



Federal Government Challenges and Prizes Benchmarking Report

A Survey of Federal Agency Approaches to Managing Prizes and Competitions



In response to several OMB Memoranda including M-10-06, the Open Government Directive, and M-10-11, Guidance on the Use of Challenges and Prizes to Promote Open Government, and the passage of the America COMPETES Act, the Department of Transportation has convened a working group to determine how challenges and prizes shall be managed at the DOT. This report summarizes how other Agencies are managing their prize portfolio and will be used to inform the creation of policies and guidance at the DOT.



I. Executive Summary

The following benchmark report is meant to examine how Federal Agencies currently conduct challenges from a management and administration perspective, how the passage of the America COMPETES Act changes or adds to the requirements to conduct challenges, and to offer recommendations on how an Agency could proceed once deciding the Agency wants to run a challenge. The report describes the approach used to conduct the benchmark, the findings from the research, and then recommendations based on these findings. At the time this report was published, only a handful of Agencies have conducted prizes under the America COMPETES Act authority including the Veteran's Administration (VA), the Department of Labor (DoL) and the National Cancer Institute (NCI). Where possible, information about how those prizes were designed and implemented under the America COMPETES Act are included in this report.

Since benchmarking and research has already happened in the area of prize design,¹ this benchmark report hopes to focus on the areas of public consultation, accounting, financial management and internal approval processes where less research has been performed. Some of the main focus areas include appropriations, liability insurance, consultation about prize topics, intellectual property rights, partnering, the use of contracts, and judging, among others. The main goals of this report are:

- (1) To gather information in areas that have not been widely studied in federal prizes and competitions, including procurement mechanisms and internal approval processes;
- (2) To identify needs for templates and guidance to assist DOT program offices in conducting challenges while managing risk;
- (3) To gather any best practices, sample templates, or guidance documents for DOT to possibly repurpose; and
- (4) To determine how Federal Agencies are interpreting the requirements of the America COMPETES Act.

The recommendations found in chapter 4 of the report should serve as high level recommendations for Agencies – they are not meant to be specific instructions, as the decisions to be made will vary by Agency. Chapter 4 lists a very specific set of guidance documents, checklists, and templates that would be useful for each Agency to develop to facilitate the prize management and administration process moving forward. Health and Human Services (HHS) has listed most of these recommended templates and guidance documents publicly on their open government [website](#). Agencies may find these as a useful starting point for developing their own guidance documents and template. It is strongly suggested to involve legal counsel in the decision-making process as many of these issues are legal in nature.

¹ Paul Wilson and Amrita Palriwala. 2011. Prizes for Global Health Technologies. Washington, DC: Results for Development Institute.

McKinsey's "And the Winner is... Capturing the Promise of Philanthropic Prizes." http://www.mckinsey.com/App_Media/Reports/SSO/And_the_winner_is.pdf



II. Benchmarking Approach

This benchmark includes considerations for all authorities under which a Federal Agency may be allowed to conduct a challenge; that is, the America COMPETES Act as well as other authorities such as procurement, grants, and other direct prize authorities.

Benchmark participants are listed in Appendix C. The participants were chosen mostly on a volunteer basis; an email explaining our objectives was distributed to the Federal Challenges Community of Practice listserv and then individuals responded back volunteering to help. In a few cases, others suggested an Agency or a contact to talk to.

In order for the participants to have the correct people present for the interviews, an interview template including a list of questions was sent to participants in advance of the interview. The template is attached as Appendix D. However, the list of questions only served as a template; no one interview actually covered each question.

To support this benchmarking and guidance development effort, the DOT created a Prize and Competition Working Group comprised of representatives both from the Office of the Secretary (OST) and the Operating Administrations (OAs). Several offices at both the OST and OA levels were involved in the group including legal, procurement, IT, open government, program offices, and public affairs. This working group developed the interview template and supported the development of this report. The working group will continue to support the implementation of the recommendations made within this report.



III. Findings

The following section summarizes the results found from conducting the initial benchmark interviews. Some of the topics are being further investigated, thus consider this a living document to be updated as more information is gathered over time.

Use of Various Authorities to Conduct Prizes

Many Agencies have used or are using procurement authority, not the America COMPETES Act, as the underlying authority to conduct challenges. For more information on other authorities being used to conduct prizes, see the [OMB Memo on Guidance on the Use of Challenges and Prizes to Promote Open Government](#)².

Role of Contracts in Prize Management

Regardless of the prize authority used, many Agencies interviewed used a contract vehicle to hire a third party to operate the challenge, to benefit from the vendor's platform, for technical assistance, for outreach capacity, or for the pre-existing community of expert problem solvers. In most of these cases, the third party was also responsible for dispersing the prize. For example, NASA's Space Life Sciences program and Centennial Challenges program used a third party to disperse cash.

One issue for Agencies has been the lack of vendors with prize expertise on the General Services Administration (GSA) schedule. As a result, it was difficult for Agencies to quickly create direct contracts for the products and services they need. As a result, some Agencies looked to partner with Agencies that had existing contracts. For example, when the Environmental Protection Agency (EPA) decided that they needed some help conducting their first challenges, they spoke to other Agencies who had worked with challenge platform vendors; the EPA entered into an Interagency Agreement with an Agency that used a specific vendor and decided to forward fund about 15 challenges through the Interagency Agreement.

In order to accelerate Agencies' ability to tap expertise in the marketplace, GSA recently created a Special Item Number (SIN) for challenge and competition services that is live on GSA.gov (541 4G). GSA is proactively working to expand the list of vendors listed on that SIN and is also working on training to help federal employees use the contract.

Another issue in regards to using contract support for prizes is to make sure that the personal services clause of the Federal Acquisition Regulation (FAR) is not violated. Several Agencies were concerned that contracting out the selection of the winner would delegate an essential government function to a vendor—making a decision about appropriated funds. Some Agencies voiced this concern while others did not. Some Agencies suggested that to comply with the personal service clause of the FAR, an Agency must write very clear statements of work in the contracts, must explicitly explain exactly the purpose of the contract, and must define clearly the roles and responsibilities of the government and the vendor in 1) setting the criteria by which entries will be judged, 2) appointing judges who will evaluate the entries based on the pre-determined criteria, and 3) selecting the winner(s).

² http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-11.pdf



Role of Contracts to Mimic Prizes

VA has used a unique approach to mimic prizes. In the past, VA has used a broad Agency announcement (BAA) to solicit creative ideas from industry and the public. Although the BAA contracting vehicle is not designed to be a prize competition per se, the process and outcomes of the approach mimics prizes in some ways. A BAA allows VA to award multiple winners, not just one. The BAA has worked well as a procurement vehicle because it allows the VA to identify a problem area, describe outcomes they'd like to achieve, craft a value statement, and not describe HOW a solution should be developed; the participants will respond with the how. The submission process is as follows:

- Submitter is asked to prepare a concept paper which describes a mostly technical approach. There is approximately 6 weeks given for this. The concept paper asks for the impact on the identified problem area and an implementation plan. Past performances are not specifically mentioned although many submitters include this because they may be used to the traditional contracting process.
- VA takes about a month to review the concept papers; certain submitters are then asked to prepare a full proposal and are given about 4 to 6 weeks for this stage. This ensures that full proposals are submitted by individuals or companies who are aligned with VA's goals.

The concept paper stage was added in order to reduce the burden on participants whose submission might not clearly align with VA objectives—or ultimately be competitive. VA asks that any technology referred to in concepts or proposals will be able to be implemented or at least piloted within two years; the timeline is much shorter than those for BAAs traditionally used for research. Methods of promotion are still being explored, but the BAAs have previously been promoted on VA's website as well as through social media channels. Press releases and targeted blogger outreach have also been done. In order to submit, an entrant needs to have a Central Contractor Registration (CCR) number since this approach uses more traditional procurement processes.

Once a winner(s) is chosen, VA enters into a firm fixed price contract with the company. The performance work statement is priced in terms of deliverables.

This approach might not initially appear to be relevant to federal prize programs. However, the outcomes achieved through this BAA process mimic the outcomes of some types of prizes. This is an example of procurement authority being leveraged in a way that enables Agencies to mimic the process and outcomes of certain prize types.

Partnering

Methods for partner selection varied as well. NASA's Centennial Challenge program put a notice on FedBizOpps.Gov to identify possible prize administration partners. A Request for Proposals (RFP) with explicit instructions on goals of the partnership and criteria for selection were included. NASA then did an internal evaluation of the proposals and then signed a no-cost agreement (Space Act Agreement, see Appendix E) with a partner to administer the challenge. Under Section 24(l) of the America COMPETES Act, all



Agencies are granted a similar authority to do cooperative agreements with non-profits (distinct from procurement authority/contracts with for-profits).

The Corporation for National and Community Service's (CNCS) approach to selecting and working with partners is slightly different than NASA's and most other Agencies because they also have the authority to accept and solicit gifts. Because of this, CNCS takes a fundraising approach to gifts. To be approved, a gift goes through the corporate relations department. There is a meeting with representatives from all departments and then a team decision is made on whether to accept the offered gift. The gift acceptance package then must go through a control process which includes an ethics/conflict of interest screen as well as the Office of Public Affairs, Office of General Counsel, and the Chief Executive Officer (CEO)/Chief of Staff signing a clearance sheet. Then a formal letter would be sent back to the donor with only one signature (either CEO or Director of Corporate Relations). A sample gift acceptance letter can be found in Appendix F.

Consultation in Prize Design

The America COMPETES Act requires that Agencies "consult widely both within and outside the Federal Government" when selecting prize topics that will be run under the America COMPETES Act authority. Most Agencies interviewed have consulted at least some one within and/or outside the Federal Government when they select topics for prizes, though the extent of that consultation will depend on the size and nature of the prize. For example, NASA's multiple, multi-million dollar Centennial Challenges were heavily influenced by outside input. NASA hosted a workshop in June 2004 with about 200 participants to review a slate of prize concepts they and others had drafted. An overview of the NASA program was given, and participants helped brainstorm about additional ideas for challenges and built upon those already drafted. A report was done after this, and about 50 ideas for challenges were included. NASA plans on conducting this workshop process again in 2012, assuming that more money is appropriated for prizes. This degree of consultation may have been appropriate for the size and nature of these prizes, but different prize types will likely not require this extent of consultation. VA consults widely internally but does limited external consultation for their VA Innovation Fund (VAi2). However, there is no formal meeting or roundtable discussion that occurs when setting the research agenda for this fund.

Many Agencies felt the degree to which consultation would be required should be based on the size and nature of individual challenges. However, to the extent practical, the systematic process that NASA went through to identify concepts based on research and development plans and strategic plans seemed preferable to many.

Liability Insurance and Financial Responsibility of Participants and the Government

Liability insurance is a topic that is still under discussion at many Agencies. Several Agencies have not conducted prizes where liability was an issue. However, the America COMPETES Act requires that "participants in prizes shall be required to obtain liability insurance or demonstrate financial responsibility, in amounts determined by the head of an Agency, for claims by "(A) a third party for death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with participation in a competition, with the Federal Government named as an additional insured under



the registered participant's insurance policy and registered participants agreeing to indemnify the Federal Government against third party claims for damages arising from or related to competition activities; and (B) the Federal Government for damage or loss to Government property resulting from such an activity." The America COMPETES Act is the only prize authority other than NASA's authority underlying the Centennial Challenges that explicitly requires that these liability insurance minimums be determined for prizes.

Participating in a challenge or a prize sponsored by the Federal Government can in some cases put the participant and other third parties at risk. For example, for NASA's Centennial Challenge for [Power Beaming](#), participants came to events to demonstrate the performance of their solutions—which were novel and unproven. Thus, the locations that hosted these events, the participants, and the government all bore some risk if the technologies resulted in any loss or harm. However, participating in other types of challenges require the acceptance of negligible risk. For example, participating in the Apps4Army challenge required participants to develop software applications for mobile devices. The individual bore little risk during the activity of coding. However, the issue the America COMPETES Act raises is *to what degree do participants in prizes need to protect themselves and the government from third-party claims resulting from death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with participation in a competition?* OMB's Memorandum for General Counsels and Chief Information Officers for Executive Departments and Agencies regarding Prize Authority in the America COMPETES Reauthorization Act states: "Section 24(i)(2) thus gives the head of an agency flexibility to distinguish between prize competitions that pose substantially different levels of risk to third parties and the Federal Government (e.g., between a competition challenging participants to launch a rocket into space and a competition challenging students to build software applications). Consequently, in establishing liability insurance amounts or otherwise establishing requirements for financial responsibility, the agency may take into account the amount of risk involved. While there may be scenarios in which a minimal amount of risk would justify a determination that a demonstration of *de minimis* financial responsibility is sufficient, the evaluation must be made based on an assessment of the facts of each specific case."³

The only known Agency at this time that has a clear method for determining and setting liability insurance for prizes is HHS. They developed a Frequently Asked Questions (FAQ) document posted online to guide the determination of this question for prizes at HHS.⁴ HHS states that "HHS recommends that the head of the agency or designee make a written determination (even where the determined amount is "\$0" in this regard) based on the subject matter of the contest, the type of work that it will possibly require, as well as an analysis of the likelihood of any claims for "death, bodily injury, or property damage, or loss" potentially resulting from contest participation. Obviously, a contest to develop a vehicle or mode of transportation would pose far greater claims potential than a contest for a proposal, schematic, blue print, or software application. HHS understands that many HHS contests will likely involve development of software technology, and notes that the Agency is precluded from requiring a contest participant from waiving claims against an agency for the unauthorized use or disclosure by the

³ <http://www.cio.gov/documents/Prize%20Authority%20in%20the%20America%20COMPETES%20Reauthorization%20Act.pdf>.

⁴ <http://www.hhs.gov/open/initiatives/challenges/liabilityandinsurance.html>



agency of the intellectual property, trade secrets, or confidential business information of the participant. See 15 U.S.C. 3719(i)(3).⁵

Some other agencies have identified “ad-hoc” methods to deal with liability issues as they have come up. For example, NASA requires that participants bear all risk and must have liability insurance. Although there is no formalized process for establishing the liability amount, they have used a successful process in the past. In order to determine what level of liability insurance they will require, they first try to understand what level of insurance is available in the market for a particular type of activity. For example, NASA has contacted the Experimental Aircraft Association to discuss underwriting and the insurance market for several of the activities conducted through their Centennial Challenges Program. Once they determine what level of insurance actually exists for the activities of the challenge, they set an insurance amount. The insurance is then either purchased by their operational partner to act as a blanket policy for all participants, or if the operational partner does not purchase a blanket policy, then each individual participant would be required to purchase their own.

Another liability concern deals with travel. CNCS uses invitational travel as a way to cover the liability insurance when travel is paid for by government funds. In these instances, CNCS treats the winners in a way similar to “special government employees” so individual travel liability is covered. In the instances when a third party paid for the travel, the participants assumed the liability to travel.

The Department of Energy (DOE) has not considered the issue of liability insurance; since they use the Energy and Independence Security Act of 2007 as the underlying authority for challenges, there are no requirements of liability insurance. The DOE deals with established manufacturers, so these manufacturers should have their own liability insurance.

Intellectual Property (IP) Rights

The America COMPETES Act also brings up questions in terms of the intellectual property rights of participants, and several agencies have dealt with this issue in different ways. In most instances, agencies don’t desire to retain IP, but in some instances they at least want a license to use the materials—especially in the case of photo or video contests. CNCS uses a release statement that makes it clear that submissions become the property of the government (see an example in Appendix G). The FCC Open Internet Apps Challenge requires that “any software tool submitted must also make the code for the tool as submitted available under an open-source license.” The Defense Advanced Research Projects Agency’s (DARPA) Urban Challenge allowed participants to retain IP rights. There is still a lot of variety on this particular issue. However, under the America COMPETES Act, participants will need to sign a waiver allowing the government use of their submissions. The DOE’s L-Prize requires all of its participants sign a form that agrees to DOE sharing the submissions with others on a need-to-know basis.

The VA has recently launched a Blue Button Challenge using the America COMPETES Act authority. The America COMPETES Act says if an agency wants to retain IP, then they must

⁵HHS Challenges & Competitions website: <http://www.hhs.gov/open/initiatives/challenges/liabilityandinsurance.html>



get consent. VA provides an example of getting consent without a separate waiver; they included the following specifications in the rules of the challenge. “The winner of the competition will, in consideration of the prize to be awarded, grant to VA a perpetual non-exclusive, royalty-free license to use any and all intellectual property to the winning entry for any governmental purpose, including the right to permit such use by any other agency or agencies of the Federal Government. All other rights of the Winning IP will be retained by the winner of the competition.” For an additional perspective on IP rights under the America COMPETES Act, see HHS’s challenges website where they recently released an FAQ about handling IP rights issues.

Judging

Typically when a group of non-government employees convene to advise the government on a particular series of decisions, that advisory group is subject to FACA (the Federal Advisory Committee Act). Following the processes specified in FACA ensures a reasonable degree of transparency and fairness is used in selecting the members of these groups and communicating their discussions. Before the America COMPETES Act passed, judging panels for most prizes comprised of non-government employees would be subject to FACA which introduces this large administrative burden to a component phase of the prize management process. Thus many agencies have chosen to comprise judging panels ONLY of federal employees in the past if there is any subjectivity in the evaluation process. However, the America COMPETES Act made it dramatically easier for agencies to appoint non-government employees on judging panels, by exempting such panels from FACA for prize competitions conducted under the America COMPETES Act.

NASA’s Centennial Challenges also have more flexibility due to the authority underlying them; all judging responsibilities are allocated to the unfunded partner that administers and manages the competition. Judges can be Federal employees or individuals from outside the Administration, including from the private sector, and are not subject to FACA. Judges shall not have, nor shall members of any such judge’s family have, personal, financial or business interests in, or be employees, officers, directors, or agents of Challenge Teams or Challenge Team sponsors. Parties of the managing organization, its employees, officers, directors, and the immediate family of such employees, officers, directors and agents are not eligible to be judges or participants in the Challenge.

The DOE’s L-Prize also has different requirements because of the authority underlying the prize, the Energy Independence and Security Act (EISA) of 2007. The EISA explicitly requires DOE to put together a panel of non-federal judges (a Technical Review Committee), but does not go into detail on how to choose who to be on the panel. In order to choose the judges, DOE hired a contractor; DOE provided descriptions of the people they were looking for and then helped identify starting points for organizations and individuals to look at. Resumes were received from interested parties, and a selection committee narrowed the candidates down. People were chosen lacked any conflicts of interest; they were chosen from related industries and people who represented key stakeholders such as utilities, retail industry, market development, and energy conservation programs.

The DOE waited until the first entry for the challenge was received before assembling



the judging panel. Since this specific challenge was anticipated to span several years, DOE hoped that the judging panel would stay together through all the entries for consistency purposes, but they could not assure this will be the case. The challenge actually only spanned 18 months. A successful winner was announced on August 3, 2011.⁶ The members of this Technical Review Committee are compensated; any travel that is required is paid for, members get paid specific rates based on the type of meeting (formal vs. informal), and chairs receive higher rates than other members. The DOE has a sub-contractor provide the compensation to the Committee members.

At a basic level, the Federal Government must ensure objectivity, fairness and transparency in judge selection and the judging process. To do so, Agencies have experimented with several options for how to manage the judging process given a mixture of legal concerns must be addressed: (FACA (for non-America COMPETES Act), inherently governmental (where contracts are in play).)

Procure Judging Support for Selecting Judges and Managing the Judging Process: Some Agencies have done third party **procurements** to support both the identification of judges and the judging process. The contract outlines requirements for judges, specifies that the agency must approve the list, and directs contractor to then convene the panel. HHS specified the details for selection/approval in the procurement. They used the same format for a Technical Advisory Group (TAG). To convene a TAG, the group must have a certain mix of public/private, geographic locations, etc. Furthermore, procuring judging support is subject to the FAR—detailed statements of work and roles and responsibilities are utilized to avoid violating the personal services clause.

Leverage Partnerships or Cooperative Agreements for Selecting Judges and Managing the Judging Process: Partnership agreements and cooperative agreements are not subject to the FAR. For example, NASA was able to leverage a Space Act Agreement to have the managing partner convene and conduct all judging; the personal services clause of the FAR did not apply.

Support the Judging Process In-House: Some agencies have selected judges and run evaluations entirely in-house (using only federal employees as judges); DOT has done this in their Connected Vehicle Technology Challenge.

Agencies are also leveraging more specific practices to ensure transparency, fairness and objectivity in judging. NASA's Space Life Sciences program used a two-part voting mechanism to help ensure objectivity. First, a panel of internal subject matter experts judged based on the technical requirements of the competition. Then a panel of directorate-level employees judged and validated those results. The challenge owners chose who would be on each panel. For their Service Impact Awards, CNCS stored evaluation sheets completed by the judges for each applicant; if an applicant later had questions as to how they did or why they didn't win, evaluation sheets can be shared with the participant.

The America COMPETES Act exempts judging panels from FACA, but it does specify that Agencies must develop guidance to inform the judge selection process and judging process itself. The majority of agencies are still trying to determine guidelines for selecting judges in this case. The only agency that has developed Agency-specific

⁶ <http://energy.gov/articles/winning-light-bulb-potential-save-nation-billions>



guidelines for developing non-FACA judging panels is HHS. These guidelines that contain HHS specific policy decisions can be found on their website.⁷ A separate working group with membership from DOT, HHS, Cellular Telecommunications Industry Association (CTIA), VA, Federal Communications Commission (FCC) and Office of Science and Technology Policy (OSTP) was been working on this issue during July - August 2011 as well. They hope to draft high-level guidelines for general use by all Agencies, helping them to identify the key policy decisions their Agencies will need to make in order to finalize their Agency-specific judging guidelines.

Appropriations

A common question with prize management relates to how agencies secured the appropriated funds for the prize. CNCS used H-funds for their prizes (innovation program funds). Their Chief Financial Officer (CFO) approves the budget for this fund line by line. They use one-year funds, and the money is usually obligated as soon as it is appropriated. The Space Life Sciences division at NASA secured funding from Headquarters through a pool of internal funds to conduct their challenges, including the Human Research Program. Funds were not approved at the CFO level—they were contributed by program offices. These funds were then used to support a contract to manage the prize and disperse of funds. Thus, the money was obligated once the contract was finalized.

NASA's Centennial Challenges are a unique occurrence within the challenge community in terms of appropriations. NASA was given a direct appropriation of \$9 million in 2005 for the specific use of conducting challenges. NASA used all this money as prize money, not as money used in the management of the challenge; instead, NASA entered into unfunded agreements with partners who incur all costs of managing and conducting the challenge.

The VA has also set up what they call VAI2 fund. One hundred million dollars is set aside annually from IT, medical services, and VBA appropriations in order to fund innovation initiatives. The Office of the Secretary (OST) is responsible for managing the fund. Currently, VA is running a prize competition related to the Blue Button Program. The competition is funded from VAI2 and is under the America COMPETES authority. The competition is asking for new applications to increase availability of medical information from non-VA doctors. Since the criteria are demonstration-based, there is no need for a subjective judging panel.

The DOE has encountered a few issues in terms of appropriations – while their authority (the EISA) is very specific in many areas, there are no funds which are specifically appropriated for prizes. This requires DOE to find eligible funds from other programs. Another funding issue has been that of which year to obligate funds. The challenge has no firm end date, so funds have had to be moved from one year to the next.

Methods of Payment

CNCS also used two different methods for paying for travel prizes based on who paid for the prize. If a third party donated the travel prize, CNCS used a contractor to manage the

⁷ http://www.hhs.gov/open/initiatives/challenges/judges_guidance.html



travel. In the instances where CNCS paid for the travel, the program manager coordinated travel with a P-card following the usual government travel rules and regulations. CNCS adds a winner's information to their electronic payment system; the winner is then paid by direct deposit through the system.

NASA's Space Life Sciences had a contract with a challenge platform vendor who was responsible for dispersing the payment. NASA Centennial Challenges secured a contract with a small business to disperse to winners for a small administrative fee. The prize purses were obligated to the administrative services contractor at the time of prize announcement. Funds were only dispersed once a purse was won. NASA sends the name of the competition winner(s) and the purse funds to the administrative services contractor along with a small fee to cover the cost of the electronic funds transfers. Once received, the contractor keeps the fee amount and transfers the prize purse amount to the competition winner(s).

Many agencies interviewed are trying to avoid making direct payments to winners due to the administrative burden this requires. Hence, many used contracts that specify the contractor is responsible for disbursement. However, contracting is not without possible issues as well; it might not be in the contractor's best interest to have large sums of the Government's cash because of paperwork required to account for the accumulated interest over time.

The DOE is one of several exceptions to avoiding direct payments – a Federal employee at DOE is responsible for making payments to the winners. The DOE uses a 1034 Vendor/Miscellaneous Payment Form (see Appendix H) to pay the winners, and the Procurement Office is involved in the process. Additionally, HHS has found that “in circumstances where challenge winners have not had a previous financial relationship with the government, agencies should consult with their financial manager to determine the preferred route of payment of cash prizes. One method to consider is [PSC-59 \(PDF\)](#).⁸ For the VA blue button challenge, the VA will ask submitters to provide “financial account information sufficient to support electronic transfer of the prize amount consistent with VA fiscal policy and the issuance of an IRS Form 1099.”

IV. Recommendations

The recommendations outlined in this section are a suggested course of action to prepare an agency for effectively managing and administering challenges. The recommendations deal with documents and processes which could be established before too many challenges are run by an agency; the documents and processes could make it much easier and more time efficient when designing and managing the challenge. These documents could apply to both COMPETES challenges and other non-COMPETES challenges, as appropriate.

1. Create several basic guidance documents.

⁸ HHS Website: <http://www.hhs.gov/open/initiatives/challenges>



Judging Guidance:

While America COMPETES exempts a judging panel from FACA, it does require an agency to have specific guidelines to ensure “judges appointed for such competitions are fairly balanced and operate in a transparent manner.” HHS’s guidance could certainly be used as a starting point for other Agencies. A Federal working group is also currently working on guidance for the issues to consider when creating agency-specific judging guidance.

Liability Insurance Guidance:

Another guidance document that would be helpful to have would be one on how to set minimum liability insurance levels. America COMPETES requires a program conducting a challenge to have a liability insurance level, but it may be considered good practice to have this set for any challenge, even ones being conducted under an authority other than America COMPETES Act. This guidance should give either suggestions or a set process on how to determine the insurance level, as well as how the liability insurance will be provided (e.g, whether the participants are required to obtain it, or whether a vendor will purchase a policy to cover all participants).

2. Interpret specific Departmental legal authorities.

Challenges are multi-dimensional and require very specific guidelines to be followed when designing and conducting them. There are several legal topics where decisions need to be made on how an agency will run a challenge; America COMPETES Act specifically addresses many of these topics as well as a few others. In August 2011,⁹ OMB released a general fact sheet and FAQ for Agencies in interpreting America COMPETES Act, however there are several questions that must be answered on an Agency-to-Agency basis due to unique statutory requirements and policy stances. Thus, the Office of General Counsel (OGC) and Offices of Chief Counsel at each Agency should be consulted on legal questions, specific to their Agency, pertaining to the management and administration of prize competitions including:

- The America COMPETES Act authorizes the “head of an Agency” to conduct prize competitions; does my Administrator have authority to conduct prize competitions pursuant to the America COMPETES Act?
- Can my agency continue to conduct prize competitions under non-COMPETES authorities identified in the OMB Memo M-10-11 and approved by my agency’s Chief Counsel (e.g, Procurement Authority, Other Transactions Authority, etc.)?
- In what case does OGC need to review a prize before it’s released?
- What justifications/approvals are required?
- Does my agency have solicitation authority and has it been delegated?
- To what extent must participants obtain liability insurance or demonstrate financial responsibility for all prize competitions?
- Are judging panels that include external non-governmental members subject to the Federal Advisory Committee Act (FACA)?
- If co-sponsoring an event with an outside partner, are there any restrictions on the

⁹ <http://www.cio.gov/documents/Prize%20Authority%20in%20the%20America%20COMPETES%20Reauthorization%20Act.pdf>



use of an agency's logo, seal or signature?

3. Develop standard templates or forms.

In order to facilitate quicker decision making and easier replication of challenges and the processes of managing a challenge, an agency would benefit from developing templates or forms to complete by a program looking to conduct a challenge. These templates would create standard language for rules and regulations so that each program office does not have to reinvent language for every challenge. Some of these templates or standard language should include:

- Prize concept template;
- Agency default IP language (if necessary);Federal Registry Notice template;
- Partnership Agreement; and a
- Gift acceptance letter.

4. Package everything into a "Challenge Toolkit" for the Agency.

The above templates, along with an associated checklist should be packaged together to create a toolkit. Additionally, an internal approval process and a set of required justifications should be clearly described within the toolkit. The checklist should be a high-level guide for anyone managing a challenge; it should serve as a reminder of all the steps required and the associated points-of-contact for each step along the way.



For more information about this report and DOT's Open Government program please contact: Open@dot.gov



Appendix A: Acronyms

Broad Agency Announcement	(BAA
Cellular Telecommunications Industry Association	CTIA
Central Contractor Registration	CCR
Corporation for National and Community Service	CNCS
Defense Advanced Research Projects Agency	DARPA
Department of Veterans Affairs	VA
Energy Independence and Security Act of 2007	EISA
Environmental Protection Agency	EPA
Federal Acquisition Regulation	FAR
Federal Advisory Committee Act	FACA
Federal Communications Commission	FCC
General Services Administration	GSA
Health and Human Services	HHS
Intellectual Property	IP
Office of General Counsel	OGC
Office of Management and Budget	OMB
Office of Science and Technology Policy	OSTP
Office of the Secretary	OST
Operating Administration	OA
Request for Proposals	RFP
Technical Advisory Group	TAG
VA Innovation Initiative	VAi2



Appendix B: NASA's Prize Authority

From 2005 NASA Authorization

SEC. 104. PRIZE AUTHORITY.

The National Aeronautics and Space Act of 1958 (42 U.S.C. 2451, et seq.) is amended by inserting after section 313 the following new section:

PRIZE AUTHORITY SEC. 314.

(a) In General- The Administration may carry out a program to competitively award cash prizes to stimulate innovation in basic and applied research, technology development, and prototype demonstration that have the potential for application to the performance of the space and aeronautical activities of the Administration. The Administration may carry out a program to award prizes only in conformity with this section.

(b) Topics- In selecting topics for prize competitions, the Administrator shall consult widely both within and outside the Federal Government, and may empanel advisory committees.

(c) Advertising- The Administrator shall widely advertise prize competitions to encourage participation.

(d) Requirements and Registration- For each prize competition, the Administrator shall publish a notice in the Federal Register announcing the subject of the competition, the rules for being eligible to participate in the competition, the amount of the prize, and the basis on which a winner will be selected.

(e) Eligibility- To be eligible to win a prize under this section, an individual or entity—

(1) shall have registered to participate in the competition pursuant to any rules promulgated by the Administrator under subsection (d);

(2) shall have complied with all the requirements under this section;

(3) in the case of a private entity, shall be incorporated in and maintain a primary place of business in the United States, and in the case of an individual, whether participating singly or in a group, shall be a citizen or permanent resident of the United States; and

(4) shall not be a Federal entity or Federal employee acting within the scope of their employment.

(f) Liability-

(1) Registered participants must agree to assume any and all risks and waive claims against the Federal Government and its related entities, except in the case of willful misconduct, for any injury, death, damage, or loss of property, revenue, or profits, whether direct, indirect, or consequential, arising from their participation in a competition, whether such injury, death, damage, or loss arises through negligence or otherwise. For the purposes of this paragraph, the term 'related entity' means a contractor or subcontractor at any



tier, and a supplier, user, customer, cooperating party, grantee, investigator, or detailee.

(2) Participants must obtain liability insurance or demonstrate financial responsibility, in amounts determined by the Administrator, for claims by—

(A) a third party for death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with participation in a competition, with the Federal Government named as an additional insured under the registered participant's insurance policy and registered participants agreeing to indemnify the Federal Government against third party claims for damages arising from or related to competition activities; and

(B) the Federal Government for damage or loss to Government property resulting from such an activity.

(g) Judges- For each competition, the Administration, either directly or through an agreement under subsection (h), shall assemble a panel of qualified judges to select the winner or winners of the prize competition on the basis described pursuant to subsection (d). Judges for each competition shall include individuals from outside the Administration, including from the private sector. A judge may not-- (1) have personal or financial interests in, or be an employee, officer, director, or agent of any entity that is a registered participant in a competition; or (2) have a familial or financial relationship with an individual who is a registered participant.

(h) Administering the Competition- The Administrator may enter into an agreement with a private, nonprofit entity to administer the prize competition, subject to the provisions of this section.

(i) Funding-

(1) Prizes under this section may consist of Federal appropriated funds and funds provided by the private sector for such cash prizes. The Administrator may accept funds from other Federal agencies for such cash prizes. The Administrator may not give any special consideration to any private sector entity in return for a donation.

(2) Notwithstanding any other provision of law, funds appropriated for prize awards under this section shall remain available until expended, and may be transferred, reprogrammed, or expended for other purposes only after the expiration of 10 fiscal years after the fiscal year for which the funds were originally appropriated. No provision in this section permits obligation or payment of funds in violation of the Anti-Deficiency Act (31 U.S.C. 1341).

(3) No prize may be announced under subsection (d) until all the funds needed to pay out the announced amount of the prize have been appropriated or committed in writing by a private source. The Administrator may increase the amount of a prize after an initial announcement is made under subsection (d) if-- (A) notice of the increase is provided in the same manner as the initial notice of the prize; and (B) the funds needed to pay out the announced amount of the increase have been appropriated or committed in writing by a private source.

(4) No prize competition under this section may offer a prize in an amount greater than



\$10,000,000 unless 30 days have elapsed after written notice has been transmitted to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

(5) No prize competition under this section may result in the award of more than \$1,000,000 in cash prizes without the approval of the Administrator.

(j) Use of NASA Name and Insignia- A registered participant in a competition under this section may use the Administration's name, initials, or insignia only after prior review and written approval by the Administration.

(k) Compliance With Existing Law- The Federal Government shall not, by virtue of offering or providing a prize under this section, be responsible for compliance by registered participants in a prize competition with Federal law, including licensing, export control, and nonproliferation laws, and related regulations.

From 2008 NASA Authorization – Amendment to Prize Authority

SEC. 1106. INNOVATION PRIZES.

(a) In General- Prizes can play a useful role in encouraging innovation in the development of technologies and products that can assist NASA in its aeronautics and space activities, and the use of such prizes by NASA should be encouraged.

(b) Amendments- Section 314 of the National Aeronautics and Space Act of 1958 is amended--

(1) by amending subsection (b) to read as follows:

(b) Topics- In selecting topics for prize competitions, the Administrator shall consult widely both within and outside the Federal Government, and may empanel advisory committees. The Administrator shall give consideration to prize goals such as the demonstration of the ability to provide energy to the lunar surface from space-based solar power systems, demonstration of innovative near-Earth object survey and deflection strategies, and innovative approaches to improving the safety and efficiency of aviation systems; and

(2) in subsection (i)(4) by striking '\$10,000,000' and inserting '\$50,000,000'.



Appendix C: Benchmark Participants

Corporation for National and Community Service (CNCS)

Department of Veterans Affairs (VA)

Department of Energy (DOE)

Environmental Protection Agency (EPA)

Federal Communications Commission (FCC)

National Aeronautics and Space Administration (NASA) (Office of the Chief Technologist)

NASA's Space Life Sciences Department



Appendix D: Interview Template

Challenge Benchmarking

The purpose of this benchmarking exercise is to gather information on how agencies are managing and administering challenges currently. We hope to interview representatives from several agencies which have already held challenges. Specifically, we want to gain insight in order to provide guidance to DOT programs on how to deal with the following aspects of challenges:

- Design
 - Authority
 - Intellectual Property rights
 - Partnership agreements
 - Liability insurance for participants
 - Judging requirements
- Accounting and Management
 - Appropriation
 - Award methods
 - Restrictions of funds to recipients
- Internal Process and Approval
 - Delegation of authority within the agency

Challenge Benchmarking Interview Template

Intro Questions

- Can you provide an overview of your challenge?
- What was the primary objective/goal of the challenge?
- Who “owned” the challenge in your agency?
- Who was the target audience?
- How did you determine this target audience?
- What was the prize or award?
- Why did you choose a challenge instead of another method/approach (i.e., grant, contract, etc.)?
 - What sort of justification did you provide/save as to why you elected a prize instead of another method?
 - How do you ensure that a prize is the best use of your funds?

Design Questions

- What type of prize was it (i.e., participation, point solution, exposition, etc.)?
- Did you select authority based on desired design or did you design based on your authorities?
- Did you “consult widely both within and outside the Federal Government” when selecting topics?
 - If not, how would you do that, given the language in America COMPETES?



- Did you work with any partners for the challenge? If yes, who?
 - How did you select the partner(s)?
 - What did the partners provide to the challenge?
 - Do you have a general template or process you use when developing a partnership agreement?
 - If not, how would you go about developing one for a prize (i.e., who would be involved within the agency, how would decisions be made, etc.)?
- Have you established liability insurance requirements for participants?
 - How did/would you do so based on risk?
 - Who came up with these requirements?
 - How does your Agency intend to address this requirement in America COMPETES?
- How do you deal with the issue of intellectual property rights of participants?
 - Who was involved with coming to this decision?
 - How did you express these to the participants? Through the rules?
 - Given the restrictions in the America COMPETES Act, how would you approach negotiating IP rights? Do you have any standard forms or templates?
- What types of guidelines did you use for selecting Judges?
 - If you have these formalized, can you share them with the DOT?

Accounting and Management Questions

- What appropriation did you use for the prize? Why?
 - When funding sources were selected, was the departmental budget office involved or was it a decision of the program office?
 - Who was the decision maker who approved the use of funds for the purpose of a prize?
- How and when was the prize money obligated?
- Do you have different approval processes for different funding levels? (for example, under the pcard limit is less restrictive than several hundred thousand or mission dollars)
- What does the award document look like?
 - Who signs it?
 - What are the terms of the award, if any?
- What was the method of payment (i.e., EFT, contract, grant, etc.)?
 - How did you decide on this method?
- Who made the payment or oversaw the payment (i.e., PM, Budget, Procurement)? Why?
 - Is there a central point-of-contact for this at your agency?
 - Or an individual who must approve the payments?
- How long did the obligation, award and payment process take?
- Do you separate duties like in procurements? How are the duties split?
- Do you have an authorizing official? Who is it?
 - Was this individual a warranted contracting officer?
 - If so, did the existing warrant cover prize awards, or was a special contract issued?
- Do you have any internal controls or safeguards to prevent illegal procurement actions? What are they?



- Was there any reporting required of the recipient after the prize was awarded?
 - Were there any other post-award requirements?
- Are there any restrictions placed on how the winner can use the prize money?
 - If yes, is there some kind of audit process to make sure the money is being used correctly?
 - Who was involved on deciding on the restrictions or who is involved in the audit process?
- How did you handle individual's right to "protest" the winner of the challenge?

Additional Process and Approval Questions

- How does a request/proposal of a prize or challenge move through the agency?
- What type of internal vetting is required before a competition is launched at your Agency?
- Have you or do you plan to, as an agency, create an internal delegation of authority to approve prizes for use?
 - To what extent is the department involved in the approval process (as distinguished from sub-agencies)?
- Did the approval of the prize or competition require any need to convince up (i.e., executives/directors)?
- Does your Department provide any guidance documents to challenge sponsors? If so, what are they? If not, do you plan to?
- Were there any internal discussions about limiting participation based on citizenship?
- How do challenges get posted on challenge.gov and the Federal Register at your Agency?
 - Who is the POC for your challenge.gov page? Are they involved in the upfront design/approval at all?
 - What lead time do you give yourself for posting in the federal register?
- Is the Agency required to respond to each entry?



Appendix E: NASA's Space Act Agreement

NONREIMBURSEABLE SPACE ACT Agreement Between
THE National Aeronautics and Space ADMINISTRATION
AND
The XXXXXXXXXXXX
FOR
TBD Challenge in 2011-2012

1. AUTHORITY AND PARTIES

In accordance with the National Aeronautics and Space Act, as amended, 51 U.S.C. § 20113(e) and 51 U.S.C. § 20114, this Agreement is entered into by the National Aeronautics and Space Administration ("NASA") located at 300 E Street, SW, Washington, D.C. 20546, and the XXXXXXXXXXXX ("XXXXXXXXXX" or "Partner"), located at ADDRESS. NASA and XXXXXXXXXXXX may be individually referred to as a "Party" and collectively referred to as the "Parties."

2. PURPOSE

The purpose of this Agreement is to establish collaboration between the Parties to conduct the TBD Challenge ("CHALLENGE"), a technology demonstration competition resulting in monetary awards to the winning participants. The Parties will collaboratively institute a process for XXXXXXXXXXXX to plan, manage and execute the Challenge that is relevant to the development of TBD technologies of interest to the Parties. These technologies will be beneficial to a broad range of industries in U.S. commerce. The Challenge will be conducted in a safe manner in concurrence with accepted industry standards and practices.

The Challenge will be conducted during 2011-2012 and may be held in conjunction with other XXXXXXXXXXXX competitions and activities. The winner of the CHALLENGE will be selected by a panel of independent judges, convened by XXXXXXXXXXXX with the concurrence of NASA, and based on objective criteria and rules agreed to by the Parties.

For the term of this Agreement, TBD competitions will be conducted by XXXXXXXXXXXX, resulting in a maximum total amount of NASA awards of \$TBD paid directly by NASA to the eligible winner(s) of the Challenge.

XXXXXXXXXX may attract additional prize funding from other sources, subject to NASA's prior concurrence. XXXXXXXXXXXX will receive no funding from NASA to perform its responsibilities under this Agreement.

If the purse is not awarded by December 31, 2012, XXXXXXXXXXXX and NASA may extend this Agreement and extend the deadline of the Challenge subject to written modification of this Agreement consistent with Section 22, "Modifications."



3. BACKGROUND

3.1 Centennial Challenges

NASA established the “Centennial Challenges” program to conduct prize competitions (or Challenges) that support the research and development goals of NASA programs. Challenge competitions demonstrate new technologies or operational capabilities, and are modeled on other past and present prize competitions. By making awards based on actual achievements instead of proposals, Centennial Challenges seeks novel and lower-cost solutions to engineering obstacles in civil space and aeronautics from sources of innovation in industry, academia, and the public.

On November 5, 2004, NASA published notice of the “Centennial Challenges Announcement of Partnership Opportunity,” seeking proposals from potential partner organizations for various prize competitions to be conducted as part of NASA’s Centennial Challenges initiative. (Federal Business Opportunity Announcement Reference Number ESMD-NASA-0403, posted November 5, 2004). The announcement stated that proposing organizations would have the opportunity to collaborate with NASA in the conduct of one or more prize Challenges, demonstrating technologies or operational capabilities, and producing highly visible competitions of interest to the public.

3.2 The XXXXXXXXXXX

XXXXXXXXXX is a non-profit corporation, incorporated and located in TBD, and dedicated to furthering space science and technology through education and engineering “Challenges” resulting in prizes to successful contestants. INSERT ADDITIONAL DETAILS.

XXXXXXXXXX submitted a proposal in response to NASA’s November 5, 2004, notice, and was subsequently selected to collaborate with NASA on conducting the CHALLENGE that is the subject of this Agreement. The CHALLENGE demonstrates technology developments of interest to NASA programs and XXXXXXXXXXX.

4. RESPONSIBILITIES OF NASA

NASA will use reasonable efforts to:

- a. Review draft documents required in Section 5.b, below. NASA’s concurrence is required and will not be unreasonably withheld.
- b. NASA will apply reasonable efforts to review submitted team registration information within 21 calendar days of receipt from XXXXXXXXXXX. Subject to the sufficiency of the information, NASA will confirm the eligibility or ineligibility of the team to be awarded the prize purse in accordance with NASA’s Space Act authority at 51 U.S.C § 20144(e), including without limitation the provisions requiring that in order to be eligible to win a prize an individual or entity shall, among other things, in the case of a private entity, be incorporated in and maintain a primary place of business in the United States, and in the case of an individual, whether participating singly or in a group, shall be a citizen or permanent resident of the United States. Registrations with incomplete information will be returned to XXXXXXXXXXX for clarification and resubmission.
- c. Collaborate with XXXXXXXXXXX on administrative and technical matters and facilitate



- technical help, as requested by XXXXXXXXXXXX and as deemed appropriate by NASA.
- d. Provide announcements and a link on the NASA website to the CHALLENGE website maintained by XXXXXXXXXXXX.
 - e. Provide NASA representative(s) to attend the CHALLENGE competition.
 - f. Provide a total purse award of \$TBD for the winner(s) of the CHALLENGE.
 - g. Provide the purse award directly to the Team Leader of the winning team(s) of the CHALLENGE within 60 days after NASA has received the necessary financial transfer information from the winner(s), such winner(s) to be determined by the panel of judges for the CHALLENGE. If no winner is declared for the Challenge, NASA will not provide the purse award for the CHALLENGE.
 - h. Review any XXXXXXXXXXXX proposals to augment the CHALLENGE purses from other sources or modify the name of the CHALLENGE. NASA's concurrence is required and will not be unreasonably withheld.

5. RESPONSIBILITIES OF XXXXXXXXXXXX

XXXXXXXXXXXX will use reasonable efforts to:

- a. Conduct the CHALLENGE on the schedule and conditions set forth in Section 6, "Schedule and Milestones," below.
- b. Prepare and provide to NASA for its review (NASA concurrence is required) the following documents:
 1. Rules for participating in the CHALLENGE and the criteria for winning.
 2. A Challenge Execution Plan which describes how XXXXXXXXXXXX will conduct the CHALLENGE including plans for personnel, publicity, student-level competitions, educational activities, and merchandising.
 3. A Team Agreement template to be entered into between XXXXXXXXXXXX and each competitor.
 4. List of individuals selected to be judges of the CHALLENGE, selected consistent with the conditions outlined in (d), below.
- c. Implement the CHALLENGE consistent with the approved documents in Section 5.b.
- d. Select qualified and impartial judges. Judges shall include individuals from outside NASA, including from the private sector. Judges shall not have, nor shall members of any such judge's family have, personal, financial or business interests in, or be employees, officers, directors, or agents of CHALLENGE participants or sponsors of CHALLENGE participants. XXXXXXXXXXXX, its employees, officers, directors, and agents, and the immediate family of such employees, officers, directors and agents, are not eligible to be judges or participants in the CHALLENGE.
- e. Ensure compliance by all teams of CHALLENGE participants ("TEAM") with the eligibility requirements in the NASA Space Act authority at 51 U.S.C. § 20144, including without limitation the provisions requiring that in order to be eligible to win a prize an individual or entity shall, among other things, in the case of a private entity, be incorporated in and maintain a primary place of business in the United States, and in the case of an individual, whether participating singly or in a group, shall be a citizen or permanent resident of the United States. Ensure that XXXXXXXXXXXX officers or employees shall not have a financial interest in any TEAMS that compete for the Challenge prize.
- f. Obtain prior approval from NASA Centennial Challenges and the NASA Office of Communications for any sponsorships of the Challenge.



- g. Submit to NASA for its review and concurrence, any proposal to modify the name of the CHALLENGE.
- h. Provide to NASA copies of executed Team Agreements for all registered competitors within 30 days of the Team Agreement execution and at least 30 days prior to any CHALLENGE competition event.
- i. Submit brief monthly reports for the duration of the Agreement on TEAM registration and other pertinent issues. Content and depth of these reports will be mutually agreed and may be modified from time to time to reflect changing circumstances as deemed necessary by both Parties.
- j. Provide access for NASA representatives to view CHALLENGE events (within the constraints of safe operations) and access, when requested, to Challenge management activities including meetings among judges, teams and XXXXXXXXXXXX personnel.
- k. Compile TEAM information reports for each registered team and make them publicly available on the CHALLENGE websites web sites. Reports on new TEAMS shall be made available to the public within one month of the new teams' completed registration.
- l. On a quarterly basis in a brief written report, collect and provide NASA with TEAMS' aggregate reported information on their investments directly related to their participation in the CHALLENGE.
- m. Respond to all inquiries about the CHALLENGE from the general public, prospective TEAMS and registered TEAMS.
- n. Subject to review by NASA Office of Communications through NASA Centennial Challenges, include recognition of NASA's contribution to the Challenge in all written, live presentation, recorded, and electronic Challenge materials.
- o. Ensure that the judges properly select the winner(s) of the CHALLENGE in accordance with established criteria, and formally notify NASA of the winner(s) of the CHALLENGE. The judging and scoring process shall be made available to the public before any announcements of any CHALLENGE competition outcomes.
- p. Within 90 days of the conclusion of the CHALLENGE, provide NASA with a written report on the CHALLENGE just conducted, including an assessment of the effectiveness of the CHALLENGE and recommendations for improvement. The Parties will mutually agree to the content and depth of this report.



6. SCHEDULE OF MILESTONES

The planned major milestones for the activities defined in the “Responsibilities” sections are as follows:

Milestone	Performed By	Date or Frequency
Sign Space Act Agreement	NASA and XXXXXXXXXXXX	Starting reference date
Deliver Draft Rules	XXXXXXXXXX	2 weeks after start
Provide final rules for concurrence	XXXXXXXXXX	5 weeks after start
Federal Register Notice Draft	NASA	7 weeks after start
Deliver Challenge Execution Plan	XXXXXXXXXX	7 weeks after start
Publish Federal Register Notice Draft	NASA	8 weeks after start
Begin Team Registration	XXXXXXXXXX	8 weeks after start
Provide Team Registration Information to NASA	XXXXXXXXXX	as received
Execute Challenge	XXXXXXXXXX	32weeks after start
Report Results including Prize Winner Information	XXXXXXXXXX	at time of successful attempt
Complete Prize Payment to Winner(s)	NASA	within 60 days of receiving winners information
Monthly status reports	XXXXXXXXXX	monthly
Quarterly reports on team activity	XXXXXXXXXX	quarterly
Final Report on Challenge	XXXXXXXXXX	within 90 days of conclusion of Challenge (winner or expiration)

7. FINANCIAL OBLIGATIONS

There will be no transfer of funds or other financial obligation between NASA and the Partner under this Agreement, and each Party will fund its own participation. All activities under or pursuant to this Agreement are subject to availability of appropriated funds, and no provision in this Agreement shall be interpreted to require obligation or payment of funds in violation of the Anti-Deficiency Act, 31 U.S.C. Section 1341.

8. PRIORITY OF USE

Any schedule or milestone in this Agreement is estimated based upon the Parties' current understanding of the projected availability of NASA personnel, facilities and equipment. In the event that NASA's projected availability changes, Partner shall be given reasonable notice of that change, so that the schedule and milestones may be adjusted accordingly. The Parties agree that NASA usage of the facilities, equipment, and personnel shall have priority over the usage planned in this Agreement. Should a conflict arise, NASA in its sole discretion shall determine whether to exercise that priority. Likewise, should a conflict arise as between two commercial users, NASA, in its sole discretion, shall determine the priority as between the two users. This Agreement does not obligate NASA to seek alternative government property or services under the jurisdiction of NASA at other locations.



9. NONEXCLUSIVITY

This Agreement is not exclusive; accordingly, NASA may enter into similar agreements for the same or similar purpose with other U.S. private or public entities.

10. LIABILITY

1. The Parties agree to assume liability for their own risks associated with activities undertaken pursuant to this Agreement.
2. In addition, XXXXXXXXXXXX agrees to the following:
 - a. Obtain liability insurance for conducting each competition, in the amount to be agreed with NASA based on the maximum amount of coverage available at a reasonable commercial rate; and have NASA added as an additional insured under the insurance policy;
 - b. Indemnify NASA against third party claims for damages arising from or related to activities under this Agreement except to the extent that any such claim arises from or relates to the willful misconduct of NASA. Such indemnity does not include claims by contest winner(s) (declared by the Judges' Panels during the term of this agreement) for NASA's specified share of the prizes for the Challenge. "Damages" includes, but is not limited to: bodily injury to, impairment of health of, or death of any person; harm to, loss of, or loss of use of any property; loss of revenue or profits; any direct, indirect, special, or consequential harm to any person or entity, to include NASA; and,
 - c. Include in Team Agreements an assumption of risk and waiver of claims for participants against XXXXXXXXXXXX, the Federal Government and their related entities for death, bodily injury, or property damage or loss. In addition, participants are required to obtain liability insurance or demonstrate financial responsibility based on the maximum amount of coverage available at a reasonable commercial rate for claims by a third party or the Federal Government resulting from an activity carried out in connection with participation in a competition.

11. INTELLECTUAL PROPERTY RIGHTS – DATA RIGHTS

NASA and XXXXXXXXXXXX agree that the information and data exchanged in furtherance of the activities under this Agreement will be exchanged without use and disclosure restrictions unless required by national security regulations (e.g., classified information) or otherwise agreed to by NASA and Partner for specifically identified information or data (e.g., information or data specifically marked with a restrictive notice).

XXXXXXXXXXXX will not require Teams to provide any proprietary technical information except such information needed to ensure compliance with the Challenge rules and safety during the Challenge.

12. INTELLECTUAL PROPERTY RIGHTS – INVENTIONS AND PATENT RIGHTS

1. The invention and patent rights set forth herein are applicable to any employees, contractors, subcontractors, or other entities having a legal relationship with Partner that are assigned, tasked, or contracted with to perform specified Partner activities under this Agreement. Partner agrees to inform such employees, contractors,



subcontractors, or other entities of the obligations under this clause and to bind them to such obligations.

2. Based on the purpose and scope of this Agreement, and the responsibilities of the Parties, NASA has made an administrative determination that the provisions of section 305(a) of the National Aeronautics and Space Act of 1958, as amended (51 U.S.C. § 20135(b)), do not apply to this Agreement. Therefore, title to inventions made (conceived or first actually reduced to practice) as a result of activities performed under this Agreement will remain with the respective inventing party(ies). No invention or patent rights are exchanged between or granted by such parties under this Agreement except that NASA and Partner agree to use reasonable efforts to identify and report to each other any invention that is believed to have been made jointly by employees of Partner and employees of NASA (including employees of such NASA contractors, subcontractors, or other entities), and to consult and agree as to the responsibilities and course of action to be taken to establish and maintain patent protection on such invention and on the terms and conditions of any license or other rights to be exchanged or granted by or between NASA and Partner.

13. USE OF THE NASA NAME, INITIALS, AND EMBLEMS AND RELEASE OF GENERAL INFORMATION TO THE PUBLIC

1. NASA Name and Initials

Partner agrees the words “National Aeronautics and Space Administration” and the letters “NASA” will not be used in connection with a product or service in a manner reasonably calculated to convey any impression that such product or service has the authorization, support, sponsorship, or endorsement of NASA, which does not, in fact, exist. In addition, with the exception of release of general information in accordance with paragraph 3 below, Partner agrees that any proposed public use of the NASA name or initials (including press releases resulting from activities conducted under this Agreement and all promotional and advertising use) shall be submitted by Partner in advance to the NASA Assistant Administrator for Public Affairs or designee (“NASA Public Affairs”) for review and approval. Approval by NASA Public Affairs shall be based on applicable law and policy governing the use of the NASA name and initials.

2. NASA Emblems

Use of NASA emblems/devices (i.e., NASA Seal, NASA Insignia, NASA logotype, NASA Program Identifiers, and the NASA Flag) are governed by 14 C.F.R. Part 1221. Partner agrees that any proposed use of such emblems/devices shall be submitted to NASA Public Affairs for review and approval in accordance with such regulations.

3. Release of General Information to the Public

NASA or Partner may, consistent with Federal law and this Agreement, release general information regarding its own participation in this Agreement as desired.

14. DISCLAIMER OF WARRANTY

Equipment, facilities, technical information, and services provided by NASA under this Agreement are provided “as is.” NASA makes no express or implied warranty as to the condition of such equipment, facilities, technical information, or services, or as to the condition of any research or information generated under this Agreement, or as to any



products made or developed under or as a result of this Agreement including as a result of the use of information generated hereunder, or as to the merchantability or fitness for a particular purpose of such research, information, or resulting product, or that the equipment, facilities, technical information, or services provided will accomplish the intended results or are safe for any purpose including the intended purpose, or that any of the above will not interfere with privately owned rights of others. Neither the government nor its contractors shall be liable for special, consequential or incidental damages attributed to such equipment, facilities, technical information, or services provided under this Agreement or such research, information, or resulting products made or developed under or as a result of this Agreement.

15. DISCLAIMER OF ENDORSEMENT

NASA does not endorse or sponsor any commercial product, service, or activity. NASA's participation in this Agreement or supply of equipment, facilities, technical information, or services under this Agreement does not constitute endorsement by NASA. Partner agrees that nothing in this Agreement will be construed to imply that NASA authorizes, supports, endorses, or sponsors any product or service of Partner resulting from activities conducted under this Agreement, regardless of the fact that such product or service may employ NASA-developed technology.

16. COMPLIANCE WITH LAWS AND REGULATIONS

The Parties shall comply with all applicable laws and regulations including, but not limited to, safety, security, export control, and environmental laws and regulations. Access by Partner to a NASA facilities or property, or to a NASA Information Technology (IT) system or application, is contingent upon compliance with NASA security and safety policies and guidelines including, but not limited to, standards on badging, credentials, and facility and IT system/application access.

With respect to any export control requirements:

- (a) The Parties will comply with all U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export Administration Regulations (EAR), 15 CFR Parts 730 through 799, in performing work under this Annex to this Agreement. In the absence of available license exemptions/exceptions, the Partner shall be responsible for obtaining the appropriate licenses or other approvals, if required, for exports of hardware, technical data and software, or for the provision of technical assistance.
- (b) The Partner shall be responsible for obtaining export licenses, if required, before utilizing foreign persons in the performance of work under this Agreement or any Annex to this Agreement, including instances where the work is to be performed on-site at NASA and where the foreign person will have access to export-controlled technical data or software.
- (c) The Partner will be responsible for all regulatory record keeping requirements associated with the use of licenses and license exemptions or exceptions.
- (d) The Partner will be responsible for ensuring that the provisions of this Article apply to its related entities.



17. TERM OF AGREEMENT

This Agreement becomes effective upon the date of the last signature below and shall remain in effect until the completion of all obligations of both Parties hereto, or until December 31, 2012, whichever comes first.

18. RIGHT TO TERMINATE

Either Party may unilaterally terminate this Agreement by providing 30 calendar days written notice to the other Party. The Parties waive any and all damages that may arise from or are due to termination.

19. CONTINUING OBLIGATIONS

The rights and obligations of the Parties that, by their nature, would continue beyond the expiration or termination of this Agreement, e.g., "Liability and Risk of Loss" and "Intellectual Property Rights" shall survive such expiration or termination of this Agreement.

20. MANAGEMENT POINTS OF CONTACT

The following are Management Points of Contact at NASA and XXXXXXXXXXXX for this Agreement.

NASA	XXXXXXXXXX
XXXXXXXXXXXX	Name
Centennial Challenges Program Executive	Title
Tel: XXX-XXX-XXXX	Tel:
Fax: XXX-XXX-XXXX	Fax:
Email: lxxxxx@nasa.gov	Email:
Address: NASA Headquarters, 300 E St SW Washington DC 20546-0001	Address:

21. DISPUTE RESOLUTION

Except as otherwise provided in the article entitled "Priority of Use," the article entitled "Intellectual Property Rights – Invention and Patent Rights" (for those activities governed by 37 C.F.R. Part 404), and those situations where a pre-existing statutory or regulatory system exists (e.g. under the Freedom of Information Act, 5 U.S.C. § 552), all disputes concerning questions of fact or law arising under this Agreement shall be referred by the claimant in writing to the appropriate person identified in this Agreement as the "Management Points of Contact." The persons identified as the "Management Points of Contact" for NASA and the Partner will consult and attempt to resolve all issues arising from the implementation of this Agreement. If they are unable to come to agreement on any issue, the dispute will be referred to the signatories to this Agreement, or their designees, for joint resolution. If the Parties remain unable to resolve the dispute, then the NASA signatory or that person's designee, as applicable will issue a written decision that will be the final agency decision for the purpose of judicial review. Nothing in this



section limits or prevents either Party from pursuing any other right or remedy available by law upon the issuance of the final agency decision.

22. MODIFICATIONS

Any modification to this Agreement shall be executed, in writing, and signed by an authorized representative of NASA and the Partner. Any modification that creates an additional commitment of NASA resources must be signed by the original NASA signing official, or successor, or a higher level NASA official possessing original or delegated authority to make such a commitment.

23. ASSIGNMENT

Neither this Agreement nor any interest arising under it will be assigned by the Partner or NASA without the express written consent of the officials executing this Agreement.

24. APPLICABLE LAW

U.S. Federal law governs this Agreement for all purposes, including, but not limited to, determining the validity of the Agreement, the meaning of its provisions, and the rights, obligations and remedies of the Parties.

25. INDEPENDENT RELATIONSHIP

This Agreement is not intended to constitute, create, give effect or otherwise recognize a joint venture, partnership, or formal business organization, or agency agreement of any kind, and the rights and obligations of the Parties shall be only those expressly set forth herein.

26. SIGNATORY AUTHORITY

The signatories to this Agreement covenant and warrant that they have authority to execute this Agreement. By signing below, the undersigned agrees to the above terms and conditions.

National Aeronautics and
Space Administration
By:
Name:
TITLE: Chief Technologist
Date: _____

The XXXXXXXXXXXX
By:
Name:
TITLE:
Date: _____



Appendix F: CNCS's Sample Gift Acceptance Letter

January 3, 2011

Ms. XXXX
Company Name
Address
New York, NY 10285

Dear Ms. XXXX:

On behalf of the Corporation for National and Community Service, we are pleased to acknowledge and accept XXXXXXXX gift of \$25,000 in support of the leadership training that will be planned by the Corporation for National and Community Service and XXXXX.

As you know, the Corporation for National and Community Service plays a vital role in supporting the American culture of citizenship, service and responsibility. We are a catalyst for change and champion for the ideal that every American has skills and talents to give. The Corporation is the nation's largest grantmaker supporting service and volunteering. Through our Senior Corps, AmeriCorps, and Learn and Serve America programs, we provide opportunities for Americans of all ages and backgrounds to express their patriotism while addressing critical community needs. Pursuant to your wishes, your donation will be used to support the planning and implementation of leadership training.

Because the Corporation is an agency of the United States Government, federal law precludes the Corporation for National and Community Service from endorsing XXXXX; however, we are pleased to highlight and publicize your organization's contribution.

Please let us know if our understanding of your gift, as expressed in this letter, is inaccurate in any respect. No goods or services were provided in exchange for this gift.

On behalf of the Corporation for National and Community Service thank you again for your support of national service.

Sincerely,

XXXXXXXXXX

Acting Director

Corporate Relations



Appendix G: CNCS's Release Form

Personal Consent and Release

I, _____ (printed name), hereby grant the White House Council for Community Solutions (the "Council") absolute and irrevocable permission to use my likeness, voice, picture, name and presentation in furthering the mission of the Council. The Council, as sole owner of all rights in any recordings, photographs or other visual images of the event may use, reproduce, publish, modify, and distribute my likeness, voice, picture, name and presentation, with or without personal identification, in transcript form, video, or other medium now known or hereafter developed, in whole or in part, alone or with other materials.

I hereby release and discharge the Council, its assigns, and designees from any and all claims and demands arising out of, or in connection with, the use of my likeness, voice, picture, name and presentation, including, but not limited to, any claims for defamation, invasion of privacy, or right of publicity.

This consent and release is intended to be of perpetual duration. I hereby attest that I have read and agree to the above statements on this _____ day(s) of _____ (month), 2011.

(signature)

(street address)

(city, state, zip code)

(telephone)

(email address)

Signature of parent or guardian is required if person is under 18.

(parent's signature)

Grantee: White House Council for Community Solutions

Location: _____



Appendix H: Vendor/Miscellaneous Payment Form

ACH VENDOR/MISCELLANEOUS PAYMENT

OMB No. 1510 0056

ENROLLMENT FORM

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment-related information processed through the Vendor Express Program. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion. See reverse for additional instructions.

PRIVACY ACT STATEMENT

The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). All information collected on this form is required under the provisions of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Treasury Department to transmit payment data, by electronic means to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

AGENCY INFORMATION

FEDERAL PROGRAM AGENCY

27.

AGENCY IDENTIFIER:	AGENCY LOCATION CODE (ALC):	ACH FORMAT <input type="checkbox"/> CCD + <input type="checkbox"/> CTX <input type="checkbox"/> CTP
--------------------	-----------------------------	--

ADDRESS:

28.

CONTACT PERSON NAME:

TELEPHONE NUMBER:

29.

ADDITIONAL INFORMATION:



PAYEE/COMPANY INFORMATION	
NAME	SSN NO. OR TAXPAYER ID NO.
ADDRESS	
CONTACT PERSON NAME:	TELEPHONE NUMBER:

FINANCIAL INSTITUTION INFORMATION	
NAME:	
ADDRESS:	
ACH COORDINATOR NAME:	TELEPHONE NUMBER:
NINE-DIGIT ROUTING TRANSIT NUMBER:	
DEPOSITOR ACCOUNT TITLE:	
DEPOSITOR ACCOUNT NUMBER:	
TYPE OF ACCOUNT: <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS <input type="checkbox"/> LOCKBOX	
SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL: (Could be the same as ACH Coordinator)	TELEPHONE NUMBER: ()

AUTHORIZED FOR LOCAL REPRODUCTION

SF 3881# (Rev. 2/2003)
 Prescribed by Department of Treasury
 31 U.S.C. 3322; 31 CFR 210



29.1 Instructions for Completing SF 3881 Form

1. Agency Information Section Federal agency prints or types the name and address of the Federal program agency originating the vendor/miscellaneous payment, agency identifier, agency location code, contact person name and telephone number of the agency. Also, the appropriate box for ACH format is checked.
2. Payee/Company Information Section Payee prints or types the name of the payee/company and address that will receive ACH vendor/miscellaneous payments, social security or taxpayer ID number, and contact person name and telephone number of the payee/company. Payee also verifies depositor account number, account title, and type of account entered by your financial institution in the Financial Institution Information Section.
3. Financial Institution Information Section Financial institution prints or types the name and address of the payee/company's financial institution who will receive the ACH payment, ACH coordinator name and telephone number, nine-digit routing transit number, depositor (payee/company) account title and account number. Also, the box for type of account is checked, and the signature, title, and telephone number of the appropriate financial institution official are included.

29.2 Burden Estimate Statement

The estimated average burden associated with this collection of information is 15 minutes per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Financial Management Service, Facilities Management Division, Property and Supply Branch, Room B-101, 3700 East West Highway, Hyattsville, MD 20782 and the Office of Management and Budget, Paperwork Reduction Project (1510-0056), Washington, DC 20503.

