



Challenging Industry to Innovate

How the Government Can Apply Transparency, Collaboration, Unencumbered Communication, and Dynamic Engagement Through Challenge-Based Acquisition

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Vanessa McCollum, Defense Information Technology Contracting Office

Justin Raines, The MITRE Corporation

Ryan Novak, The MITRE Corporation

Kasey Pugh, Defense Spectrum Organization

Adam Bouffard, The MITRE Corporation

Craig Carlton, Defense Information Technology Contracting Office

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Research Question

How can program offices implement challenge-based acquisition in a way that promotes active vendor engagement, fosters transparency across the acquisition process from both the government and industry points of view, and positively influences acquisition outcomes?

Reference Materials:

ChBA Handbook: <https://www.mitre.org/publications/technical-papers/challenge-based-acquisition-5th-edition>

Market Research Guidebook: <https://www.mitre.org/publications/technical-papers/level-up-your-market-research-game-strategies-and-hacks-youll-want-to-use-2022-guidebook>



Research Issues

Current acquisition approaches are slow and cumbersome:

- Limited opportunity for applied innovation: Vendors recycle solicitation language and approach
- Very little engagement and innovation occurs in real time
 - Limited opportunity to make changes to improve the requirements or acquisition approach
 - Ambiguity -- Industry left to guess on the underlying requirements, the acquisition timeline, and if their proposals meet the need.

Used the Telecommunication Advanced Research and Dynamic Spectrum Sharing Systems (TARDyS3) program as a use-case for innovation and dynamic engagement.

Three acquisition strategy enablers:

- Innovative Market Engagement
- Challenge-Based Acquisition (ChBA)
- Other Transaction Authority (OTA)



1. Designed the multi-phased down select TARDyS3 Approach.



2. Conducted the multi-phased down select TARDyS3 Approach.

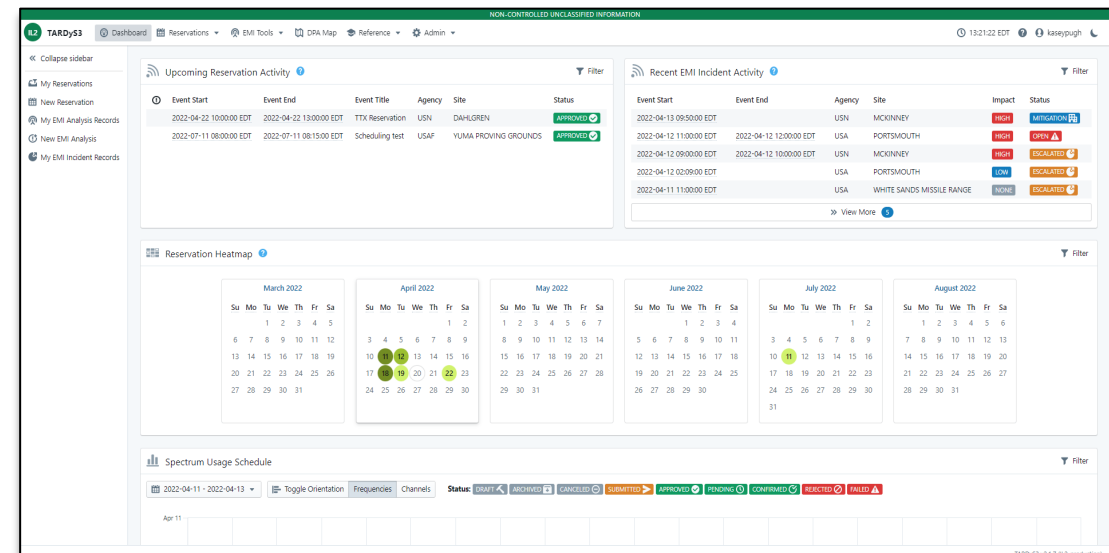
3. Captured lessons learned and best practices from the multi-phased down select process.

4. Captured the outcomes from the TARDyS3 Prototype Project OT to move to Production OT implementation.



Results

- **Dynamic Engagement: Market Research and continuous engagement set program up for success**
 - Requirements refinement and clarity
 - Transparency – Vendor buy-in and feedback
 - Clear expectations throughout the process
 - Forming powerful industry teams that satisfy OTA requirements and innovation needs
- **Synergized Innovation: The multi-phased down select process focused on DISA's need and allowed informed risk-taking**
 - Offered many ways to solve the problem
 - Multiple down-selects allowed both the Government and Vendors to learn and improve
 - Focused on the risky elements, then competed for price
- **Evidence of success:**
 - 11 months from first Statement of Need to Deployed Capability
 - High-quality software, user satisfaction – Meets the need!





Recommendations



Set the Tone for Dynamic Engagement with a Compelling Market Research Strategy:

- Create a vendor community through market research that actively communicates and develops a common purpose among the large number of interested companies
- Move beyond paper-based market research and talk to vendors – ask questions and let vendors ask the government representatives questions as well
- Leverage open discussions in market research to broadly identify and characterize risk
- Encourage vendors to speak to one another early in the market research process; provide a forum that consciously encourages partnerships among the vendor community



Encourage and Evaluate Innovation:

- Inspire innovation by configuring the requirement in terms of solving a problem or achieving an outcome
- Use Prototype OTs, when appropriate, to inspire vendor innovation, focus Government evaluations on risk, and accelerate the acquisition process
- Build a broad technical and functional team that can understand and assess the risks and opportunities driven by industry innovations
- Consider releasing the government cost estimate to better scope vendor solutions
- Use Challenge Based Acquisition (ChBA) to apply dynamic engagement via a set of open objectives (rather than a prescribed solution), and transparency in executing vendor demonstrations in operational-like environments
- Structure ChBA Demonstrations to assess and mitigate identified programmatic risks



Recommendations (continued)



Build Trust by Actively Planning and Executing an Open Communication Strategy

- Notify industry early about the acquisition direction and objectives
- Share the government's acquisition plans and requirements, even if they are incomplete, and let vendors identify unforeseen risks and incorporate government plans into their response strategies
- Focus on establishing a common understanding with industry on knowledge and best practices; avoid a high-minded perch that the government holds exclusive expertise



Iterate, Learn, and Grow Before Awarding – Both Government and Vendors

- Use multi-staged down selects to focus on reduce risks and lower costs through iteration
- In multi-phased acquisitions, use the knowledge gained during one phase to inform the subsequent phases; give vendors an opportunity to improve their solutions while the Government improves acquisition documents and expectations
- Communicate expectations of what constitutes a good proposal and how vendors can use their technical insights and innovations to gain a competitive advantage



QUESTIONS?

Research Team

Vanessa McCollum -- vanessa.a.mccollum.civ@mail.mil

Kasey Pugh -- kasey.a.pugh.civ@mail.mil

Craig Carlton -- craig.j.carlton.civ@mail.mil

Ryan Novak -- rnovak@mitre.org

Justin Raines -- jraines@mitre.org

Adam Bouffard -- abouffard@mitre.org