




EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
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MEMORANDUM TO: CHIEF ACQUISITION OFFICERS  
SENIOR PROCUREMENT EXECUTIVES  
CHIEF INFORMATION OFFICERS

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SUBJECT: Acquisition Innovation Labs &  
Pilot for Digital Acquisition Innovation Lab

To drive innovation in acquisition, agencies need leadership support as well as capability and capacity to test, document and help their programs adopt new and better practices through all stages of the acquisition lifecycle, beginning with project definition and requirements development. This memorandum requests each Chief Financial Officer (CFO) Act agency to ensure it has an acquisition innovation lab, or similar mechanism, in place to help agency programs and their integrated project teams (IPTs) achieve better results for the taxpayer. The memorandum further requests that agencies place emphasis on information technology (IT) investments in their labs, and encourages agencies to consider participation in a pilot to accelerate the development of digital acquisition capabilities within their agencies through hands-on coaching of cross-functional teams by the Office of Management and Budget's (OMB) U.S. Digital Service (USDS) in the Office of the Chief Information Officer, the General Services Administration's (GSA) 18F Consulting, and a team of Presidential Innovation Fellows (PIFs).<sup>1</sup>

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<sup>1</sup> This memorandum builds on the blueprint of strategic actions laid out in December 2014 by the Office of Federal Procurement Policy (OFPP) to create a new model for the federal marketplace that is more innovative, efficient, and effective. See *Transforming the Marketplace: Simplifying Federal Procurement to Improve Performance, Drive Innovation, and Increase Savings* (December 4, 2014), available at <https://www.whitehouse.gov/sites/default/files/omb/procurement/memo/simplifying-federal-procurement-to-improve-performance-drive-innovation-increase-savings.pdf>.

## **Background**

In October 2015, the White House released the third Strategy for American Innovation.<sup>2</sup> This strategy outlines a number of initiatives to enable the government to deliver better results with and for the American people, with the right combination of talent, innovative thinking, and technological tools. These initiatives, which seek to strengthen procurement and many other government functions, include:

- fostering a culture of innovation through innovation labs at federal agencies: a network of innovation labs can foster a culture of innovation at federal agencies by empowering and equipping agency employees and members of the public to implement their promising ideas to more effectively serve the American people.
- providing better government for the American people through more effective digital service delivery: It should be as easy and intuitive for American citizens and businesses to engage with government services online as it is for them to conduct online transactions with the most IT-savvy businesses. The Administration is creating digital service teams across government to speed the adoption of private-sector best practices for designing, building, and deploying easy-to-use online services.

Other initiatives highlighted in the strategy include creation of an “innovation toolkit” to help increase the effectiveness and agility of the government through improvements in its core processes and ability to solve problems and scaling up of evidence-based strategies and interventions that focus on paying for outcomes as opposed to inputs.

Last year, in an effort to drive greater innovation in the government’s acquisition activities generally, and the procurement of digital services in particular (which is one of the key approaches in the innovation toolkit), the Office of Federal Procurement Policy (OFPP) and USDS launched the Digital IT Acquisition Professional (DITAP) Training and Development Program, where select contracting professionals across government undergo an intensive six-month hands-on training program to learn how to buy IT software and systems development a better way. The first DITAP cadre will graduate from the program in April.

While the DITAP Program will play an increasingly important role as it is scaled over time to help build the skills of the workforce, additional steps must be taken in parallel to accelerate the development of new, and support the work of existing, cross-functional teams within each agency that can bring to bear the integrated application of procurement, program, and technical skills that lie at the heart of successful acquisitions – whether for custom software development, pilots to figure out how outcomes from such development efforts can be improved, upgrade of an agency’s IT infrastructure, implementation of a shared service, or another project to support 21<sup>st</sup> century government activities. Equally important, there must be pathways to encourage and allow the workforce to test and adopt new and better ways of

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<sup>2</sup> [https://www.whitehouse.gov/sites/default/files/strategy\\_for\\_american\\_innovation\\_october\\_2015.pdf](https://www.whitehouse.gov/sites/default/files/strategy_for_american_innovation_october_2015.pdf)

doing business as promising ideas present themselves either in the government or the commercial marketplace.

When the Department of Health and Human Services' (HHS) Chief Technology Officer stood up an acquisition innovation lab, known as the "Buyer's Club," HHS was able, within months, to take advantage of key plays from the Digital Services Playbook and TechFAR to merge multiple legacy systems into a central web content management system. Similarly, shortly after the Department of Homeland Security's Chief Procurement Officer stood up an acquisition innovation lab, the Department successfully applied a suite of best practices to cut lead time in half for critically needed cyber security services to support the Einstein Project.

In short, agency leadership must recognize that the greatest catalyst for innovation rests inside the agency and its willingness and ability to embrace a culture that continuously encourages new ideas as well as rethinking of existing practices. With the dedicated support of an acquisition innovation lab in each agency, the government's collective bandwidth to produce better results can be significantly increased.

### **Guidance**

Agencies should take the following six steps to ensure they have effective acquisition innovation labs to help their agency in meeting mission needs:

1. **Identify an acquisition innovation advocate (AIA).** By March 31, 2016, each agency should identify the official who currently serves or will serve as the agency's AIA to encourage testing of new ideas and better ways of executing existing practices and working with OMB and other agencies to share best practices and lessons learned. Information on points of contact should be sent to Mathew Blum at [mblum@omb.eop.gov](mailto:mblum@omb.eop.gov).

2. **Establish an acquisition innovation lab or similar mechanism or ensure the agency's existing lab or existing mechanisms are structured to optimize results.** Acquisition innovation labs or related mechanisms should: (1) provide the agency's workforce with a clear pathway to test and document new acquisition practices and facilitate fresh perspectives on existing practices and (2) help programs and IPTs successfully execute emerging and well-established acquisition practices to achieve better results for the taxpayer. In the case of the latter, the lab may augment acquisition workforce training efforts by providing a space for hands-on, real-time experiential learning. See Attachment 1 for examples of each of these kinds of activities.

In this memorandum, "acquisition practices" include all activities that affect the acquisition lifecycle, including project definition and market research, procurement planning and implementation, and contract management. As explained in greater detail below, the specific shape of the organizational structure (e.g., whether there is a formal lab) or mechanism is less important than whether the structure or mechanism is generally aligned with the principles and providing the types of assistance outlined in Attachment 2.

*Focus of acquisition lab:* Consistent with direction in the Federal Information Technology Acquisition Reform Act (FITARA) to build specialized IT acquisition cadres,<sup>3</sup> agency acquisition innovation labs should place a focus on IT investments.

Agencies should provide support, as they are able, for other types of acquisitions that are significant to the agency (e.g., non-IT professional services, research and development activities, or construction). To this end, agencies are encouraged to review the compendium of case studies that was assembled by the Office of Science and Technology Policy (OSTP) in coordination with OFPP to highlight different contracting strategies agencies have been using to discover novel solutions and prove and scale innovation beyond IT innovation.<sup>4</sup> Agencies are also encouraged to review the innovation toolkit framework in the Strategy for American Innovation, and aim to increase adoption of these approaches within their agency.<sup>5</sup>

*Structuring of acquisition lab:* Agencies have wide latitude in structuring their acquisition innovation lab and addressing associated personnel staffing issues (e.g., its sponsors, and the type and amount of dedicated personnel).<sup>6</sup> For example, an agency may wish to use the lab as an extension of the IT acquisition cadres<sup>7</sup> they have been standing up in accordance with FITARA. The lab might provide internal consultation for its own workforce, such as 18F Consulting offers for those that currently lack such expertise.<sup>8</sup> Alternatively, the lab may function as a supporting arm of the agency's Chief Acquisition Officer (CAO), Senior Procurement Executive (SPE), or Chief Information Officer (CIO). Agencies should coordinate with their agency's other innovation labs, sometimes known as Idea Labs, and innovation councils in creating or strengthening their acquisition innovation lab.<sup>9</sup>

Agencies should aim to establish a lab or similar mechanism or complete the review of existing structures by May 2, 2016. In standing up a lab or reviewing the effectiveness of

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<sup>3</sup> See section 835 of FITARA and OMB Memorandum M-15-14, *Management and Oversight of Federal Information Technology* (June 10, 2015), available at <https://www.whitehouse.gov/sites/default/files/omb/memoranda/2015/m-15-14.pdf>.

<sup>4</sup> See *Innovative Contracting Case Studies*, available at [https://www.whitehouse.gov/sites/default/files/microsites/ostp/innovative\\_contracting\\_case\\_studies\\_2014\\_-\\_august.pdf](https://www.whitehouse.gov/sites/default/files/microsites/ostp/innovative_contracting_case_studies_2014_-_august.pdf).

<sup>5</sup> See Strategy for American Innovation, pages 109-10, [https://www.whitehouse.gov/sites/default/files/strategy\\_for\\_american\\_innovation\\_october\\_2015.pdf](https://www.whitehouse.gov/sites/default/files/strategy_for_american_innovation_october_2015.pdf).

<sup>6</sup> Agencies are not expected to conduct hiring actions and may rely on available in-house talent but are encouraged to consider models that are designed to be sustainable into the future.

<sup>7</sup> For additional information on building IT acquisition cadres, see OFPP's July 13, 2011 memorandum *Guidance for Specialized Information Technology Acquisition Cadres*, available at <https://www.whitehouse.gov/sites/default/files/omb/procurement/memo/guidance-for-specialized-acquisition-cadres.pdf>.

<sup>8</sup> 18F Consulting offers a wide range of services and expertise to assist agencies in acquiring digital services, including *discovery/scoping* to review artifacts and develop an understanding of the problem, *solicitation ghostwriting workshops* to help the agency identify requirements, constraints, deliverables, and a technical approach, *protosketching*, or rapid prototyping, for quick one-day technical explorations, *acqathons*, where members of the IPT come together to collaborate intensively on lifecycle issues, and *capabilities delivery analysis* to help an agency determine what and how to acquire the capabilities an organization needs to deliver digital services effectively.

<sup>9</sup> See Strategy for American Innovation, pages 111-12, [https://www.whitehouse.gov/sites/default/files/strategy\\_for\\_american\\_innovation\\_october\\_2015.pdf](https://www.whitehouse.gov/sites/default/files/strategy_for_american_innovation_october_2015.pdf).

existing labs or related mechanisms, agencies should carefully consider the general principles and specific considerations set forth in Attachment 2.<sup>10</sup> For the reasons explained above, particular emphasis should be placed on promoting meaningful collaboration among all members of the IPT. By aligning activities with offices that are responsible for requirements development, such as digital strategy offices as well as legal and finance offices, the work of the lab will more effectively support the needs of all stakeholders that share in the responsibility for making an acquisition, and the program it supports, successful.<sup>11</sup>

**3. Consider applying to participate in the digital acquisition innovation lab pilot.** OFPP, USDS, 18F Consulting and a team of PIFs are launching a pilot where interested agencies stand up a digital acquisition innovation lab to help accelerate the development of digital acquisition capabilities within each agency. Each agency participating in the pilot will identify one or more teams with cross-functional support (e.g., architecture/engineering, user research and experience design, product strategy, acquisition, data management) to receive coaching on digital services acquisition from USDS and 18F Consulting for at least two acquisitions within their agency. In return, the agency will dedicate the team or teams to provide ongoing internal lifecycle support for other agency IPTs to expand the agency's ability to conduct digital acquisitions.

The Environmental Protection Agency (EPA), which is serving as an early adopter, recently launched a digital services acquisition lab with technical acquisition support from 18F Consulting. The lab, which has a scalable business model, plans to manage multiple acquisition vehicles for rapid modular buying using the Digital Services Playbook and TechFAR. It will also provide request for quote (RFQ) and request for proposals (RFP) writing services for EPA programs and potentially for other agencies as it builds expertise.

The Digital Services Council has agreed to provide funding to USDS and 18F Consulting to support their work with pilot agencies. Team members from USDS, 18F Consulting and the PIFs will coach the agency team(s) and, depending on the team's needs, lead the first pilot. Coaching will help agencies sharpen their ability to conduct *discovery* (e.g., agile education, user research, user modeling, conceptual design, technical environment assessment, project definition, and product definition), *procurement planning and implementation* (e.g., contract strategy, source selection criteria, solicitation development, proposal evaluation) as well as *post-award activities*.

Attachment 3 describes criteria for participation in the pilot and provides a link to the form interested agencies should fill out. A member of the pilot team will be in touch with

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<sup>10</sup> In weighing the need for dedicated personnel, or new structures and mechanisms, an agency should evaluate its current ability to satisfy these principles. Existing organizations, such as the Office of the CAO or SPE, may already perform some or all of these functions and OMB does not seek, nor expect, agencies to create redundant functions. However, OMB strongly encourages those relying solely on existing offices to remind the workforce of the resources available to consider and test innovative contracting practices, and seek support for adoption of emerging and established practices, if this has not already been done.

<sup>11</sup> As explained in Attachment 2, agencies may wish to confer with their Office of General Counsel to determine if it is appropriate to identify an attorney or attorneys who could serve as legal advisor to the agency's lab or similar mechanism used to promote innovation.

next steps. *Note:* OMB intends to share the results of pilot testing so that the model can be scaled, as appropriate, beyond the pilot agencies. Accordingly, agencies participating in the pilot must be open to sharing success stories and lessons learned from the pilots.

4. **Participate on the Acquisition Innovation Advocates Council.** OMB will convene an AIA Council where agencies can discuss the status of their IT-related and other projects and exchange information with USDS, PIFs, and 18F Consulting regarding successes and challenges. AIAs should also sign up to participate in the “Buyers Club” group listserv (<https://listserv.gsa.gov/cgi-bin/wa.exe?SUBED1=BUYERS-CLUB&A=1>).

5. **Contribute to the Innovation Hallway on the Acquisition Gateway.** To the maximum extent practicable, the lab should share information with other agencies by posting it on the Innovation Hallway of GSA’s Acquisition Gateway so that it becomes a preferred one-stop source for a broad array of information on innovative solutions.<sup>12</sup> Labs are also encouraged to work with OMB to enhance tools for government-wide use (e.g., the TechFAR) and build related resources (e.g., identifying candidates for future OFPP “Behind the Buy” podcasts). Labs should consider offering continuous learning points (CLPs) to those acquisition professionals that help develop this information. Agencies are encouraged to develop and post case studies. A sample case study template is provided at Attachment 4. Next fall, OMB intends to formally recognize use case(s) that illustrate effective outcomes achieved with the assistance of an agency’s acquisition innovation lab.

We look forward to working with you on this important initiative and in discussing your thoughts on ways in which OFPP can be helpful both in supporting your agency’s acquisition innovation lab and in promoting collaboration across agency labs.

Contact information on agency sponsors and general questions regarding this memorandum may be directed to Mathew Blum, Associate Administrator for Federal Procurement Policy, OMB, at [mblum@omb.eop.gov](mailto:mblum@omb.eop.gov).

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<sup>12</sup> The hallway is currently under development. Additional follow-up information will be sent separately regarding information submission and sharing.

## Driving Innovation through Acquisition Labs

Two of the most important ways in which acquisition labs can drive innovation is by providing a pathway to test new or improved practices and help programs successfully adopt emerging and acquisition best practices. Examples of each are described below.

### Testing New or Improved Practices

- **Leveraging the use of prototyping.** As part of an effort to merge multiple legacy systems into a central web content management system, the Department of Health and Human Services gave small business offerors in the competitive range nominal funding, via purchase orders, to develop prototypes demonstrating to end users their concepts and ability to deliver design and coding in a short timeframe that met the agency's needs.

Separately, as part of its efforts to craft a new contract vehicle for digital services, EPA issued an Request for Information asking vendors to explain the latest offerings in areas such as user-centered design, agile architecture and development, API-first design, and DevOps and how those services are being sold to government customers. Instead of making respondents complete a long-form explanation, the EPA asked respondents to build a working prototype demonstrating their capabilities.

- **Paying for results.** OFPP and USDS used Challenge.gov to identify a source to develop the new digital services training program, offering prizes of \$360,000, including a prize of \$20,000 for each finalist to design their proposed program. Each team made an oral presentation and taught a one-hour class so the government could get a better idea of the quality of the key personnel and the offerors' capability to successfully perform if awarded the contract.

As another example of paying for performance, the Department of Defense (DOD) used a challenge-based acquisition to identify innovative technical solutions for surveillance and inspection of explosive devices. The key differentiator between challenge-based acquisition and a traditional performance based acquisition is the firm requirement to demonstrate product performance in real-world conditions prior to a major commitment of resources for full production – payment is made only after demonstration of a successful solution.

- **Buying source code competitively with a government purchase card.** The General Services Administration's (GSA) 18F Consulting and a team of Presidential Innovation Fellows are experimenting with a new application of micro-purchase authority to determine if it can be used to help agencies meet needs for simple code development projects for a few thousand dollars that have typically involved acquisitions for many times this amount. Under the initial experiment, software developers were invited to participate in a reverse auction to load schedule 70 data into GSA's Contract Award labor Category tool. The award went to a startup first-time government contractor, one of eight

bidders who registered in the System for Award Management to compete for this work and who delivered working code ahead of schedule.

- **Purchase challenge.** The Department of Energy put together a coalition of over 200 major commercial building partners and issued a challenge to U.S. manufacturers “If you can build wireless sub-meters that cost less than \$100 apiece and enable us to identify opportunities to save money by saving energy, we will buy them.” At least 18 manufacturers have responded since DOE issued the challenge in 2013.

### **Applying Emerging and Best Practices**

- **Leveraging the TechFAR and Digital Services Playbook.** The Department of Labor’s Wage and Hour Division, with help from GSA’s 18F Consulting, used agile software development and modular contracting practices in alignment with the TechFAR to introduce a new web-based application in a step-wise fashion for its wage-data online and other systems to support labor law compliance and enforcement that is significantly de-risking the modernization and saving millions of dollars in development costs along the way.

Similarly, after conducting a discovery sprint with USDS to understand program challenges and customer requirements, the Small Business Administration (SBA) is successfully applying agile software development techniques on a project to modernize the systems that support small businesses seeking to compete for government contracts. 18F Consulting provided training to SBA staff on how to support agile software development from the program office perspective. The new system will replace the antiquated applications of the agency’s small business certification processes for socio-economic programs and provide contracting officers enhanced search capabilities for conducting small business market research. SBA went from project concept through the solicitation and award process to a functional component of the application in less than a year. Since initiation of the project, SBA has made plans for its Idea Lab to help support the work of its digital services team.

- **Conducting facilitated requirements development for multi-functional teams.** GSA’s Federal Acquisition Service recently conducted an intensive IPT workshop with officials from DOD, the Office of Personnel Management, and other agencies to support the rapid development of comprehensive requirements for identity protection services in the event of a data breach from a cyber intrusion. An interagency team with subject matter experts in information technology, cybersecurity, personnel and privacy, and acquisition took advantage of the Defense Acquisition University’s “Acquisition Requirements Roadmap Training Tool” (ARRT), which provides a structured step-by-step process for building requirements, performance standards, and inspection plans (ARRT is currently available on DOD’s Services Acquisition Mall at <http://sam.dau.mil>). The resulting requirements, developed in just four days, were incorporated into the award of a multi-million dollar government-wide blanket purchase agreement that will serve as a preferred contract source for full service identity restoration support and victim recovery assistance, identity theft insurance, identity monitoring for minor children, continuous credit monitoring with



call center and website support, and extensive fraud monitoring services that extend beyond credit files.

- **Reducing burden in proposal preparation and evaluation.** The Department of Homeland Security's (DHS) Procurement Innovation Lab helped its IPT cut procurement lead time by more than half for a competitively awarded, multi-million dollar classified cyber security services contract for the Einstein Project. To reduce the burdens on industry for proposal preparation and on the government for evaluation, the IPT used a qualified bidders list to quickly narrow the field and conducted one-on-one technical exchanges with qualified industry partners to refine solicitation instructions and evaluation criteria to only those necessary to differentiate the winning offer. The team also included integrated legal counsel that provided in-process, informal legal reviews that saved the team from unnecessary re-work. After the award DHS reached out to all offerors and the program office and feedback has been encouraging.
- **Using multi-phased acquisitions.** Under its Innovation Initiative, the Department of Veterans Affairs (VA) used a "staged acquisition," a variation of phased acquisition, to issue an invitation for short concept papers, followed by a full proposal and a one- to two-year pilot evaluation that allowed the VA to sample the diverse technology landscape and led to the discovery of powerful new technologies in mobile health and trauma care.
- **Making milestone-based payments.** The National Aeronautics and Space Administration (NASA) promoted private sector competition for the next generation of astronaut transportation services and moon exploration robots among a stable pool of selected offerors across a series of clear, technically feasible milestones, with payment withheld until the associated, agreed-upon milestone is completed.
- **Procuring digital services and software through crowdsourcing:** NASA issued an Image Processing Challenge to develop a software application that performs image processing to transform the raw images taken by the Lunar Reconnaissance Orbiter (LRO) into geo-referenced and "mosaicked" images that can be displayed on the Lunar Mapping and Modelling Portal. Instead of engaging one or two full-time coders, NASA conducted a crowdsourcing challenge to tap into many specialized coders, developers, and designers, each participating in small parts of a development project. In this case, the challenge series included 21 contests with 153 unique registrants for a total of 35 submissions. The challenge delivered an online tool that reduced the time to process LRO images into a hi-resolution geo-referenced mosaic by more than 80 percent and allows for an additional reduction in time by adding additional nodes. This was accomplished with less than \$13,000 in prize incentives and operational expenses of \$55,000.<sup>13</sup>

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<sup>13</sup> [https://www.whitehouse.gov/sites/default/files/microsites/ostp/NSTC/fy14\\_competes\\_prizes\\_-\\_may\\_2015.pdf](https://www.whitehouse.gov/sites/default/files/microsites/ostp/NSTC/fy14_competes_prizes_-_may_2015.pdf) pages 29-30

## Acquisition Innovation Lab Best Practices

Agencies should consider the following principles in standing up an acquisition innovation lab or similar mechanism or reviewing the effectiveness of existing programs or approaches:

### A. General considerations

1. **Promote meaningful collaboration:** Make the lab open to all members of the integrated product team—e.g., program, acquisition, IT, legal, finance—so that appropriate attention may be given to the full range of activities, including requirements development, that impact acquisition outcomes. Where possible, support the lab’s activities with a multi-functional team.<sup>14</sup>
2. **Make information technology (IT) a focus area:** An acquisition innovation lab can help to accelerate the development of digital acquisition capabilities within the agency.
3. **Start small when first getting started:** For IT activities, consider engaging on projects or modules that can be delivered within a three to six month period of performance, quickly learn and iterate, document lessons learned and effective practices for knowledge sharing and informing policy, and then scale.
4. **Encourage but do not mandate use of the lab by the workforce at large:** Focus on members of the workforce who express an interest and are managed risk takers. Take steps to ensure the workforce is aware of the lab and encourage employees to take advantage of the lab, but, in doing so, make clear that interactions are strictly voluntary (e.g., do not create negative incentives for employees who seek to “wait and see”).
5. **Obtain vendor input:** Seek feedback from vendors on pilots and related efforts in order to gauge industry’s perspective.
6. **Recognize contributions:** Recognize meaningful contributions by members of the workforce to further promote innovative thinking (e.g., Secretarial recognition awards, documentation of participation in a pilot in employee’s personnel file, nomination for the Chief Acquisition Officers Council Acquisition Innovation Award or American Council for technology—Industry Advisory Council Igniting Innovation Award).

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<sup>14</sup> While the lab should promote multi-functional integrated activities, the agency should identify an office that serves as the program office in charge of promoting acquisition innovation.

## B. Types of assistance

1. **Informal business advice:** The lab should be a recognized place where agency personnel may go, on a voluntary basis, to brainstorm and flesh out their ideas, whether it is piloting new ideas or taking a fresh look at an existing practice for the purpose of enhancing the value it achieves. This exchange/consultation is, as a general matter, most useful if done before establishing an acquisition strategy or any significant acquisition planning. An agency's acquisition innovation lab is not expected to take the place of agency management, nor to supplant the advice provided by support organizations, such as an agency's Office of General Counsel (OGC). However, lab sponsors may wish to consider conferring with their OGC and determine if it is appropriate to identify an attorney or attorneys who could serve as legal advisor(s) to the agency's lab and, if feasible, provide support for projects that the lab is providing assistance on.
2. **Networking:** Whether approached individually or by a team of acquisition, IT, program, legal and other personnel, the lab should help to facilitate collaboration within the agency with others that may be working to solve similar problems.
3. **Access to talent & expertise:** Whenever possible, use the lab as a talent accelerator, helping the workforce to leverage existing and newly gained expertise. For initiatives involving digital services, for example, this could mean helping the workforce tap into skills learned through the agency's participation in the Digital Service Contracting Professional Training and Development Program (e.g., to develop digital service procurement experts and business advisors), working with GSA's 18F Consulting (e.g., on "discovery sprints" or workshops to support transitioning or modernizing legacy systems through incremental/modular contracting, agile development, and user-driven design) and consultations with the Office of the Federal Chief Information Officer's U.S. Digital Service (e.g., on application of strategies discussed in the Digital Services Playbook).
4. **Shadowing:** Whenever possible, the lab should help to arrange opportunities for in-house personnel to shadow internal or external experts with expertise in applying established and emerging best practices, to supplement training opportunities and accelerate the agency's capability to achieve better results.
5. **Information sharing:** The lab should encourage information sharing and documentation of processes (through actual documents used and/or descriptions), including through the development of case studies, where feasible, to enable review and replication by others, as appropriate. In addition, information should be shared with other agencies by posting it on the Innovation Hallway of GSA's Acquisition Gateway.
6. **Event sponsorship:** Events that promote intra- and interagency brainstorming and information sharing can help to increase awareness of successes and teachable moments and adoption of promising ideas.

## **Criteria for Participation in the Digital Acquisition Innovation Lab Pilot**

Agencies wishing to participate in the digital acquisition innovation lab pilot must be prepared to have their CIO and CAO sign an MOU establishing the agency's commitment to this pilot project, as well as adhere to the following criteria for selection.

### **Agency**

1. The CIO and CAO from each agency that participates in this pilot must:
  - Identify an Acquisition Innovation Advocate who will act as a sponsor of the agency's acquisition innovation lab as well as the office that will provide program support, per the OMB Memo; and
  - Stand up a cross-functional team (e.g., of 4-5 people) from existing internal talent, which should include any graduates or participants in the DITAP training program, and identify the organization that will assume lead program office responsibility, if other than the OCIO.
2. An appropriate senior level official from the agency, must send out an email and performance profile inviting staff to apply to be part of the pilot cross-functional team
  - Ideally, members of the team should commit at least 75% of their time for the period of the pilot (six months), and should be assembled within 30 business days of the date that the MOU is executed.
3. The CIO and CAO and members of the team must follow the principles in the U.S. Digital Services Playbook.

### **Acquisition Projects**

1. To be considered for the pilot, each Agency must identify two suitable acquisitions supporting projects or modules that can be delivered within a three to six-month period of performance. The acquisition projects should exhibit the following characteristics:
  - Anticipated solution will likely involve custom software development;
  - Relatively high priority to the agency;
  - External-facing (e.g., citizens) or supports critical-mission function (affects breadth of internal workforce); and
  - Low to medium complexity (e.g., minimal dependencies on external systems)
2. Agencies must allow USDS and 18F Consulting to lead one pilot acquisition, and coach the other pilot acquisition. All final decisions that would bind the agency, such as selection of the contractor, will be made by the agency.

### **Sharing of Results, Success Stories and Lessons Learned**

Since these pilots are being used to spur further acquisition innovation in the Federal government, it is imperative that we collect data, stories, and lessons learned and share them with the larger acquisitions community. To this end, agencies that participate in the pilot must:

1. Track results against metrics established by OMB.
2. Share results and appropriate use case materials in the Innovation Hallway of GSA's Acquisition Gateway.
3. Participate in the Acquisition Innovation Advocates Council that meets regularly with OMB and 18F Consulting to broaden awareness and cross-agency collaboration.

Interested agencies should contact 18F Consulting at [dap-18f@gsa.gov](mailto:dap-18f@gsa.gov) to discuss their potential suitability for participating in the pilot.

### Sample Case Study Template

Agencies may wish to consider the template below in highlighting how the agency's acquisition innovation lab supported or served as a catalyst to improve an acquisition outcome.

<b>Considerations</b>	<b>Description</b>
1. Challenge	Describe the work to be performed—e.g., (1) develop custom software for an agency website; (2) upgrade infrastructure, (3) implement a shared service
2. Traditional approach	Describe the traditional process used by the agency—e.g., (1) acquired custom software through a process where design, development, and testing occur in linear fashion with customer involvement at the end; (2) ran a “waterfall” process to buy a new system using in-house personnel who issued a comprehensive solicitation detailing the technical and system requirements)
3. Alternative approach	Describe the process used in lieu of the traditional approach—e.g., (1) acquired custom software using agile approach where desired segments of functionality are identified in user stories that are turned into implementable code in a three- to six-month period following sprints that involve quick learning and iterating; (2) used agile, iterative practices to maintain and upgrade certain pieces of the legacy system, using in-house personnel who previously shadowed other agency experts with experience in scoping similar requirements and developing product visions that describe the desired functionality at a high level)
4. Outcome achieved	Describe the results/impact of using the alternative approach—e.g., saved money, reduced time to delivery, increased quality, improved customer satisfaction, and/or contractor satisfaction, helped future IPTs avoid sub-optimization by sharing insight gained from tested process that did not achieve desired results
5. Assistance provided by the acquisition innovation lab	Describe the value of the lab's assistance—e.g., brainstormed with the IPT, coached the IPT through the acquisition or put the IPT in touch with other internal or external agency personnel or organizations, such as 18F, with relevant expertise, helped to document and disseminate results to the workforce for awareness and replication)