**Prizes & Challenges**

**Quote:**

[N/A]

**Intro:**

An incentive prize is a contracting model that promotes innovation by offering a monetary or non-monetary reward upon completion of a specific objective task. Prizes enable the Federal government to pay only for success, establish an ambitious goal, and reach beyond the “usual suspects” to increase the number of minds tackling a problem without having to predict which team or approach is most likely to succeed. *Sourced directly from:* [“[Innovative Contracting Case Studies](https://www.whitehouse.gov/sites/default/files/microsites/ostp/innovative_contracting_case_studies_2014_-_august.pdf),” Office of Science and Technology Policy, August 2014.] To date, agencies have sponsored more than 740 public-sector prize competitions on Challenge.gov, a one-stop shop where tens of thousands of entrepreneurs and citizen solvers have participated and been awarded over $250 million in prizes. *Sourced directly from:* [“[A Strategy for American Innovation](https://www.whitehouse.gov/sites/default/files/strategy_for_american_innovation_october_2015.pdf),” Economic Council and Office of Science and Technology Policy, October 2015.]

##### **Why:**

*Sourced directly from:* [“[Prizes and Challenges](https://www.whitehouse.gov/administration/eop/sicp/initiatives/prizes-challenges),” White House, 2017.]

Prize competitions have become a proven way to increase innovation for the public, private, and philanthropic sectors. Today, incentivized, open competition has become a standard tool in many agencies’ toolbox for delivering more cost-effective and efficient services and advancing agencies’ core missions. Federal agencies have discovered that prizes and challenges allow them to:

* Pay only for success and establish an ambitious goal without having to predict which team or approach is most likely to succeed.
* Expand the Federal government’s reach to citizen solvers and entrepreneurs of diverse backgrounds, skillsets, and experience.
* Bring out-of-discipline perspectives to bear.
* Increase cost-effectiveness to maximize the return on taxpayer dollars.
* Inspire risk-taking by offering a level playing field through credible rules and robust judging mechanisms.

[“[Prizes and Challenges](https://www.whitehouse.gov/administration/eop/sicp/initiatives/prizes-challenges),” White House, 2017.]

**How:**

In December 2010, Congress passed the [America COMPETES Reauthorization Act](https://www.gpo.gov/fdsys/pkg/PLAW-111publ358/content-detail.html), providing all Federal agencies broad authority to conduct prize competitions as called for by the President in the [Strategy for American Innovation](https://www.whitehouse.gov/sites/default/files/uploads/InnovationStrategy.pdf). In 2016 Congress passed the [American Innovation and Competitiveness Act](https://www.congress.gov/bill/114th-congress/senate-bill/3084/text), which updated important parts of this authority. All agencies and programs should be aware of the flexibilities offered by the COMPETES Act prize authority to source solutions from American innovators. Under the Act, agencies have authority to establish ambitious prizes to advance national priorities:

* **Scope**: The Act authorizes agencies to conduct any prize competition that will “stimulate innovation that has the potential to advance the mission of the respective agency.”
* **Size**: Agencies can offer up to a $50 million prize without further consultation with Congress.
* **Multi-Sector Partnerships**: The Act allows agencies to partner broadly with other government entities and the private sector, as well as solicit and accept philanthropic and private sector funds to support a prize purse or the competition’s design and administration. (For more information on the prize authority in the America COMPETES Reauthorization Act, please see the [Fact Sheet and Frequently Asked Questions memorandum](https://cio.gov/wp-content/uploads/downloads/2012/09/Prize_Authority_in_the_America_COMPETES_Reauthorization_https:/cio.gov/wp-content/uploads/downloads/2012/09/Prize_Authority_in_the_America_COMPETES_Reauthorization_Act.pdf).)

Agencies can also consider conducting prizes under other authorities, such as agency-specific authorities (such as those that apply to DOD, DOE, and NASA); procurement authority such as that provided by the Federal Acquisition Regulation (FAR); authority to award grants, participate in cooperative agreements, or both; and authority related to “necessary expense” doctrine, among others. The General Service Administration has a contract vehicle (Schedule 541 4G) to decrease the amount of time required for agencies to tap the private-sector expertise that is so critical to early success.

In considering the use of prizes and challenges, agencies should have a clear idea of what they are trying to accomplish by supporting or encouraging the creation of a prize, and how the prize will help them achieve that goal. A prize should not be an end in itself, but one means within a broader strategy for spurring private innovation and change. Furthermore, agencies should plan appropriately for all stages of prize development and, where permissible, consider partnering with other entities that might administer, support, or catalyze the prize. *Sourced directly from:* [“[Guidance on the Use of Challenges and Prizes to Promote Open Government](https://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-11.pdf.),” Office of Management and Budget M-10-11, March 8th, 2010.]

Prepare

* Estimate the necessary resources and partnerships
* Determine if a challenge is the appropriate tool for addressing your goals.
* Identify the goals and desired outcomes of your efforts

Develop

* Determine the prize competition structure and implementation timeline.

Work with internal groups to establish eligibility and submission requirements, terms and conditions, and judging criteria

* Connect with your communications team to outline your announcement and ongoing outreach strategy to engage your solver pool.

Conduct

* Roll out your communications plan, accept solutions, and interact with solvers to continue to generate interest and enthusiasm.
* As submissions close, begin to evaluate entries, select winners and verify winner eligibility.

Award & Transition

* Determine the appropriate channels for announcing your winner(s)
* Work with internal teams to expedite payment and document your processes.
* Explore important nonmonetary incentives that reach all participants — regardless of winner status — such as detailed feedback, recognition, and information on follow-on funding opportunities.
* Analyze and document the results, outcomes and impact of your incentivized competition
* Evaluate avenues for remaining engaged with your solvers as well as and next steps for high-potential solutions, whether moving them into an “accelerator” or exploring other channels for transitioning prize solutions to procurement. *Subsection drawn directly from:* [“[Challenges and Prizes Toolkit](https://www.challenge.gov/toolkit/phases/),” Challenge.gov, 2017.]

**Case Study:**

**NIJ: Ultra-High Speed Apps**

*Case Study sourced from:* [“[Challenges and Prizes Toolkit: Ultra-High Speed Apps](https://www.challenge.gov/toolkit/case-studies/ultra-high-speed-apps/),” Challenge.gov, November 29th, 2016.]

The National Institute of Justice’s (NIJ) Ultra-High Speed Apps Challenge was one of the first Challenges launched by NIJ and the Department of Justice. Using its general authorizing statute to conduct research and 28 USC section 530C[“[Challenges and Prizes Toolkit: Ultra-High Speed Apps](https://www.challenge.gov/toolkit/case-studies/ultra-high-speed-apps/),” Challenge.gov, November 29th, 2016.], NIJ designed the Ultra High-speed App Challenge to source new solutions to improve public safety applications. A total prize purse of $150,000 was offered, and the four winning entries provided real-time and individually tailored information to practitioners in rapidly evolving emergency situations. [“[NIJ Ultra-High Speed Apps Challenge: Using Current Technology to Improve Criminal Justice Operations](https://nij.gov/funding/pages/fy13-ultra-high-speed-apps-challenge.aspx),” NIJ.gov, January 20th, 2015.]

**Key accomplishments:**

NIJ’s expansion of ultra-high speed (UHS) networks offers the opportunity to revolutionize the way services and information are delivered for criminal justice and other public safety applications. UHS applications (“apps’) have the potential to provide ubiquitous, real-time, individually tailored information and decision-support functions to criminal justice and public safety practitioners in rapidly evolving emergencies. Additionally, the increased capacity of UHS systems now makes it possible to merge and manipulate data allowing the development and use of powerful analytical and management tools.

**How they did it**

The developers created a close-knit team to launch the Challenge. The team included staff from the Office of Justice Programs’ (OJP) Office of the Chief Information Officer (OJP OCIO), Office of the Chief Financial Officer (OJP OCFO), Office of Communications (OJP OCOM), Office of the General Counsel (OJP OGC); and NIJ’s Offices of Research and Evaluation (NIJ ORE) and Science and Technology (NIJ OST). NIJ is an OJP component.

NIJ sought to encourage the development, use, and evaluation of UHS apps that were capable of improving criminal justice and public safety-service delivery efficiency and/or effectiveness and to develop models for measuring and quantifying the specific impact of these apps. Contestants were required to submit a working prototype of the software and corresponding apps. All submissions were required to demonstrate a need for the app; articulate the manner in which the app would improve criminal justice effectiveness and/or efficiency; specify the public access databases used to support the app and the proposed method of acquiring and updating these data; and identify appropriate and obtainable impact measures.  
Submissions were accepted in two phases. During Phase I, contestants submitted prospectus papers outlining the ideas for their apps. Submissions from contestants that were selected to move on to Phase II included short videos that described and demonstrated their app prototypes. NIJ received 15 papers in Phase I. Five contestants were selected to compete in Phase II. Phase II submissions demonstrated the potential to improve, measurably services and operations in areas such as school safety, crime mapping, video technology, and data streaming. The first, second, and third place winners were announced in July 2015.

One of the reasons that this Challenge was particularly successful was because NIJ developed appropriate objectives, judging, and evaluation criteria through intramural research and outreach to the field. NIJ relies heavily on the practitioner end-user to define technology performance requirements, because those who have to use a technology are best positioned to understand what it must be able to do and how it might best be used.

The Challenge required contestants to submit short videos with their Phase II submissions that explained their solutions. Contestants were encouraged to develop their submissions in collaboration with criminal justice agencies capable of providing insight into available data and agency operations. A UHS provider and a software develop helped ensure the feasibility and relevance of the resulting apps.  
  
Once the Challenge was launched, NIJ spread the word to interested parties through press releases and social media content while also performing targeted outreach to interested parties at relevant conferences and events.[“[Challenges and Prizes Toolkit: Ultra-High Speed Apps](https://www.challenge.gov/toolkit/case-studies/ultra-high-speed-apps/),” Challenge.gov, November 29th, 2016.]

**Key learning insights:**

* **Prepare estimates for budget and resource availability as part of planning**
* **Use a defined evaluation and judging process for the implementation phase**

Prepare estimates for budget and resource availability as part of planning

The tiered prize structure was intended to provide incentive for applicants to develop “the best solution” rather than just “a solution.” The prize purse was determined through consultation with industry and government experts familiar with this area of research, along with agency legal and budget staff. The ideal prize amount and structure was considered one, which would draw a broad, diverse pool of applicants with the background and skills necessary to develop competitive and compelling proposals, which not only provided viable solutions in the short term – but also served as a starting point for additional problem solving and app development. Challenge prize money came from the agency’s operational budget used to support extramural research, development, and evaluation grants.  
  
As both a cost-saving and risk reduction measure, NIJ uses a streamlined version of OJP’s existing grant making systems and processes to process Challenges. Agency science and management staff were responsible for all activities related to the Challenge, with some limited support from agency contract staff for activities such as application review and other related work.

Use a defined evaluation and judging process for the implementation phase

A distinguished panel of individuals with expertise in one or more of the following areas: criminal justice, public management, application development, emergency management, and network management judged submissions to this Challenge through a consensus process. Their recommendations were advisory. The NIJ Director made final award determinations.  
  
To ensure both equity in judging and the receipt of high quality submissions, the Challenge announcement specified the elements to be addressed in the submissions. It also included well-defined, weighted criteria against which submissions were judged. These criteria were:

* Contribution of the application towards improving the effectiveness and/or efficiency of criminal justice services (60 percent);
* Ease of implementing the application by state and local criminal justice agencies, including considerations of platform, and time and cost requirements (15 percent);
* Practicality of dataset selection in terms of relevance, ease of acquisition, and ongoing access (15 percent); and,
* Feasibility of evaluation methodology and impact measurement (10 percent).

These criteria were embedded in the on-line Peer Review Module of the OJP Grants Management System, used by the judges to record their individual and consensus evaluation scores and narratives.  
  
During the judging process, the evaluators discussed the submissions based on individual scores and participated in consensus meetings to make informed recommendations. During Phase I, the consensus meeting was conducted through an NIJ moderated teleconferences. For Phase II, the judges were brought together for a full day, face-to-face meeting.[“[Challenges and Prizes Toolkit: Ultra-High Speed Apps](https://www.challenge.gov/toolkit/case-studies/ultra-high-speed-apps/),” Challenge.gov, November 29th, 2016.]

**To Learn More:** <http://nij.gov/funding/pages/fy13-ultra-high-speed-apps-challenge.aspx>

**Next Steps/Checklist:**

**Relevant Policies:**

**Additional Resources:**