

City Innovate

SERVING FEDERAL, STATE, AND LARGE LOCAL GOVERNMENT

Challenge-Based Procurement for Technology Acquisition





Rationale for Challenge-Based Procurement

California Adopts Challenge Based Procurement - RFI2

Day one for Governor Newsom opens the door on procurement



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Today is California Governor Gavin Newsom's first full day in

called RFI2, or Request for Innovative Ideas. The team has clearly had an eye on the Startup in Residence (STIR) program pioneered by San Francisco city government, which does something similar for 30 municipalities around the country and has had great success.



to address this crisis and others. Today, Governor Newsom released an executive order that creates a procurement pathway

called RFI2, or Request for Innovative Ideas. The team has clearly had an eye on the Startup in Residence (STIR) program pioneered by San Francisco city government, which does something similar for 30 municipalities around the country and has had great success.

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-04-19

WHEREAS, California is the 5th largest economy in the world and home to some of the most innovative, progressive, and productive companies, academic institutions, nonprofit organizations, and engaged citizens anywhere in the world;

WHEREAS, California is facing unprecedented challenges to the way it protects the health, welfare, safety, and sensitive information of its residents, and we must respond to these new challenges with a commensurate level of innovation and intentionality;

WHEREAS, technology and innovation can be deployed to address some of the State's most pressing challenges, but only if we modernize our procurement processes to ensure that solutions fit the problems they are designed to solve;

WHEREAS, instead of asking for a particular technology product, as with traditional procurement, we can ask for solutions to a problem we face, convene State experts, vendors, entrepreneurs, and scientists from a range of industries, and challenge them to propose innovative, technological solutions to yield more comprehensive and effective results;

WHEREAS, this new approach to procurement capitalizes upon California's innovation economy by asking better questions, leading to new and better outcomes for our State's residents;

WHEREAS, the State should develop a new flexible approach to



What is Challenge-Based Procurement?

Traditional

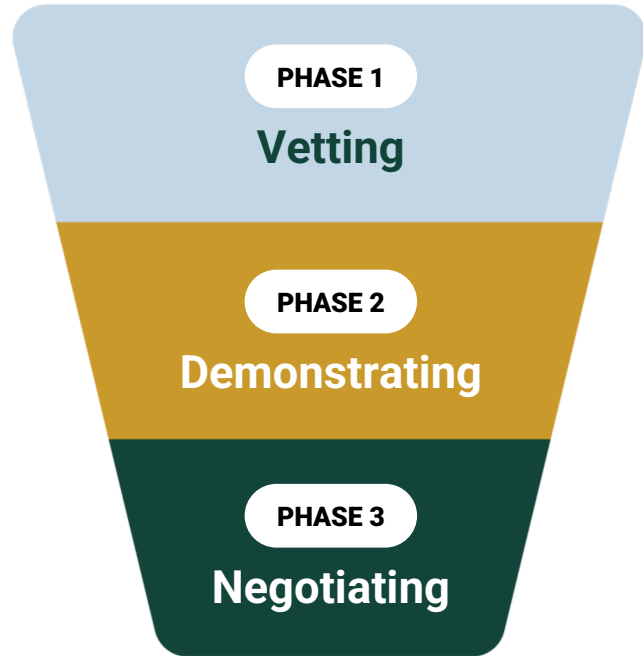
- Government identifies **solution**
- Vendors quote to **implement**
- Evaluate **paper** proposals

Challenge-Based Procurement

- Government identifies **problem**
- Vendors propose **solutions**
- Evaluate **Proof of Concept (POC)** demonstrations



Executing the Solicitation



Do bidders **understand** the problem?
Are they **ready** to do business in the State?

Can they demonstrate a **solution**?

Can you **agree to terms**?



Shift in Thinking

- Agile, phased approach
- Rapid workshop approach
- High intensity of collaboration
- **Show don't tell**





“Challenge” Mindset

- Challenge-Based Procurement faster, more streamlined
- Still rigorous, comprehensive process
 - NOT a shortcut for traditional process
 - NOT “procurement lite”
- Government and vendors play different roles
- Internal customers need to appreciate differences
 - Expect to participate more intensively over shorter time frame



Wildfire Management System

Challenge-Based Procurement

- 133 innovative vendors
- 11 strategic partners advanced
- 3 Proof-of-Concept demos
- Resulting into 1 robust integrated Wildfire management system for CA

New Legislation

[SB 109](#): Wildfire Technology Research and Development using RFI2



Most Recent Accomplishments

CA Covid Reporting System (CCRS) - Total contract amount of \$56mil.

CalCONNECT - Total contract amount of \$64mil.

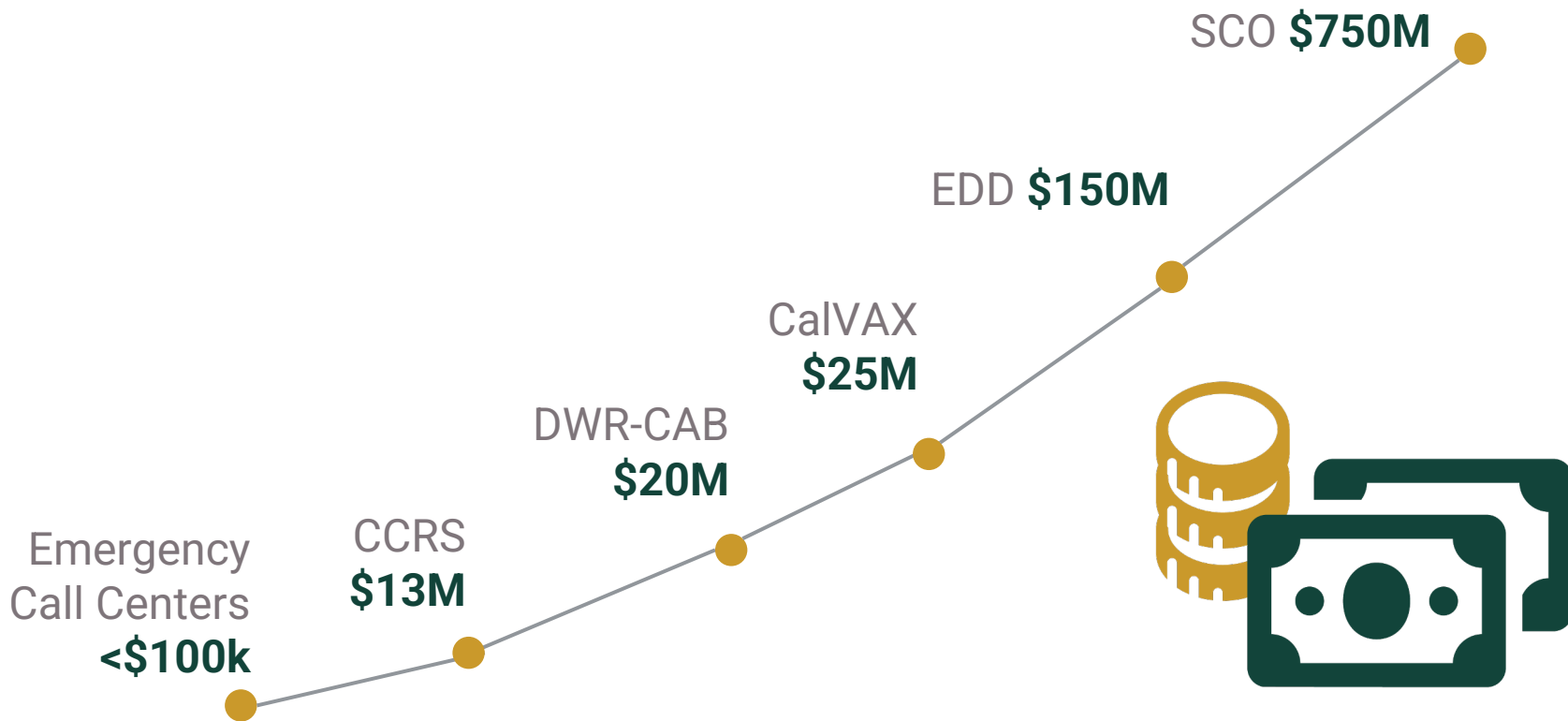
- Competitive procurement completed in 90 days
- Including, Requirements development, competitive solicitation, POC, negotiation, and contract award
- Traditional procurement would complete this for 18 months

CalVAX - CA's vaccine management system - Total of \$86mil

- Competitive procurement completed in 4 months, including system implementation



Scaling Challenge-Based Procurement





Q&A

Any questions?

