

City Innovate

Moving at the Speed of Tech

City Innovate helps governments accelerate the procurement process to keep pace with the rapid evolution of technology.

This work is driven by the belief that residents deserve the best and most current technology solutions to public problems.

City Innovate works with clients at the local, county and state level, providing services and software tools to streamline complex technology acquisitions. In this paper, we will look at three notable case studies for how City Innovate helped the California State Departments of Technology, Employment Development and Motor Vehicles complete multimillion-dollar technology acquisitions in less time and with better results by using City Innovate's Challenge-Based Procurement approach and Solicitation Builder software.

www.cityinnovate.com



Contact email here



Contact number here



Software

(STIR)

STIR

STIR helps with the first step in the procurement process by capturing, evaluating, and prioritizing business needs from your agencies. It allows users to easily configure what data is collected and how evaluations are conducted as well as quickly issue formal or informal market research to determine if a viable market solution exists before initiating a formal solicitation.

Solicitation Builder



Solicitation Builder helps government agencies rapidly assemble complex solicitations by automatically generating documents from a database of approved language and then allowing team members to edit the documents collaboratively, in real time.

Where other applications offer generic, boiler-plate templates, Solicitation Builder will recommend highly specific language for both standard clauses and the project-specific scope of work, and pre-populate documents with information collected through a user-friendly questionnaire.

BidQual



BidQual provides procurement officials the ability to manage the process of issuing, monitoring, and awarding formal and informal bids. BidQual takes vendor management to the next level by allowing agencies to see how the specific requirements of a solicitation expand or limit their pool of qualified vendors. When used in conjunction with Solicitation Builder, it provides real-time visibility into the sourcing implications of solicitation language.

Evaluation Builder (Q3 2020 Release)



Evaluation Builder helps government agencies develop complex evaluations instead of relying on multiple spreadsheets. For vendors, it creates a guided digital process that helps streamline and prevent administrative errors when responding to solicitations.

Contract Manager



Contract Manager helps government agencies automate contract development through a collaborative platform. It enables governments to ensure that projects are being managed through a simple and easy to use interface.

Services

Challenge-Based Approaches to Procurement

In a traditional RFP process, governments spend months or years developing exhaustive requirements for technology solutions before releasing a solicitation. This limits vendors' abilities to innovate and results in solutions that are already outdated by the time the procurement is complete.



City Innovate helps governments accelerate procurement while maintaining a fair, open and competitive transparent process through **Challenge-Based Procurement (CBP)**. Using this approach, governments define a problem statement and specify their desired outcomes, then leave it to vendors to submit and - more importantly - demonstrate innovative solutions.

City Innovate's consultants provide training and support to governments interested in applying challenge-based principles. From developing solicitations, vetting vendors, evaluating solutions and updating legacy contracting vehicles, City Innovate can help your government successfully accelerate procurement through CBP while minimizing the risk inherent in any new approach.

City Innovate

Case Studies

California State Government



California Department of Technology (CDT)

The California Department of Technology used City Innovate's Solicitation Builder software to dramatically reduce solicitation writing time as part of a larger effort to streamline and modernize the state's procurement approach. As a result, the CDT was able to reduce the time to create an RFP for an \$18M procurement from 18 months to just under 60 days.



California Department of Motor Vehicles (DMV)

City Innovate helped the California Department of Motor Vehicles apply a Challenged-Based approach to replace outdated legacy systems and streamline issuing of state IDs. By focusing on desired outcomes and inviting vendors to demonstrate their solutions, the DMV was able to make an acquisition in less than half the time of a traditional procurement process, at a fraction of the cost. A solution initially expected to cost hundreds of millions of dollars and take years to implement was acquired for \$6M and was live within six months.



Employment Development Department (EDD)

City Innovate advised the California Employment Development Department on upgrading their technology acquisition methods to a Challenge-Based Procurement approach. As a result, the EDD was able to issue the challenge in just 90 days and complete the proof-of-concept, evaluation and negotiations for a \$120M procurement in just under six months.



CASE STUDY I

California Department of Technology | Solicitation Builder Software



The Client

The California Department of Technology (CDT) procures technology solutions to improve the lives of over 39 million residents. From software to network infrastructure, the CDT oversees more than \$7B in acquisitions per year.



The Problem

Like most government agencies, the CDT relied heavily on lengthy, complicated solicitations to convey technology requirements to vendors. Large procurements could take as long as 24 months and involve teams of up to 12 staff members.

The work of composing solicitation documents was slow and manual. PO analysts used a process of copying and pasting relevant document sections from Word files. Collaboration took place in a piecemeal fashion, with one member finishing their work and then passing on to the next team member for input, review, or approval.

This linear process created a backlog that prevented client agencies from making critical acquisitions in a timely manner. By the time a solicitation was released, the technology landscape and the state's problems had often changed beyond recognition. Moreover, the manual copy-and-paste approach created version control issues and posed the risk that someone in the process might be copying from incorrect or out-of-date sources.



The Solution

The CDT adopted City Innovate's Solicitation Builder software as part of a larger effort to streamline and modernize the state's procurement approach. Solicitation Builder represented a significant upgrade from the department's existing process, delivering a number of immediate benefits:

Enabling Real-Time Collaboration and Remote Work

Instead of forwarding email attachments and waiting for a reply, Solicitation Builder allowed team members to collaborate in real time on a single, shared document hosted in the cloud. Procurement staff and external collaborators could be assigned documents or individual sections of documents to work on, and post their updates and comments where the rest of the team could see them instantly. Questions and tasks related to sections could be assigned to specific team members, optimizing workflow and efficiency.

Beyond that, having the ability to work on shared documents stored in the cloud proved critical for teams to continue moving procurements forward while working remotely during the COVID-19 pandemic.

Mining a Centralized Database of Templates and Past Solicitations

With Solicitation Builder, the CDT was able to populate a central database with approved language, not only for standard legal terms but also for statements of work (SOWs). Users were then able to go through a brief checklist and questionnaire, then have the system assemble relevant segments into cohesive documents, pre-populated with the specifics of the current project.

City Innovate also worked with the CDT to upload and tag the best examples from the department's library of past solicitations, allowing Solicitation Builder to give users highly specific, best-practice recommendations for future RFPs involving similar technologies and/or solicitation types. This feature allowed the CDT to build and improve on past success rather than trying to recreate them.

Increasing Speed and Minimizing Risk Through Automation

Solicitation Builder significantly increased the speed of the writing process while eliminating potential risks. Being able to automatically generate complex solicitation language from approved sources, harvest language from past Statements of Work and work collaboratively while controlling each contributor's permissions gave the CDT a massive head start on what had previously been a multi-year effort. Moreover, copy-and-paste errors as well as version control issues were eradicated. Solicitation Builder even allowed teams to automate the often time-consuming review process for ADA compliance.

In addition to making contributors more productive, Solicitation Builder gave management direct visibility into their team's work, providing a quantitative calculation of progress instead of having to rely on vague estimates.



The Results

The results delivered by Solicitation Builder were dramatic.

- ✓ With City Innovate's software and services, CDT was able to reduce the time to create an RFP for an \$18M procurement **from 18 months to just under 60 days**.
- ✓ The CDT was able to upload **over 1,000 past solicitation documents**, which allowed Solicitation Builder's machine learning algorithm to **provide section-by-section suggestions on future procurements**.
- ✓ Having a cloud-based, collaborative tool allowed CDT's staff to **continue working remotely on procurements** while offices were shut down during the COVID-19 pandemic.



Solicitation Builder helped our department solve so many problems. It allows us to build from historical solicitations, which lets us learn from the past and not have to start from scratch. And with its collaboration features, multiple analysts can divide and conquer complex solicitations quickly, saving us time compared to our old, MS Word-based workflow. ”

MARLON PAULO,
DEPUTY DIRECTOR,
CALIFORNIA DEPARTMENT
OF TECHNOLOGY



CASE STUDY II

California Department of Motor Vehicles | Challenge-based Approach to Procurement



The Client

The California Department of Motor Vehicles (DMV) issues driver licenses to 27 million Californians and registers more than 36 million motor vehicles and boats through 172 field offices across the state.



The Problem

When California adopted the federal government's REAL ID standards, which require citizens to present much more extensive proof of identity to enter federal buildings and board U.S. aircraft, it created a massive technical and administrative challenge for the DMV.

Initially, the task seemed overwhelming. Customers were spending hours in line to get their applications manually verified, only to discover they did not have all the necessary documents to obtain a REAL ID. This not only led to frustration, it required customers to make a second trip to the DMV. DMV staff often had to process the same customer's application multiple times, which in turn increased customer traffic in offices and duplication of work. Additionally, much of the process was paper-based, further adding to the backlog. And, on top of this, the DMV was still running legacy systems built on COBOL.

When the DMV approached traditional vendors, they were told the department needed to completely overhaul and automate its systems and processes and retrain their staff before they could even think about addressing the new demands created by REAL ID. At first it seemed it would require a long, grueling overhaul that could take years, at a time when the state's REAL ID enforcement deadline was looming.



The Solution

The department knew they needed fresh ideas and to rethink both the problem and potential solutions. While it was possible that some of their problems might be solved through traditional measures, they knew that they needed more than a series of RFPs to rise to the present challenge.

Working together with City Innovate and the California Department of Technology, the DMV decided to integrate a fundamentally different approach to their technology acquisition known as Challenged Based Procurement (CBP).

Challenge-Based Procurement

City Innovate advised the DMV procurement team to use a challenged based approach to their problems in order to acquire innovative solutions. They coached the team on how to frame their needs as a series of four “challenges” to vendors, rather than a conventional list of requirements. The resulting “challenge statements” defined the DMV’s real-world pain points and identified outcomes that a solution would need to accomplish, without specifying how. This approach not only required the DMV to look critically at the problem itself, it opened the door for vendors to bring ideas fresh that could never have been outlined in a traditional RFP in the first place.

For example, where a traditional RFP process would have procurement teams dictate every detail of a proposed website before consulting vendors (down to the size and location of the “First Name,” “Last Name” and “SSN” fields), in Challenge-Based Procurement, the team simply called for vendors to submit “creative ideas to reduce paper processing.” Likewise, instead of mapping 500-step workflows in an RFP, a Challenge-Based Procurement solicitation might ask vendors to submit “creative ideas to reduce field office transaction time.”

The respondents who submitted the best ideas would then be invited to a “pitch day” and given a chance to tangibly show the DMV how their idea would accomplish the challenge.



The Results

After issuing the four challenge statements, the DMV received over 400 proposals from vendors of all sizes, ranging from the conventional (a better-designed mobile app) to the cutting edge (an AI-driven solution that would let customers “talk” to the website in natural language). From these, the department invited 10 promising candidates to pitch their idea, resulting in three being awarded contracts.

Moreover, where the DMV had initially expected a solution to cost hundreds of millions of dollars and take years to implement, the three solutions chosen through the Challenge-Based Procurement process totaled less than \$6 million all together and were live within six months.

Through it all, City Innovate helped the DMV and CDT manage the process and advised procurement officials on Challenge-Based Procurement best practices for evaluating young, innovative companies that might not have decades of history like older legacy vendors.



So many of the great ideas that made it to the vendor pitch day are currently being implemented as real, workable solutions. As new challenges arise, particularly the economic downturn of COVID, we intend to use City Innovate’s Challenge-Based approach again to continue modernizing and transforming the DMV, even with limited resources.



AJAY GUPTA,

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CALIFORNIA DEPARTMENT
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CASE STUDY III

California's Employment Development Department | Challenge-based Approach to Procurement



The Client

California's Employment Development Department (EDD) handles unemployment insurance (UI), disability insurance (DI) and other benefits for 17 million workers across the state. Their mandate also involves rapidly disbursing benefits to residents impacted by disasters such as wildfires and the COVID-19 pandemic.



The Problem

In 2019 the EDD decided to replace their legacy system for handling unemployment insurance and disability insurance. By that point, the platform was over a decade old and accumulated hundreds of add-on modules that bogged down its performance when processing benefits for 235,000+ workers.

In addition to improving the existing functions, the state also needed the system to administer California's recently-enacted Paid Family Leave (PFL) benefits policy. This proved to be a challenge as California was only the third U.S. state to adopt PFL, and there were no existing, all-in-one platforms capable of handling UI, DI and PFL together.

By the EDD's own estimate, acquiring a new platform for all three using a traditional RFP process could take as long as five years, by which time any solution specified in the RFP would already be outdated.



The Solution

The EDD brought in City Innovate and the California Department of Technology (CDT) to advise on how they could apply a faster, yet still rigorous and transparent, approach to technology procurement. After an initial consultation, the EDD decided to apply City Innovate's Challenge-Based Procurement approach for the new platform.

City Innovate helped the department replace its initial draft RFP, which contained over 5,000 highly specific requirements, with a brief "challenge statement" outlining 14 use case scenarios, touching on all of the processes the system would be expected to handle.

The state published the scenarios as part of an RFI and challenged software vendors to demonstrate how their existing, off-the-shelf products could handle each of the EDD's use cases.



The Results

- ✓ The Challenge-Based Procurement process allowed the EDD to evaluate dozens of submissions in phases and quickly rule out those that did not meet the state's minimum requirements in a few short weeks, with little time wasted on either side.
- ✓ By the time the state invited the three finalists to conduct a proof-of-concept, the EDD was able to compare three viable submissions in-depth based on which could best perform the use case.
- ✓ With City Innovate and the CDT's guidance, the EDD was able to issue the challenge in just 90 days and complete the proof-of-concept, evaluation and negotiations for a \$120M procurement in just under six months. The process was also a tremendous proof of Challenge-Based Procurement's suitability for large contracts. In fact, at the time, the EDD system represented the largest U.S. government contract awarded on the basis of a proof-of-concept demonstration, at any level, state or federal.
- ✓ In the end, the time savings proved critical as the EDD was not only able to meet their original deadline for supporting PFL but was also better able to handle the nearly 3 million applications it received as unemployment reached 15.5% during the COVID-19 pandemic.



City Innovate was instrumental in helping us develop problem statements, reduce the number of requirements and scale the solicitation approach to include a Proof of Concept. Traditionally we were relying on vendors to tell us what they could do in a narrative. Now we're in the business of having them show us. It's completely changed how we do procurement. ”

MARLON PAULO,
DEPUTY DIRECTOR,
CALIFORNIA DEPARTMENT
OF TECHNOLOGY

Innovate Your Procurement Approach to Acquire Better Technology Faster

As governments become increasingly dependent on technology to deliver essential services, it's easy to grow frustrated with the slow pace of traditional public sector procurement. In the time it takes most agencies to gather requirements, issue a solicitation, and review submissions, technology and public expectations have often changed so much that solutions are obsolete before they're even delivered. But how do we reconcile the need to move fast with our obligation to ensure procurement remains open, transparent, and fair?

At City Innovate, we provide software tools and services to help government agencies accelerate procurement and acquire cutting-edge technology, all while maintaining accountability. Our Challenge-Based Procurement approach reshapes how governments think about technology procurement by focusing on outcomes and innovation, rather than forcing vendors to meet an exhaustive and limiting checklist of specifications.

Meanwhile, our software tools help procurement teams streamline the task of writing complex technology solicitations, match the specific contents of the Statement Of Work to the capabilities of innovative vendors, and more.

Whether you're looking for an incremental approach to procurement and integrate new methods into your existing processes or to completely overhaul your agency's approach to procurement or simply integrate new methods into your existing processes, please reach out so we can discuss the possibilities.

Sincerely,



Kamran Saddique
Co-CEO



Jay Nath
Co-CEO

Contact Us

To discuss your general procurement needs or a specific project, email **Kamran Saddique** at **(email address)** or **Jay Nath** at **(email address)** or visit our website at **www.cityinnovate.com** for more information on our software and services, case studies, and more.