The Federal Government in the Age of Artificial Intelligence

Written Testimony of
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Chairman Comer, Acting Ranking Member Lynch, and distinguished Members of the Committee, thank you for inviting me to talk about AI in government. I am Bhavin Shah, the CEO and Co-Founder of Moveworks.

Today, AI is fundamentally transforming how work gets done across America's $30 trillion economy. AI solves a universal problem for public and private entities by transforming employee experience, providing instant support, reducing the toil of manual and tedious tasks, and allowing employees to focus on activities and jobs that provide significantly more value to the organization, leading to more efficient and effective organizations.

Private businesses have been quick to adopt and experiment with new AI advancements in the past few years as a way to stay locally and globally competitive and have seen tremendous benefits. But, the government has been slow to adopt AI. By failing to quickly adopt AI, the government is losing out on the benefits AI can bring to large organizations, while also failing to gain the necessary experience using AI. To maintain its leadership in the global AI race, the United States must ensure that both the public and private sectors understand the technology and actively harness its benefits. It is of national importance that we do everything in our power to not just maintain this global economic lead but extend it, which includes the adoption of AI by our own federal government.

Although technology transformation has been slowly happening for nearly a decade it has been supercharged over the last two and a half years with releases of new large language models, or LLMs, that provided significant advancement in AI's reasoning abilities. It is against the backdrop of AI's potential to transform large organizations that I co-founded Moveworks, an AI application company focused on making organizations more agile, efficient, and effective by enhancing employee experience, streamlining support, and transforming how work happens across the business.

I appreciate the opportunity to describe Moveworks' journey and share my perspective on helping the United States remain the global leader in AI.

Moveworks History

Moveworks was founded in 2016. This was during the era of 'instant.' Uber made local transportation instant. DoorDash made getting food delivered instant. And Amazon began offering same-day delivery in major cities. Yet, it still took three days to solve an average employee IT issue at work. I believed there had to be a better way and that belief led me to start Moveworks. Around the same time, AI research was advancing rapidly, especially in large language models (LLMs) and transformer architectures—the foundation for products like ChatGPT.

We used these LLMs, along with a variety of other AI models, to build an enterprise AI assistant, designed to resolve IT issues automatically and instantly. Many companies had been struggling to find ways to make their IT support more efficient so they began to notice. We then expanded the assistant's capabilities to address other roadblocks, eliminating the friction that slows large organizations down.

Nine years later, more than 5 million employees across 350 large public and private organizations rely on Moveworks to move faster and more effectively. Our customers span multiple sectors and include large private enterprises such as Broadcom, Marriott, CVS Health, Hearst, Honeywell, and Palo Alto Networks. We also serve numerous government entities, including local governments such as the City of Ventura, California and Durham County, North Carolina, as well as long-standing federal contractors such as Leidos, Guidehouse, Mantech, and Northrop Grumman. Notably absent from our current customer base are federal agencies, primarily due to outdated or inefficient procurement processes and challenging FedRAMP certification processes. These create barriers to adopting modern AI solutions.

These organizations are using AI to drive significant gains in efficiency and productivity as well as increased employee satisfaction. Employees at these companies no longer have to log in and out of dozens of systems daily to get their work done. AI handles many of their tasks so the employees get to spend more time on higher impact work, allowing these organizations to solve their problems more effectively.

Here are a few examples of how AI has transformed organizations:

- **Honeywell** reduced IT help desk requests by 80% — leaving only the most complex issues to be handled by the human IT team.
- **Broadcom** grew from 10,000 employees to 50,000 without increasing the size of their IT service staff. In addition, 70% of their IT issues are now solved in less than a minute.
- **The City of Glendale, Arizona** achieved a 514% return on its investment in AI — driven by its use of the Moveworks AI platform — and was recognized with the Nucleus Research ROI Award.

Moveworks' Expertise

Our AI platform brings together all of an organization's technology systems into a unified AI assistant. Employees use a conversational interface to get IT support, ask HR policy questions, and find company information. They can also ask the assistant to take actions for them such as schedule time off, obtain software licenses, or re-enable a key card. For operators, redundant tasks are eliminated for help desks across the company from IT and HR to finance. Our AI agent builder can be used to extend AI assistants to handle the organization's most complex business processes.

We do this by leveraging models from model developers like OpenAI, Meta, Microsoft, Google DeepMind, and Nvidia and combining them with Moveworks-developed enterprise-and work-specific models that ensure that the AI Assistant is trained and specialized in handling work-specific requests. These multiple models are governed by enterprise-grade guardrails such as fact checking, citations, transparent reasoning, and toxicity filters, ensuring that safe and secure AI is deployed to the enterprise.

All of this innovation is developed with security and scale at the forefront. The result is Moveworks is deployed at some of the largest companies in the world, including those in highly regulated industries, such as CVS Health (400,000 employees) and Mass General Brigham (127,000 employees).

The Federal Government's AI Opportunity

The United States is currently the global leader in AI. We have an opportunity to not just maintain our global lead, but to extend it. There are two primary ways the government can extend its lead in AI. The first is by using AI to become more efficient and effective. The second is by adopting AI, learning about its benefits firsthand, and being a public global leader in AI use.

Inefficiencies are not just a private sector problem, but one that we all agree impacts large and complex organizations such as the federal government. These inefficiencies result in poor experiences for both citizens and public servants, while also driving wasteful spending.

We all want an efficient and effective federal government, one that just works, because a government that works well is the foundation of a strong, successful, and prosperous country. As an American citizen and product of Silicon Valley, I want to see the government benefit from the same technologies that American companies are using to drive their transformation efforts. While the government is large and complex, requiring solutions that can scale and be trusted, even with unique requirements like heightened accountability, complex workflows, and stringent security standards, we know that AI can work just as well for the public sector as it does for the private sector.

Our experience so far partnering with state and county governments like the cities of Burbank, Scottsdale, and Glendale and counties of Durham County, North Carolina, Ventura County, California, and Ada County, Idaho makes us believers in the power of AI to transform government service allowing them to be leaders in AI, while saving money, creating efficiencies, and improving the experience of government employees.

AI is also an experiential technology and one where the benefits and limitations become clearer the more you use it. For America to extend its global lead in AI, the government must also be an enthusiastic adopter of AI. Doing so will allow the government to write better AI standards, figure out what is worth regulating versus not, and be an active participant in the education and transition of our workforce to be AI-first.

The Federal Government's Procurement Problem

We've seen growing interest in AI across many government agencies, including interest from the SSA, ATF, NASA, and Army, just to name a few.

But in all these conversations, one thing has often slowed down or completely stopped these organizations from implementing AI applications like Moveworks: Procurement barriers. Today, the Federal government procures software like we are living in the 1990s, planning for large server racks and on-prem applications that are purchased once every 3 to 5 years. But the world is very different now. This is where the government can learn from private organizations and how they rapidly procure AI software to remain competitive and at the tip of the spear of innovation.

There are three barriers that represent core challenges for the government gaining access to the most innovative AI developed by smaller startups.

The first barrier is the FedRAMP certification process. FedRAMP is critical for government agencies to know they are purchasing software which has been thoroughly vetted. However, the way the program is administered slows down the procurement of innovative technologies. Moveworks spent 3.5 years and over $8.5 million before getting listed on the FedRAMP marketplace. This is a huge time and monetary deterrent for smaller AI startups.

The second barrier is the complex network of pass-through reseller contractors who claim value simply because they have existing agency relationships and contract authorizations. Agencies often require software vendors to work through these resellers, who add no meaningful value, while increasing costs for the government. While we have found and currently partner with a select few resellers who genuinely add value through agency partnerships, the overall network is so vast and complex that it's often easier to serve as the prime contractor directly.

The third barrier is the government's spider web of contract vehicles that span multiple years where large incumbent software vendors are preferred over smaller, more innovative companies. Although Moveworks has cleared the first two barriers, we have often been tripped up by the third one, where budget or contract vehicles are not available for months or years.

We spoke with numerous agencies that were eager to adopt AI for its potential to drive efficiency, but the complexity and length of the procurement process made it virtually inaccessible. Below are examples of how these hurdles have manifested in our attempts to sell to the federal government. My aim is to comment on the system — not to criticize any agencies or companies — which is why I've chosen not to name specific agencies or contractors. These challenges are widespread and systemic.

- In one case, Moveworks was included in a major defense contractor's bid as a subcontractor, but we were never granted direct access to the agency's personnel. Without that access, we couldn't align our platform to the mission's specific needs or demonstrate its full value.

- In another instance, an agency limited engagement to existing prime contractors and conducted a two-year evaluation that ultimately led to no action—despite high labor costs and opportunities for automation.

- We've been in active discussions with multiple divisions within the military for over two years, but meaningful engagement has been difficult without direct access. Our interactions have largely been limited to working through prime contractor holders.

- At a national security facility, contractor personnel have expressed interest in and understand the value of our platform, but the complexity of the existing buying process has slowed momentum. We've been engaged in discussions for over a year without progress.

- Several major federal organizations have reviewed Moveworks multiple times, but indicated that budget allocation for a solution like ours would take years, or that we would need to be fully FedRAMP authorized and IL5 compliant before meaningful engagement could occur.

These examples highlight a broader challenge: The current system often limits innovation by preventing direct collaboration and prolonging decision-making at the expense of efficiency, cost savings, and mission readiness.

Accelerating AI adoption across government agencies is not only important to efficiency or cost-savings but is also about American leadership on the global stage.

Looking Ahead: Expanding the Federal Government's Lead in AI Innovation

Sustaining U.S. leadership in AI requires deliberate action not just from the private sector, but from the public sector as well. The more agencies and individuals engage directly with AI, the faster we build the experience and insight necessary to understand how, when, and why to use it effectively. To achieve this, federal agencies must be empowered to move forward with AI adoption. That starts with addressing one of the most immediate and solvable challenges: Modernizing the procurement process. This is an area where the government can learn from the private sector and leverage best practices that still ensure the safe and secure procurement of AI.

American AI leadership isn't a participation trophy. It's earned through action, not intention. To create an action-oriented environment, we encourage the federal government to consider adopting the following six policy proposals and recommendations to allow agencies to access more innovative AI companies. We have separated the proposals into short-term (minimal resources to start) and long-term (require more time and research to get right).

SHORT TERM

Create AI Adoption Incentives

To accelerate the deployment of AI systems across the federal government, AI training hours or AI certifications should be embedded in the performance plans of agency heads, program leaders, and CIOs. This would ensure leaders are knowledgeable about the benefits, risks, and opportunities of AI and encourage leadership to drive meaningful AI adoption that improves mission outcomes.

Start Government Developer Program

Similar to many technology developer programs, Congress should mandate that agencies provide sandboxed and controlled environments for smaller startups to learn how to integrate and build on government systems. This will ensure more startups are familiar with federal government systems, and accelerate the time to value for smaller startups deploying solutions for the government, while also allowing the government to familiarize themselves with a wide range of AI solutions.

Mandate AI Proof of Concept (POC) Program

Congress should create an AI Proof of Concept Program to demonstrate how AI improves government efficiency through short-term, price-capped pilot projects. Agencies would work directly with AI companies under standardized contracts, mirroring how the private sector tests new technologies through fast, focused pilots that deliver clear results before making long-term commitments.

Establish Agency Innovator Programs

To responsibly scale AI across government, Congress should partner with smaller federal agencies — particularly those that manage less sensitive data — to serve as innovation testbeds. These agencies can pilot new AI tools, evaluate their effectiveness, and develop best practices for broader implementation.

LONG TERM

Modernize AI Acquisition Policies

The current federal acquisition process is not optimized for AI innovation. Legacy procurement frameworks force agile AI companies to work through large prime contractors or reseller networks that often create barriers, slow access to cutting-edge technology, and add unnecessary costs. To ensure agencies benefit from advanced AI tools, Congress should expand access to streamlined vehicles like Other Transaction Authorities for AI procurements and enable direct contracting with AI startups by raising thresholds for micro-purchases and simplified acquisitions in technology categories.

Accelerate Procurement Timelines

AI tools evolve quickly, and the traditional government procurement timeline is misaligned with this rapid pace. In our experience, procurement cycles can take more than two years to complete—by which time the original technology proposed may already be outdated. To foster innovation and improve responsiveness, Congress should establish mandates for faster AI procurement cycles.

Conclusion

AI is not just another wave of innovation. It is foundational to America's future competitiveness and security. And American leadership in AI will be advanced by a federal government that supports innovation and partners with industry. Moveworks appreciates the Committee's leadership on the critical issue of government procurement and use of AI. We look forward to working together to help our government realize the full potential of AI.