

EXECUTIVE SUMMARY

Technology Modernization Fund (TMF) | Artificial Intelligence (AI) proposal call **Expedited AI pilot process: Recommended procurement approach**

Bottom line up front:

For the expedited AI pilot process, TMF recommends using a procurement approach that is authorized under [Parts 12 and 13.5](#) of the [Federal Acquisition Regulation \(FAR\)](#). All federal agencies are authorized to use this portion of the FAR for projects of the size and type that will be funded under this proposal call. This approach enables a streamlined award process, as well as a flexible post-award environment where agencies and program offices can make timely and informed funding allocation decisions based on user feedback, analysis for bias, cybersecurity concerns, and other metrics for success.

A streamlined & flexible approach:

To maximize chances for success, projects funded under the expedited AI pilot process must adopt a streamlined, agile, and objective-based procurement method that will allow multiple approaches to be tested in a short period of time (less than 90 days), only providing continued funding to those that show promise. These projects will be valued at \$6M or less, with a timeline of 1.5 years or less. Traditional procurement approaches could emphasize a more prescriptive approach and/or take an extended period of time to issue awards, limiting the benefits and potential of projects funded under the expedited AI pilot process.

Major differences & advantages:

Solicitations issued under this approach allow for requirements statements with high-level objectives that focus on desired outcomes, as opposed to prescriptive methods. Solicitations and evaluations are streamlined and require neither individual adjectival ratings for evaluation factors, nor the assignment of strengths, weaknesses, or deficiencies. During evaluations, agency personnel will be able to ask questions that are focused on the details of the proposal, instead of needing to ask industry partners identical questions. Following contract awards and short initial periods with limited funding amounts, agencies will be able to continue funding projects that show promise in achieving the high-level objectives stated in the solicitation via an option exercise (an action implemented at the unilateral discretion of the Government Contracting Officer).

Sample format & phases (funding amounts, page limits & durations can be adjusted as needed):

In response to a streamlined solicitation (roughly 25 pages), firms will be able to propose solutions in five pages or less that address the three high-level objectives stated in the solicitation.

- Based on the five page written proposals submitted in Phase I, the agency will decide which firms will continue to Phase II, during which industry partners will provide 60 minute oral pitches, including time for questions and answers. For those proposals that represent the best value to the government, multiple awards for an initial period of 30 days and \$25,000 will be issued.
- At the end of the first contract period (which requires a demonstration of capability based on synthetic or publicly available data), firms will have 30 minutes to propose what would be accomplished during the second contract period of 90 days and \$100,000.
- Funding decisions will be made by the agency based on value already demonstrated, potential for continued progress, and the ability of industry partners to adjust their solutions based on user feedback, analysis for bias, cybersecurity concerns, and other metrics for success.

Procurement authority:

FAR 13.500(a) allows for simplified acquisition procedures for commercial products or services valued at under \$7.5M: *"the purpose of these simplified procedures is to vest contracting officers with additional procedural discretion and flexibility, so that commercial acquisitions in this dollar range may be solicited, offered, evaluated, and awarded in a simplified manner that maximizes efficiency and economy and minimizes burden and administrative costs for both government and industry."*