

OVERVIEW

Use cases for procurement pathways

OPEN
CONTRACTING
PARTNERSHIP

Buying AI

Off the shelf		1: Type of AI feature	2: Level of customization	3: Primary purchase type	4: Commercial model (pricing & contract type)	5: Commercial risks	6: Common procurement methods	
	Commercially available solutions	Content creation, basic analytics, email assistance, & basic chatbot interactions)	Pre-built AI applications and tools	Off-the-shelf	Software license	License fees, annual renewals, volume pricing	License management, upgrade costs	Framework agreement/ multiple awards or RFQ (under threshold), or commercial purchase orders
Customize								
	Mature AI systems with known applications	Traffic flow optimization, document processing at scale, or permit processing)	Enterprise-grade AI models with API integration	Minimal customization/ off-the-shelf	Access to services, platforms or licenses	Subscription fees, fixed license + support, integration contracts	Integration and maintenance costs	Open Tender: Request for Tender with requirements, or outcome-driven services RFP with defined performance goals
	Cloud-based AI platforms for enterprise digital transformation	Collaboration, knowledge management, analytics	Cloud-based AI services and platforms	Off-the-shelf	Platform subscription + minimal labor	Subscription/SaaS fees, usage-based billing	Subscription cost variation	Multiple-awards schedule or RFI/RFP with requirements
Build								
	Strategic, complex AI solutions for newer use cases where outcomes matter	Policy impact modelling, dynamic benefits optimization, or real-time emergency response systems	ML models, custom architectures, specialized training	Highly custom/ purpose-built	Labor-intensive services + platform access; built for a very particular purpose which does not exist in existing models	Iterative//Milestone-based payments, time & materials	High development costs, uncertain ROI, vendor viability	Outcome-driven services RFP/RFI with defined performance goals
	Pilot AI solutions for emergent/ experimental use cases	For smart infrastructure or predictive maintenance or public engagement platforms	Pre-trained models with custom fine-tuning capabilities	Moderately customized/ fine-tuned	Labor-intensive services + platform access; built for a very particular purpose which doesn't exist in existing models	Time & materials, pilot funding, pay-as-you-go platform	Pilot overruns, scaling difficulties	Innovation procurement: Challenges, pilot funding