WHEREAS, California is the 5th largest economy in the world and home to some of the most innovative, progressive, and productive companies, academic institutions, nonprofit organizations, and engaged citizens anywhere in the world;

WHEREAS, California is facing unprecedented challenges to the way it protects the health, welfare, safety, and sensitive information of its residents, and we must respond to these new challenges with a commensurate level of innovation and intentionality;

WHEREAS, technology and innovation can be deployed to address some of the State’s most pressing challenges, but only if we modernize our procurement processes to ensure that solutions fit the problems they are designed to solve;

WHEREAS, instead of asking for a particular technology product, as with traditional procurement, we can ask for solutions to a problem we face, convene State experts, vendors, entrepreneurs, and scientists from a range of industries, and challenge them to propose innovative, technological solutions to yield more comprehensive and effective results;

WHEREAS, this new approach to procurement capitalizes upon California’s innovation economy by asking better questions, leading to new and better outcomes for our State’s residents;

WHEREAS, the State should develop a new flexible approach to procurement, called an RFI2, or Request for Innovative Ideas. In certain cases when an RFI2 is warranted, the State will ask innovators to design solutions to our most complex problems, instead of the traditional RFP process, wherein the State predefines the solution and vendors bid for a narrowly defined contract;

WHEREAS, the RFI2 process will challenge innovators and entrepreneurs to provide California with leading-edge solutions by aligning our procurement methods with the pace of change of our State’s greatest innovators in academia and the private sector;

WHEREAS, the State must foster a culture conducive to innovation, including communicating and collaborating with the private and public sectors at the outset of a project to better clarify the State’s business requirements and social imperatives, and then evaluating working solutions before the State invests significant taxpayer dollars;

WHEREAS, by embracing this new flexible approach to procurement, the State and its partners—including but not limited to the vendor, academic, scientific, and entrepreneurial communities—learn from each other and collaborate to find solutions in the best interests of the people of California; and

WHEREAS, the State will reward delivery of working solutions and carry forth a model of service delivery to current and future generations of
Californians that emphasizes outcomes through collaborative and iterative learning.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this Order to become effective immediately.

IT IS HEREBY ORDERED THAT:

1. State agencies shall develop a new iterative procurement approach called an Innovation Procurement Sprint, to be employed when such an approach is suitable. This approach will be governed by Public Contract Code section 6611, a statute that grants broad authority to the California Department of General Services (DGS) and the California Department of Technology (CDT) to utilize flexible approaches on behalf of the State and other state agencies.

2. The first Innovation Procurement Sprint will be executed by the DGS and CDT on behalf of the California Department of Forestry and Fire Protection (CalFire), to identify innovative solutions to the State’s wildfire crisis, with a goal of working-solutions deployments in 2019 and final awarded deployments by Spring 2020. In the last two years, California has experienced some of the most destructive and record-breaking fires in the State’s history. There is a pressing need for the State to identify innovative and sustainable solutions to address the State’s challenges of severe wildfires and degradation of forest health.

3. Innovation Procurement Sprints will occur in partnership between State agencies, working with the private sector and all appropriate levels of government and non-government entities, including but not limited to vendors, academic and scientific experts, and entrepreneurs (“solution providers”) to spur innovation, promote collaboration, and entice partnership in solving the State’s most complex business and technology challenges.

4. Innovation Procurement Sprints, to be conducted by the DGS or the CDT, as appropriate, on behalf of the State agency, may include, but not be limited to:

First Phase:
   a. Developing a problem statement in consultation with experts and governmental leaders to clearly define the issue that needs solving.
   b. Issuing a Request for Innovative Ideas (RFI2) to meet the State’s problem statement.
   c. Communicating effectively with solution providers about potential solutions, including innovative traditional and non-traditional partnering opportunities, such as between the scientific and entrepreneurial communities.
   d. Convening a panel of subject-matter experts (who may work outside of State government) to advise qualified State personnel in evaluating the RFI2 responses and determining
which entity (or entities) shall qualify to make prototypes and/or conduct demonstrations to verify and validate the proposed solutions.

Second Phase:

   e. Once selected, the solution provider(s) will partner with the State to further understand and define the State's requirements and business needs.
   f. Solution provider(s) will build working-solutions prototypes, conduct demonstrations, and provide other necessary responses to the State. Working solutions can lead to more effective procurement than traditional methods of scoring RFP submissions.
   g. The State will observe and evaluate the working solutions and award contract(s) based on these working-solutions evaluations.

5. The DGS and the CDT shall issue guidance on this approach, which shall maximize the grant of authority provided to them under Public Contract Code section 6611.

6. When the iterative approach is used, the State shall consider for each procurement whether solution providers that qualify to enter into negotiations and provide prototypes and/or conduct demonstrations may be compensated for their developmental efforts, in the amount as determined by the DGS or the CDT, as appropriate.

7. It is the intent of this Order that any successor agency or department with technology and contracting functions similar to the DGS or CDT would use and maximize the same authority to undertake an Innovation Procurement Sprint negotiation process pursuant to Public Contract Code section 6611.

IT IS FURTHER ORDERED that State Agencies shall cooperate in the implementation of this Order. Other entities of State government not under my direct executive authority, including the California Public Utilities Commission, the University of California, the California State University, California Community Colleges, constitutional officers, and legislative and judicial branches are requested to assist in its implementation.

This Order is not intended to, and does not, create any rights or benefits, substantive or a procedural, enforceable at law or in equity, against the State of California, its departments, agencies, or other entities, its officers or employees, or any other person.

IT IS FURTHER ORDERED that soon as hereafter possible, this Order shall be filed with the Office of the Secretary of State and that widespread publicity and notice shall be given to this Order.
IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 8th day of January 2019.

Gavin Newsom
Governor of California

ATTEST:

Alex Padilla
Secretary of State