



Public Sector Prizes and Challenges Grow in Use and Sophistication as Agencies Build Infrastructure

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Summary: OSTP releases its fifth annual comprehensive report describing the use of prize competitions and challenges by Federal agencies and detailing the 116 challenges in FY2015

Today, OSTP is releasing its [fifth annual comprehensive report](#) on the use of prize competitions and challenges conducted by Federal agencies to spur innovation, engage citizen solvers, address tough problems, and advance their core missions.

On January 4, 2011, President Obama signed into law the America COMPETES Reauthorization Act of 2010 (COMPETES). Section 105 of COMPETES grants all agencies broad authority to conduct prize competitions. In Fiscal Year 2015, 47 prize competitions were conducted under COMPETES authority, as well as 69 challenges conducted using authorities other than COMPETES, a significant increase over previous years.

Over the past 7 years, the Obama Administration has worked to expand the use of prizes and challenges as a part of an agency's innovation toolkit. Critical to this effort is the ongoing work of the General Services Administration (GSA), which launched the [Challenge.gov](#) platform and community of practice in 2010.

Challenge.gov has featured more than 700 prize competitions and challenges—conducted under the authority provided by COMPETES and other authorities—from more than 100 Federal agencies, departments, and bureaus. In addition, GSA has trained more than 1,500 agency staff

members on the most effective use of prizes and challenges.

Comparing the 116 prize competitions and challenges conducted in FY 2015 under all authorities with previous years' reports shows several trends in public-sector prizes:

- Increased ambition and sophistication of prize designs enabled by partnerships;
- New models for engaging the public during competitions;
- Application of prizes as one tool in a broader portfolio of actions within a program;
- Series of challenges conducted to build momentum for specific issue; and
- Commercialization of solutions found through prizes to address market failures.

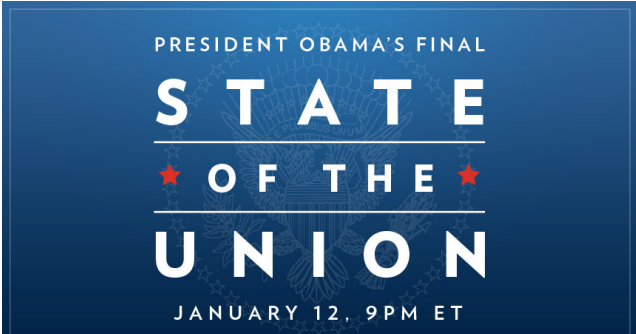
The unique benefits and diverse outcomes of prizes have been well documented in the private, philanthropic, and public sectors. For example, a prize competition can generate an innovative solution from a wider variety of solvers at a significant cost savings compared to more-traditional approaches. In FY 2015, NASA's Astronaut Email Challenge aimed to fix a problem with the International Space Station (ISS) email system's ability to handle large file attachments for astronauts. NASA awarded 12 winners a total of \$23,638 for software solutions that are beginning the process of flight certification for use on the ISS. NASA estimates it would have cost \$193,000 to fix the issue in-house, whereas the challenge format cost only about \$81,000, a 42 percent savings.

To further support the increased use and sophistication of challenges, 11 agencies and departments developed new infrastructure in the past fiscal year, from issuing department-wide guidance on the use of prizes to coordinating internal and external communications on challenges. One agency in particular, the U.S. Bureau of Reclamation, within the Department of the Interior, established the Water Prize Competition Center, an interagency center that is working with other Federal agencies to collaboratively design, launch, and judge prize competitions for innovative solutions related to the several mission-critical areas including infrastructure sustainability, ecosystem restoration, and water availability.

As Federal employees extend the use of leading innovation techniques such as prizes and challenges, our public sector workforce will be better equipped tackle intractable problems like climate change and infectious diseases, while making meaningful advancements in scientific research, technological development, educational attainment, and economic prosperity.

[View the Full Report](#)

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