate evidence” defined as evidence from previous studies on the intervention, the designs of which can support causal conclusions (i.e., studies with high internal validity) but have limited generalizability (i.e., moderate external validity)

“Strong evidence” defined as evidence from previous studies on the intervention, the designs of which can support causal conclusions (i.e., studies with high internal validity), and that, in total, include enough of the range of participants and settings to support scaling up to the state, regional, or national level (i.e., studies with high external validity)



## 2.0 SELECTION CRITERIA

Up to three Service Recipients will be selected to receive technical assistance to develop an outcomes rate card. The competition will be open to local, state, and tribal government entities and nonprofit organizations. Applications will be scored in response to the following selection criteria:

<b>Primary Categories</b> <i>Points awarded in the primary categories will be awarded according to the following 100-point scoring rubric.</i>		
<b>Category</b>	<b>Possible Points</b>	<b>Sub-Category</b> <i>Note: sub-categories are in order of greatest importance</i>
<b>Section A: Capacity for PFS and outcomes rate cards</b>		
1. Organizational capacity and commitment  <i>Service Recipients will provide meaningful, ongoing commitment and resources to the outcomes rate card and PFS development process.</i>	25	a. Makes a compelling case for ability to develop an outcomes rate card and launch subsequent PFS projects; demonstrates ability to conduct PFS project activities by describing track record of success and identifying specific skills, resources and abilities that makes applicant highly and/or uniquely qualified  b. Demonstrates commitment of senior-level project champion, dedicated to completing the project on time; shows that this staff member has the qualifications, skill set and position within the organization to successfully lead the projects and access to appropriate support teams  c. Demonstrates sufficient appropriated funds or indicate commitment/plan to request sufficient funds to cover outcomes payments for rate card PFS procurement of several million dollars  d. Commits to collaborative engagement with the Social Finance project team, potentially allowing at least one member of the Social Finance team to be on-site with government officials on a monthly basis to facilitate technical assistance, data collection and cleaning, and analysis  e. Demonstrates experience with managing and/or participating in federal grants and with timely execution of such grants, and outlines plans for ensuring compliance with Social Finance and federal guidelines and requirements
2. Commitment to outcomes rate cards and Pay for Success  <i>Service Recipients will engage in the detailed work required to develop an Outcomes rate card and PFS projects (“PFS-readiness”)</i>	20	a. Demonstrates commitment to launch multiple PFS projects with multiple service providers through a rate card; commits to timely project development process through letter of support from elected officials and/or other key decision-makers in government to launch projects within 12-months of engagement  b. Demonstrates existing relationships with local PFS stakeholders (e.g., funders, providers, community leaders, other key government players, etc.) or capacity to rapidly develop these relationships (applicants may submit up to 5 letters of support); describes compelling examples of setting and implementing goals with these partners, including interest from local (and/or out-of-region) service providers to test rate cards, PFS, and other innovative partnerships; demonstrates commitment to engage in market education with local stakeholders  c. Describes plan to incorporate learnings from the project into future activities, potentially by sustaining use of data systems to capture outcomes achieved by various service providers, rate cards and other PFS activities and/or incorporating performance-based funding into ongoing practices after the end of the grant period



<p>3. Data infrastructure</p> <p><i>Service Recipients will access (or gain access to) the necessary data to describe current outcomes for the proposed target population and track outcomes during a project.</i></p>	10	<p>a. Demonstrates existence of and access to data to support cost/benefit analysis, verification of outcomes, and ongoing administrative data collection for proposed issue area and target population</p> <p>b. Describes readiness to receive technical assistance for enhancing data practices for PFS, including a plan and timeline for entering into a data-sharing agreement with Social Finance and/or other applicable agencies</p> <p>c. Describes commitment to use enhanced data capacity for continued integration of performance-based funding beyond the scope of this project</p>
<b>Section B: Strength of proposed project</b>		
<p>1. Issue area and population alignment</p> <p><i>Service Recipients will clearly identify a priority issue area and target population.*</i></p>	15	<p>a. Clearly identifies priority issue area; justification for choosing this issue area (data or other research to demonstrate need for change, evidence of policy commitment to issue); describes examples of current and past programming and services aimed at addressing the identified policy issue area, including describing relationships with local implementing agencies or referral agencies</p> <p>b. Clearly identifies target population, including data or research to show how this population experiences adverse outcomes</p> <p>c. Demonstrates how proposed issue area and target population aligns with project priority to serve low-income, underserved populations addressing one of the following—youth development, economic opportunity, healthy futures**</p>
<p>2. Potential for impact</p> <p><i>Service Recipients will use the outcomes rate card to address a social issue for an underserved population, for which there are strong approaches to improve outcomes.</i></p>	15	<p>a. Demonstrates the extent to which baseline outcomes for the target issue area can be meaningfully improved through evidence-based interventions; articulates preliminary assessment of baseline outcomes for selected issue area and target population</p> <p>b. Clearly articulates its outcomes-based policy goals and describe how rate cards will fit with the overall mission and agenda of policymakers; articulates plan for how this project will have an impact beyond the scope of the initial rate card development and procurement</p>
<p>3. Diverse service provider landscape</p> <p><i>Service Recipients will identify the presence of many strong service providers for the proposed issue area and target population, in order to support the launch of multiple PFS projects by multiple providers.</i></p>	15	<p>c. Demonstrates the existence of a robust service provider landscape within the jurisdiction and target issue area which would be able and interested to respond to an RFA designed around a rate card; indicates commitment to select service providers that demonstrate at least a preliminary level of evidence</p>
<b>TOTAL</b>	<b>100</b>	

**Notes**

\* During the development of the outcomes rate card, Social Finance will support the Service Recipient to further define and stratify the target population. (For example, the Service Recipient identifies Opportunity Youth as priority, Social Finance helps identify justice-involved youth or youth living in low-income zip codes.)

\*\* SIF priority project issue areas:

- **Youth Development:** Preparing America’s youth for success in school, active citizenship, productive work, and healthy and safe lives, including crime reduction initiatives focused on juvenile delinquency and victimization prevention and response
- **Economic Opportunity:** Increasing economic opportunities for economically disadvantaged individuals
- **Healthy Futures:** Promoting healthy lifestyles and reducing the risk factors that can lead to illness

<b>Supplemental Categories</b>		
<i>Points awarded in the supplemental categories will be awarded outside of the 100-point scoring rubric.</i>		
1. Government jurisdiction	a. Social Finance will prioritize state, local, and tribal governments	8
2. In-kind commitment	a. Applicants that commit to contributing a portion of time spent on this project for an in-kind match are eligible and will receive priority b. Applicant budget outlines in-kind contribution	5
3. Novel Jurisdiction	a. Social Finance will prioritize jurisdictions that have not historically been the focus of PFS projects	2

### 3.0 APPLICATION MATERIALS

All applicants must submit an executive summary, application narrative, and supporting appendices as described in section 3.2 by 5 PM Eastern Time on April 10, 2017. Applications should be formatted as a single PDF document and submitted via email to [solicitations@socialfinance.org](mailto:solicitations@socialfinance.org).

#### 3.1 Notice of intent to apply

Applicants are strongly encouraged, but not required, to notify Social Finance of their intent to respond to this RFA. This may be done by completing a brief form available at [Outcomes Rate Card Development Competition: Notice of intent to apply](#). Please complete the form by February 28, 2017.

#### 3.2 Required application materials

The required application materials are an executive summary, application narrative, and supporting appendices that address the criteria identified in section 2.0. The executive summary and application narrative must be no more than 30 pages in length and must be double-spaced, in a font size of at least 11 points, with margins of at least one inch on all sides of the page. All pages should be numbered.

##### **Executive Summary (up to 2 pages)**

Describe why the applicant is interested in developing an outcomes rate card, including goals for the project, the proposed target population, outcome metrics, and organizational capacity to undertake PFS rate card development.

##### **Application Narrative Outline (up to 28-29 pages)**

Note that the instructions provided in the Application Narrative Outline align with the selection criteria described in section 2.0.

### *Section A. Capacity for Pay for Success and Outcomes Rate Cards*

1. Organizational capacity and commitment
  - a. Ability to conduct PFS project activities
  - b. Commitment of senior-level project champion
  - c. Source of appropriated funds or commitment/plan to request funds to outcome payments
  - d. Processes for collaborative engagement with the Social Finance project team
  - e. Experience managing and/or participating in federal grants
2. Commitment to outcomes rate cards and PFS
  - a. Commitment to engage with multiple service providers and launch multiple PFS projects
  - b. Existing relationships with local PFS stakeholders or plan to develop relationships
  - c. Plan to incorporate learnings from the project into future activities
3. Data infrastructure
  - a. Existence of and access to data
  - b. Readiness to receive technical assistance for enhancing data practices for PFS
  - c. Commitment to use enhanced data capacity for continued integration of performance-based

### *Section B. Strength of proposed project*

1. Issue area and population alignment
  - a. Priority issue area and justifications
  - b. Target population
  - c. Alignment with SIF project priorities
2. Potential for impact
  - a. Evidence-based interventions that can improve priority outcomes
  - b. How outcomes rate cards fit with the overall mission and agenda of policymakers
3. Diverse service provider landscape
  - a. Service provider landscape within the jurisdiction and target issue area

#### **Appendices (no page limit)**

**Appendix A:** Letter of support from senior-level project champion

**Appendix B:** Letter of support from elected officials or key decision-makers indicating support for the project and intention to launch projects within 12 months

**Appendix C:** Up to 5 letters of support from local PFS stakeholders (e.g. funders, providers, community leaders, other key government players, etc.)

**Appendix D:** If applicable, budget detailing match commitment as per section C, part 2 of Supplemental Categories

**Appendix E:** If applicable, IRS form 990 for the most recent fiscal year (applicants may also submit additional fiscal documentation if relevant)

## 4.0 SELECTION PROCESS AND AWARD

### 4.1 Selection process

Applications in response to this RFA will be evaluated as follows:

1. In the initial phase of the application evaluation process, the evaluation committee will review all applications for compliance with minimum RFA requirements. Nonresponsive applications (those not conforming to minimum RFA requirements) will be eliminated. Each Service Recipient applicant bears sole responsibility for the items included or not included in the response submitted by that supplier. Social Finance reserves the right to disqualify any application that includes significant deviations or exceptions to the terms, conditions and/or specifications in this RFA.
2. At the conclusion of this initial phase, remaining applications will be selected for detailed review and evaluation by the expert review panel, including an assessment of applicants' capacity to execute against RFA offer (e.g. ability to execute a grant agreement in a timely manner).
3. Verbal clarification may be required from up to the 8 highest scored applications. Social Finance's clarification process will occur April 14 – 28, 2017. Applicant representatives should be available to participate in the clarification process. A request for clarification does not guarantee a grant award. If an organization does not respond by the deadline to a request for clarification, Social Finance may remove the application from consideration. Social Finance may conduct site visits, as appropriate. Social Finance will be the sole judge as to the overall acceptability of any application or to judge the individual merits of specific provisions within competing offers.
4. After Social Finance's evaluation and clarification processes are complete, CNCS staff will review the results and Social Finance's recommendations for fairness and consistency. At this stage, some applications may be selected for a post-review quality control assessment. Social Finance's recommendations will be forwarded to CNCS on April 28, 2017 and CNCS will give concurrence or provide additional direction to Social Finance by May 3, 2017.

### 4.2 Notice of award

No later than May 24<sup>th</sup>, 2017, applicants will be provided notice via email of final selection and award. Awarded Service Recipients may be provided with early notice so as to coordinate marketing and communications.

## 5.0 ADDITIONAL INFORMATION

### 5.1 Submissions of questions / inquiries

Applicants may submit questions via email to Annie Dear ([adear@socialfinance.org](mailto:adear@socialfinance.org)) by March 21, 2017. Responses to all questions will be posted online and updated periodically throughout the competition.

## 5.2 Webinar information sessions

During the application period, Social Finance will host two webinars to provide background information and take questions on the competition.

- Social Finance will host the first webinar on February 21, 2017 at 3 PM Eastern Time and provide information on the following topics: general application support, evaluation and selection review process, and details of technical assistance provided during the project. Following the information session, attendees will be able to ask application-related questions. Webinar log-in information will be posted to the competition page one week prior to the webinar date. <http://socialfinance.org/competitions/outcomesratecard/>
- Social Finance will host a second webinar on March 15, 2017 at 3 PM Eastern Time.

## 5.3 Service Recipient eligibility details

Eligible applicants to the RFA—to develop an outcomes rate card and launch multiple PFS projects—include state, local and tribal governments, and nonprofit organizations prepared to structure, issue, **and serve as outcomes payor for an outcomes rate card project**. Eligible nonprofit organizations include those described in 2 CFR 200.70.<sup>5</sup>

Partnerships of the above organizations are eligible to apply. An eligible Partnership is a formal relationship between two existing eligible applicants as defined above, where the partner organizations will share responsibilities under the award and should include a legal agreement, such as a Memorandum of Understanding, outlining the roles and responsibilities of each partner. In a cooperative agreement with a Partnership, a single lead entity should submit an application to Social Finance on behalf of the Partnership. Service Recipient entities are subject to Social Finance monitoring.

As noted, applicants should be prepared to serve as outcome payor for an outcomes rate card project. Supplemental points will be available to (1) government entities, (2) applicants willing to commit in-kind resources to support the project, and (3) jurisdictions that have never previously launched a PFS project.

Organizations that have been convicted of a federal crime will be deemed ineligible. Pursuant to the Lobbying Disclosure Act of 1995, an organization described in Section 501(c)(4) of the Internal Revenue Code of 1986, 26 U.S.C. 501 (c)(4) that engages in lobbying activities will not be eligible to apply. Applicants that do not meet the eligibility criteria by the application deadline will be ineligible for review and consideration in the competitions.

## 5.4 Reporting requirements

**Financial Reporting.** The Service Recipient shall submit to Social Finance quarterly financial data to report match funding. These reports will consist of evidentiary documents that show payroll, fringe or other costs incurred on the sub-award Grant budget. The terms and types of documentation will be determined in the sub-award Grant Agreement.

The Service Recipient shall provide all required documentation with the quarterly financial data submission. Reports must be submitted to Social Finance within twenty (20) calendar days after the end of the last day of each quarter with the final reports due within forty-five (45) calendar

---

<sup>5</sup> § 200.70: “Nonprofit organization means any corporation, trust, association, cooperative, or other organization, not including IHEs, that: (a) Is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; (b) Is not organized primarily for profit; and (c) Uses net proceeds to maintain, improve, or expand the operations of the organization.”

days of the last day of the term of the sub-award Grant Agreement unless there is an agreed-upon written extension.

As cash grants are not provided, there is not an invoicing requirement.

**Programmatic Reporting.** The Service Recipient shall submit quarterly performance reports that provide a status update on PFS activities. The first quarter will cover the period beginning July 1, 2017. Reports are due twenty (20) calendar days after the end of each quarter. The performance reports shall assess progress with respect to agreed-upon performance metrics, including but not limited to: programmatic success, challenges, stories, progress to-date on activities, and questions. In reference to 2 CFR 200.309, Social Finance reserves the right to seek authorization from CNCS in order to charge any allowable costs incurred before a sub-grant award is signed or prior to a sub-award Grant's period of performance on the CNCS budget.

**Examination of Records.** The Service Recipient agrees that any duly-authorized representative shall, until the expiration of three (3) years after the final payment under the sub-award Grant Agreement, or three (3) years after the end of technical assistance activities with Service Recipients, or such longer period as may be required due to an audit finding, have access to and the right to examine any books, documents, papers and records of the Service Recipient involving transactions related to the sub-award Grant Agreement. Social Finance and CNCS, through authorized representatives, will have the right, at all reasonable times, to make site visits to review program accomplishments and to provide such technical assistance as may be required. If any site visit is made on the premises of the Service Recipient, the Service Recipient shall provide all reasonable facilities and assistance for the safety and convenience of Social Finance and CNCS in the performance of their duties. All site visits and evaluations shall be performed in such a manner as will not unduly interfere with or delay the work performed under the sub-award Grant Agreement.

Social Finance is responsible for monitoring the Service Recipient as required by CNCS and OMB Circular A-133, Compliance Supplement, Section M. Social Finance's monitoring will involve Service Recipient reporting (programmatic and financial) to Social Finance, monthly contact between the parties, desk reviews and site visits, as needed. Consequently, Social Finance has the right to review and evaluate Service Recipient records, activities, organizational procedures and financial control systems, to conduct interviews and other assessment techniques pertaining to the sub-award Grant Agreement.

The Service Recipient shall be subject to various monitoring and evaluation requirements to assure compliance with applicable federal requirements and that performance goals are being achieved. The Service Recipient's performance may be reviewed quarterly, or more often, by the appropriate Social Finance personnel who have program management responsibility. All records required to perform such monitoring shall be made available to the authorized Social Finance staff by the Service Recipient. All reports submitted by the Service Recipient shall be utilized as part of the monitoring of the Service Recipient's performance hereunder.

**In-Kind or Cash Match Requirement:**

Service Recipient Applicants that are willing to commit internal resources in the form of an in-kind matching contribution will be eligible for supplemental points (see Selection Criteria). In-kind matching contributions must meet the following criteria: 1) verifiable; 2) necessary and reasonable for proper and efficient accomplishment of project objectives; 3) allowable; and 4)

not paid by the federal government under another award or used as a match or cost share for another award.

### Third Party, In-Kind Contributions

Third party, in-kind contributions means the value of non-cash contributions provided by non-federal third parties. Third-party in-kind contributions may be in the form of equipment, supplies, and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the Recipient's Project, or the monetary value of time contributed by professional and technical personnel and other skilled labor. The contributions or services provided must be a strategic, integral, and a necessary part of a funded project for which the Recipient, Subrecipient, or Service Recipient would otherwise have to pay. Some specific examples of possible sources for services to meet the in-kind match include:

- Individual employee hours dedicated to the SIF-funded project
- Pro-bono legal, accounting, project management, or other professional services
- Equipment or software to analyze data
- PFS Intervention Evaluation design and implementation services.

Recipients must follow the requirements of the 2 CFR. 200.306 to determine the value of in-kind donations of goods and services, and must document all in-kind support, such as personal services, materials, equipment, and space. The valuation of the services provided must be reasonable, necessary and consistent with the organization's established practice.

Please note that federal rules apply to the federal funds awarded as well as to the match funds contributed by the Recipient and Subrecipient. In general, the cost of raising funds in order to meet the matching funds requirement is not an allowable cost under the Cost Principles of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (hereinafter "Uniform Guidance") at 2 CFR Subpart E.

## 5.5 Awardee compliance and monitoring

Each Service Recipient selected to participate shall enter into a sub-award Grant Agreement with Social Finance, which will include accountability and performance measures to ensure that its time is being spent productively furthering PFS in that jurisdiction. The sub-award Grant Agreement will also include a detailed timeline including milestones and deliverable (anticipated final deliverable is an outcomes rate card and procurement utilizing outcomes rate card that leads to multiple PFS contract awards) deadlines as agreed between Social Finance and each participating Service Recipient. Social Finance will retain the ability to terminate services in the event of material non-performance or in the event of a change in administration that materially impairs the level of government commitment to PFS.

Social Finance will lead fiscal oversight. Social Finance will ensure that the sub-grants are used effectively, efficiently, and in accordance with all applicable laws and regulations. All Service Recipients will be required to comply with Social Finance, CNCS and federal policies, including all relevant terms and conditions outlined in the "Corporation for National and Community Service Social Innovation Fund Cooperative Agreement Terms and Conditions (CFDA No. 94:019) Version 4 (effective July 31, 2014)," which can be found [here](#).

Service Recipients must also comply with the [2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) and the following



OMB circulars that apply to their institutions. The following circulars and their implementing regulations apply to states, Indian tribes, U.S. territories, and local governments:

- [OMB Circular A-102](#), Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments – [45 CFR Part 2541](#).
- [OMB Circular A-87](#), Cost Principles for State and Local Governments – [2 CFR Part 225](#).
- [OMB Circular A-133](#), Audits of States, Local Governments and Non-Profit Organizations.

All Service Recipients must provide the necessary staff support to ensure that they are in compliance with Social Finance, CNCS and federal requirements and that they participate in all required reporting and compliance activities. Examples include, but are not limited to:

- Quarterly financial data reports
- Quarterly program reports
- Final project report, including a final detailing of sub-award budget
- Conducting criminal background checks on all sub-award-covered staff (anyone whose salary is paid in part or entirely with sub-award funds, or whose salary is counted toward the sub-award in-kind match)
- Complying with all accounting practices necessary to manage and report on CNCS federal funds
- Complying with all applicable data storage and human subject protections as mandated by federal regulations
- Complying with all SIF name/logo requirements as outlined in the SIF Grantee Communication Resources Sheet

## 5.6 Project funding

This project is funded through a 3-year, \$1.4 million award from the Corporation for National and Community Service's Social Innovation Fund. Fifty percent of the project is financed through non-federal funding. The funding will support technical assistance to develop outcomes rate cards for up to six Service Recipients over the course of three years.