

Buying What Works

Case Studies in Innovative Contracting Released

The first version of *Innovative Contracting Case Studies* was released Aug. 21 by the White House Office of Science Technology Policy (OSTP) and the Office of Management and Budget's Office of Federal Procurement Policy (OFPP). "*Innovative Contracting Case Studies* is an iterative, evolving document that describes a number of ways federal agencies get more innovation per taxpayer dollar under existing laws and regulations," according to a joint OSTP-OFPP announcement.

"For example, NASA has used milestone-based payments to promote private sector competition for the next generation of astronaut transportation services and moon exploration robots." the announcement stated. "The Department of Veterans Affairs issued an invitation for short concept papers that lowered barriers for nontraditional government contractors, which led to discovery of powerful new technologies in mobile health and trauma care. The Department of Defense has used head-to-head competitions in realistic environments to identify new robot and vehicle designs that will protect soldiers on the battlefield."

Over the years, there has been much progress on helping federal agencies gain greater access to the innovation and synergies generated by the commercial marketplace. Still, the standard procurement processes on which agencies rely to meet most of their needs may remain highly complex and enigmatic for companies that are not traditional government contractors. Many such companies can offer federal agencies valuable new ways of solving longstanding problems and cost-effective alternatives for meeting everyday needs.

As budgetary constraints continue to reduce available resources, the need increases for new innovative contracting models that can help agencies reach these entrepreneurs and reduce the complexity and cost of doing business with the government. "Such tools allow federal agencies to pay contractors for results, not just best efforts," the announcement stated.

The document stated that the OSTP and OFPP "seek to encourage greater innovation in federal contracting. ... OSTP compiled the collection of agency case studies to highlight different models that have been successfully tested by agencies to meet a range of needs related to research, prototyping, and market testing."

In the joint announcement, officials of OSTP and OFPP said: "We encourage both private sector stakeholders and public servants to engage in a sustained public discussion, identifying new case studies and improving this document's usefulness in future iterations. At the same time, federal government employees can join a community of practice around innovative contracting by signing up for the new 'Buyers Club' e-mail group (open to all .gov and .mil e-mail addresses). This 'Buyers Club' group should provide a useful forum for troubleshooting and sharing best practices across the federal government, serving everyone from contracting officers with deep expertise in the Federal Acquisition Regulation (FAR) to program managers looking for new ways to achieve their agencies' missions."

Note that OSTP compiled these case studies based partly on feedback from external experts, and that the *Innovative Contracting Case Studies* document does not necessarily reflect the views of the federal departments and agencies that are cited as examples. The availability and use of different innovative contracting methods will require consideration of legal authorities and the desired outcome/goals of the specific activity, the study cautioned.

See:

- <http://www.whitehouse.gov/blog/2014/08/21/buying-what-works-case-studies-innovative-contracting-0>
- Summaries: Find summaries of programs collected at the following URL:
 - http://www.whitehouse.gov/sites/default/files/microsites/ostp/innovative_contracting_case_studies_2014_-_august.pdf