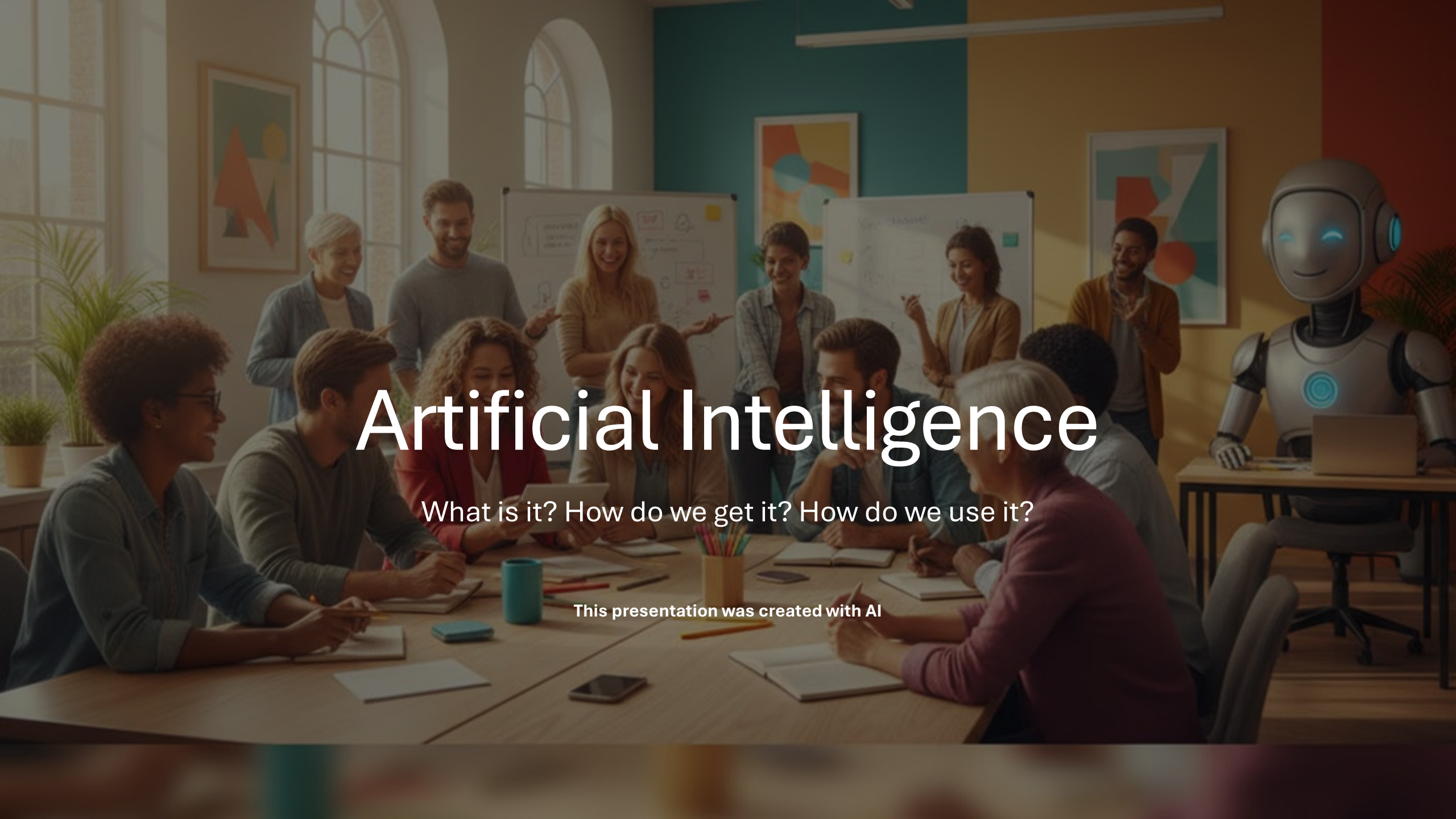
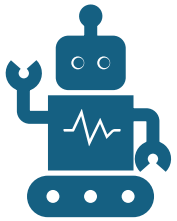




Artificial Intelligence

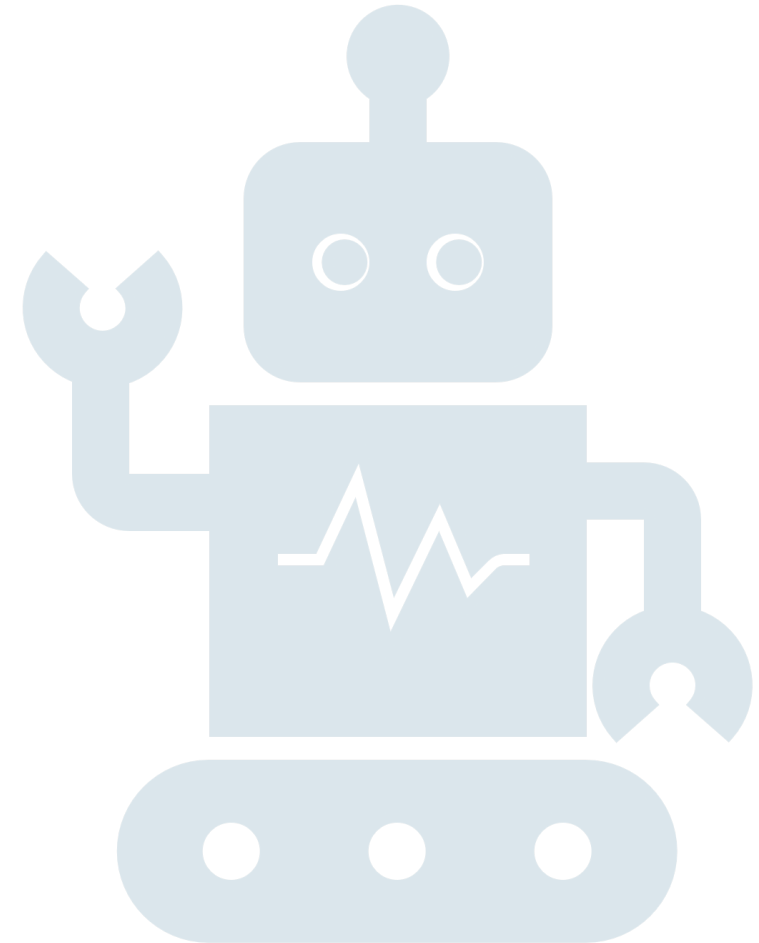
What is it? How do we get it? How do we use it?

This presentation was created with AI



Poll

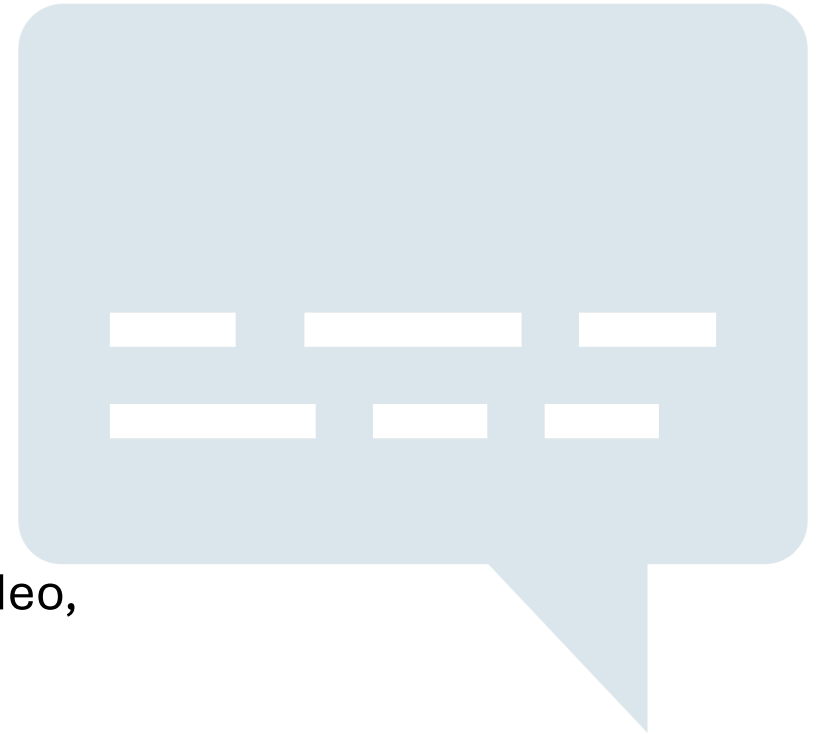
- Who all has used AI in the past week?
- What tools did you use?
- Who has taken the NASPO AI Procurement Course?





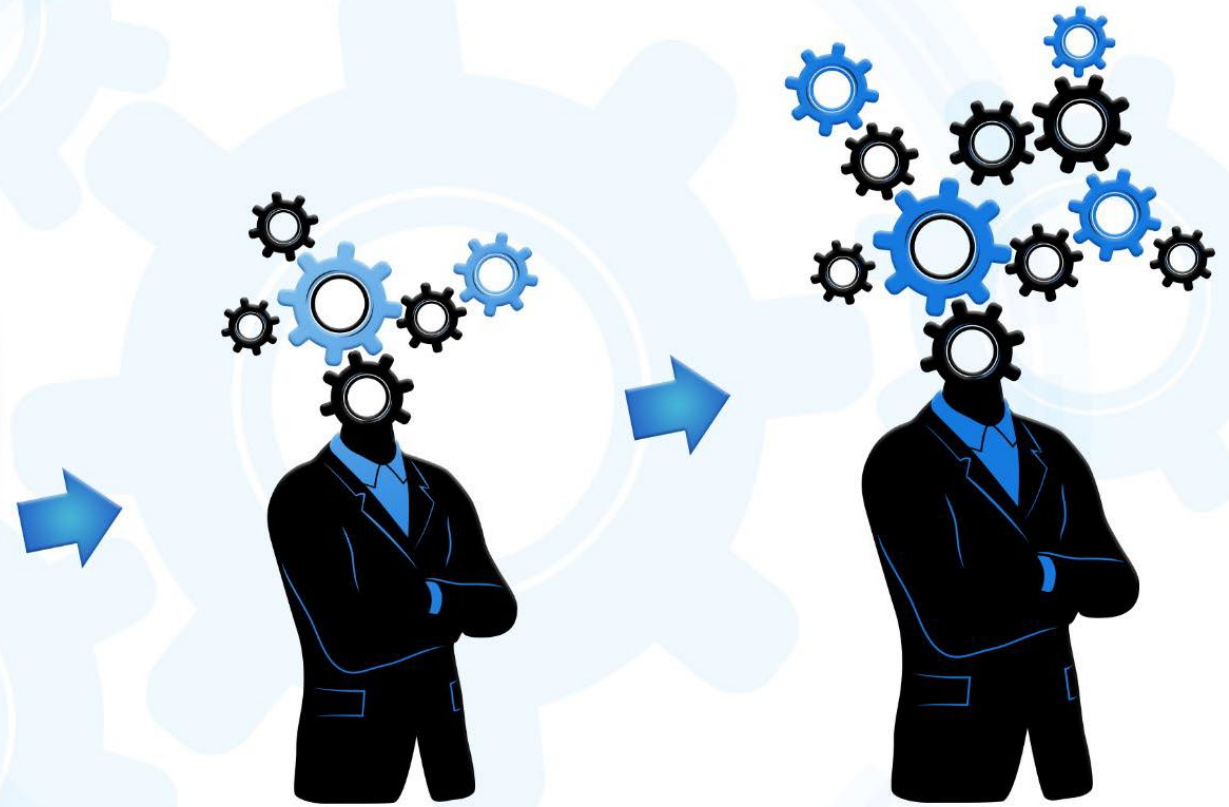
What is it?

- Generative AI is a technology that creates content, including text, images, audio, or video, when prompted by a user



Making AI Work For You: Practical Steps to Get Started

- How AI can enhance your everyday work
- Practical tools that make a real difference
- Simple ways to stay secure and aligned with best practices
- Easy steps to start using AI with confidence





AI Uses

Strategic Opportunity	Description
Summarizing Information	Rapidly aggregating content and simplifying search processes to quickly access ideas and knowledge.
Enabling Automation	Automating a variety of administrative or repetitive tasks, such as drafting legal templates for review.
Improving Productivity	Enhancing the speed of administrative tasks and computer programming.
Data Analysis	Analyzing large-scale data to gain a better understanding of society and enabling agencies to make use of the vast amounts of data collected.
Increased Capacity	Automating simple or routine procedures may increase officials' capacity to focus on more complex or consequential tasks, which is especially valuable when facing staffing shortages.
Strategic Sourcing	Identifying areas for contract consolidation to leverage statewide buying power and renegotiate for better pricing.

It's Happening Now

- Colleagues across 15 states are embracing AI tools to enhance their work
- A growing majority of procurement leaders see AI as a pathway to positive change
- New federal laws are empowering procurement staff to develop valuable AI knowledge
- Governor Gianforte is encouraging Montana to be a leader in innovation

Translation: The journey toward success is already underway - let's move forward together!



Early Adopters

State Initiative	Focus Area	Impact/Description
Massachusetts	Guidance & Review	Implemented the Assisted Buyer Engine (ABE) to provide immediate, consistent, policy-compliant guidance to procurement officials. ABE and OneL are hosted entirely within the commonwealth's IT environment, securing data and meeting privacy requirements.
Oklahoma	Agency Oversight	Procurement CoPilot monitors purchasing activities across agencies, identifying non-compliance and optimizing strategic sourcing by analyzing spending patterns without interfering with the state's primary data environment.
Michigan	Big Data Analysis	Incorporated AI capabilities into their contract lifecycle management tool, MiProData, to automate tasks like data entry and provide real-time performance analysis and reporting.
Indiana	Training Development	Used a generative AI solution (AI-generated voiceovers and editing assistance) to enhance training development, cutting typical production time in half for a new eProcurement module.

The risks of AI

- **False Information ("Hallucinations"):** Generative AI tools may produce erroneous responses that seem credible. Users can also purposefully create inaccurate text to spread disinformation, such as fake but realistic social media posts or phishing e-mails.
- **Trust and Oversight:** Generative AI systems can respond to harmful instructions, potentially increasing the speed and scale of real-world harms. Assessing the reliability of data used to develop the model can be difficult because inputs and operations are not always visible.
- **Privacy Risks:** If a user enters personally identifiable information, that data could be used indefinitely in the future without the user's knowledge. Additionally, a system may be unable to "forget" sensitive information a user wishes to delete.
- **Security Risks:** Entering sensitive information into a prompt could allow it to be stored and misused or aggregated with other information. Furthermore, AI can generate code for more effective cyberattacks, even by attackers with limited programming skills.
- **Bias and Ethical Concerns:** AI systems can inadvertently perpetuate biases present in their training data, leading to unfair or discriminatory outcomes in procurement. This requires continuous oversight to ensure fairness in AI-driven decisions.
- **Economic/Copyright Issues:** Generative AI systems could be trained on copyrighted, proprietary, or sensitive data without the owner's knowledge, raising unresolved questions about authorship and infringement.

Using AI Safely:

Think of AI as Your New Digital Assistant



- **Insight finder** – helps you uncover valuable trends and opportunities
- **Rapid reviewer** – quickly scans documents so you can focus on the big picture
- **Helpful forecaster** – anticipates your needs to make planning easier
- **Writing partner** – supports you in drafting emails and reports effortlessly
- **Task assistant** – takes care of repetitive work, freeing you for higher-value projects

Your Expertise Leads: AI as Your New Digital Assistant

- **You ensure fairness** – AI helps, but your judgment leads vendor relationships
- **You protect privacy** – safeguarding citizen and vendor information is in your hands
- **You remain accountable** – every decision stays with you
- **You are in control** – AI offers insights, but you always make the final call



Building Responsible AI Practices



Protect what matters

Use approved, secure AI tools to safeguard sensitive data.



Honor the standards

Follow NIST and FedRAMP guidelines to strengthen our shared cybersecurity foundation.



Ensure fairness

Continuously test to make sure AI decisions are balanced and unbiased.



Be transparent

Keep clear records of how AI supports your decisions and outcomes.



Avoiding AI Bias Problems

- Check AI decisions - does it favor certain vendors?
- Question the data - garbage in, garbage out
- Monitor results - watch for patterns that seem off
- Stay compliant - equal opportunity rules still apply



AI Is Available to you Today

- **Perplexity Enterprise Pro** and **CoPilot M365** are pre-approved, so you can use them without extra paperwork (Don't need ITPR)
- **ALL other AI** app needs special approval (an ITPR) before use
 - Pre vetted options include ChatGPT for Business/Enterprise, Claude Pro, and GitHub CoPilot
- For Perplexity Enterprise Pro and CoPilot M365, you can use **MODERATE/Level 2** data
- Never use **HIGH/Level 3** data with any AI tool—no exceptions

Only use approved and paid AI tools
free tools are not allowed



Understanding Artificial Intelligence (AI) in Public Procurement

← This web-based, self-paced course can be accessed through the Procurement U Learning Management System (LMS).

COURSE:
Data
Analysis

REGISTER NOW

DOWNLOAD SYLLABUS

Browse More Courses

Help Is Available

- NASCIO and NASPO resources and networking
- Montana's New Chief AI Officer (Chris Tarabochia)



Questions, Concerns, Ideas?

- **Need resources?** I'll send them
- **Want to chat more?** Let's schedule time
- **Ready to start?** We'll help you succeed
- **Remember:** You got this. We're in it together.