Rethinking how agencies can
DELIVER CITIZEN SERVICES

An innovative public-private partnership model is helping federal agencies improve their digital services at no cost to government.

By FedScoop Staff

Government today faces the same demands from constituents that businesses get from their customers: convenient, user-friendly online services. Fulfilling these expectations is imperative, especially for transaction-based agencies whose success is measured by citizen satisfaction. Tight budgets and staffing challenges can sometimes delay much-needed digital initiatives.

A public-private partnership contracting model used by state government agencies offers a potential solution.

This public-private partnership model, often referred to as "transaction-based" or "no-cost" contracting in the federal government, relies on transaction fees paid by users of the service to fund the costs of digital services. No money would come from the agency's general budget. Agency officials provide the overall direction, but assign delivery responsibility of the design, administration, and maintenance of the digital solution to the private contractor, transferring some of the risk and accountability while freeing their personnel to perform other, mission-critical tasks.

The result is truly a win-win: Agencies are able to deliver the services citizens and businesses need in the digital format they prefer, all with minimal impact on the budget — or none at all.

HOW IT WORKS

Transaction-based or no-cost contracting may sound too good to be true, but projects already underway with NIC Inc. demonstrate its success.

Working with the U.S. Department of Transportation, for example, NIC designed and delivered the *Pre-Employment Screening Program (PSP)* for the DOT's Federal Motor Carrier Safety Administration (FMCSA). Mandated by Congress, but with no funding appropriated, this digital government service allows authorized trucking and bus companies to review the crash and inspection histories of commercial drivers during the hiring process.

PSP is delivered to FMCSA using a no-cost contract. Because PSP is funded entirely by efficiency fees paid by the end-users of the service, the government is relieved of the financial and administrative obligations required to develop, maintain, secure, enhance, promote, and support the digital government service.

As a result, PSP improves the safety of commercial motor vehicles on America's roadways, helping FMCSA with its primary mission to reduce crashes, injuries and fatalities involving large trucks and buses. An *FMCSA study* found that carriers using PSP to inform their hiring processes contributed to, on average, 8 percent fewer crashes and a 17 percent lower driver-out-of-service rate than those that do not use PSP.

DATA DIVIDENDS

When the agency reports on how well it is fulfilling that mission, it has data showing how often companies used the digital service, how efficiently their queries were answered and other measures of satisfaction.

The State of Maryland used a similar transaction-based approach when contracting with NIC to digitize and streamline its business licensing process. The award-winning *Maryland Business Express* website lets entrepreneurs register a new business, file tax documents,

establish tax accounts and more, all in one place. The site employs state-of-the-art technologies using artificial intelligence for the Maryland Chatbot, with NIC making constant improvements to keep it up to date.

The resulting improvement in service was unquestionable: The time from application to approval for new businesses dropped dramatically, from 10 weeks to as little as one day.

Contracting for these services benefits agencies in less tangible ways, too. For such a large and complex organization as the federal government, keeping pace with constant technological change can seem impossible. Private industry partners can often be more nimble, offering agencies access to best-in-class technology that keeps pace, or even ahead of their constituents. And they assume the financial risk of building, deploying, securing, maintaining, enhancing, and promoting the digital service.

The onus is on companies like NIC, meanwhile, to continually improve the digital government services they are delivering, because they only get paid when the services are used.

CHALLENGES AND HURDLES

State governments have been using public-private partnerships to deliver customer-facing digital services for years, and it's a procurement concept that the federal government is beginning to more widely embrace.

Just as FMCSA leaders found a creative solution to their unfunded congressional mandate in a no-cost contract, efforts to embrace new contract delivery paths are gaining traction. Congress and the Office of Management and Budget have offered their support for the model.

"OMB views no-cost contracting as one of a suite of tools that may reduce costs and increase efficiencies in the delivery of Information Technology services," the agency stated in a 2015 letter to congressional appropriators. Support continues to grow for the use public-private partnerships to deliver digital services. The Library of Congress entered the request for information (RFI) phase of an IT modernization project and stated its interest in creative funding strategies like no-cost contracting. The recent release of the *Government Effectiveness Advanced Research (GEAR)* Center also noted its support of public-private partnerships.

DOES YOUR AGENCY QUALIFY?

The ability to deliver digital services through transaction-based and no-cost contracting models is available for agencies that:

- **Serve an external constituency.** Agencies whose core mission is to provide services to customers and organizations outside the agency — such as FMCSA's interactions with the motor carrier industry — will reap the most rewards from transaction-based or no-cost contracting, because of the ability to immediately measure the success by customer satisfaction and use.

- **Provide transaction-based services.** Agencies with an e-commerce component or engaged in regular, frequent transactions will see their success accelerate when they partner with the private sector to provide digital government services.

+13,000
digital government services and solutions developed by NIC

+6,000
federal, state, and local government agencies are supported by NIC

If you determine that transaction-based or no-cost contracting is right for your agency, be sure to choose a private sector partner with ample experience providing digital services to government agencies. Your partner should be able to:

- Assess the success feasibility of a transaction-based or no-cost contracting model for your agency or project
- Navigate the unique procedures and protocols government contracting requires
- Improve efficiency of service delivery, saving time and money
- Recognize and deliver on the CX experience for the customer
- Coordinate services across multiple agencies and entities
- Build digital offerings compatible with multiple devices
- Provide timely and consistent technology updates
- Anticipate end-users' needs and demands, and fulfill them
- Market to promote use of the service
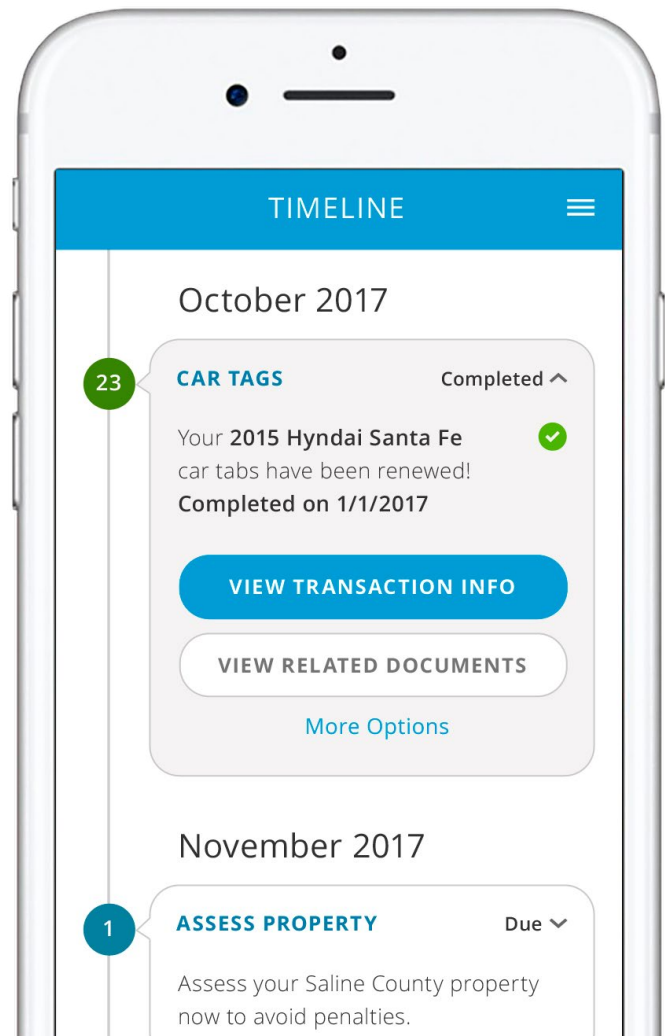- And most importantly, focus first on the customer that is using the service

For more than 25 years, NIC has helped transform how citizens and businesses interact with government. By combining best-in-class technology with innovative approaches to contracting, NIC has developed a library of more than 13,000 digital government services and solutions for more than 6,000 federal, state, and local government agencies.

Among these solutions is the ground-breaking personal assistant for government, *Gov2Go*. Available in all 50 states, the Gov2Go platform delivers essential federal, state, and local government services to citizens quickly and easily via the devices they use today. Gov2Go brings together all citizen interactions — at every level of government — onto one convenient platform in a way that is personalized, timely, and relevant.

Keeping up with the ever-increasing digital demands of constituents, vendors, and others doing business with your agency may seem like an overwhelming task — both difficult and costly. But hiring challenges and budget constraints don't have to impair citizen satisfaction or an agency's reputation.

There is a better way. Using transaction-based or no-cost contracting can provide agencies with top-tier technology services at literally no added expense to them. Freed from worries about money and time, agency staff can devote their energies to fulfilling their core mission: serving the public.

Learn more about how *NIC is helping federal agencies* enhance the digital government experience.