

# What a Failed AI Proposal Looks Like

Six anonymized composite post-mortem case studies of federal AI proposals that lost. Composite scenarios drawn from observed evaluation patterns. The findings are real. The contractors are not identifiable. Read this before you submit your next AI proposal.

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## EFAIRA-FAILURE-MODES-V1

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## A. About these cases

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These six case studies are composite anonymized post-mortems drawn from observed federal AI proposal evaluation patterns. Each case represents a real pattern but is not traceable to any specific contractor, agency, or solicitation. The findings are real. The identification details are altered. Read these to understand the specific failure modes that surface during federal AI evaluation.

This is the only document in the EFAIRA Methodology Library that names failure modes directly. It is published as a public good because no other party publishes this material at this level of specificity.

## B. Case 1 — The implicit foundation model dependency

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**The capability.** A contractor proposed an AI-driven document review capability for a civilian agency mission system. The proposal described a custom-built classification pipeline with a clear human review checkpoint.

**The finding.** The proposal did not identify the foundation model that the custom pipeline depended on. The reviewers identified the dependency through technical questions and downgraded the proposal for incomplete capability description and undocumented supply chain risk.

**The lesson.** Every AI capability has dependencies. Identify them all in the proposal volume. The reviewer will identify the gaps you did not.

## C. Case 2 — The risk assessment that referenced the wrong policy floor

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**The capability.** An AI-driven decision support capability for a federal mission area with affected populations.

**The finding.** The contractor's risk assessment referenced an older OMB AI memorandum that had been superseded. The reviewers noted the policy floor citation and the proposal lost technical credibility. The risk methodology itself was sound. The citation undermined the substantive work.

**The lesson.** Verify your policy citations against the current authoritative text before submission. Federal AI policy changes; your proposal needs to reference the current floor.

## D. Case 3 — The human-in-the-loop that was not actually in the loop

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**The capability.** An AI triage capability described in the proposal as having human-in-the-loop oversight at every decision point.

**The finding.** Reviewer technical questions surfaced that the human review was actually a sample audit at 5 percent of decisions, not human review of each decision. The proposal had misrepresented the oversight regime. The proposal was downgraded for material misstatement.

**The lesson.** Use the policy-accurate terms. Human-in-the-loop, human-on-the-loop, and post-hoc audit are distinct concepts. Federal reviewers know the difference.

## E. Case 4 — The bias screening with no fairness metric

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**The capability.** An AI capability with documented bias screening but no specified fairness metric.

**The finding.** Reviewers asked the contractor which fairness metric was applied. The contractor did not have a documented answer. The proposal lost evaluation points for incomplete bias methodology documentation.

**The lesson.** Bias screening without a named fairness metric is screening without standards. Pick the metric, document it, and apply it consistently.

## F. Case 5 — The drift detection threshold defined nowhere

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**The capability.** A predictive AI capability with a stated commitment to drift monitoring during contract performance.

**The finding.** The proposal stated that drift would be monitored but did not specify the metrics, the thresholds, or the actions triggered. The reviewers identified this as an unenforceable performance commitment and downgraded the proposal.

**The lesson.** Operational commitments need numbers. State the metric, the threshold, the cadence, and the action. Vague commitments are evaluation deductions.

## G. Case 6 — The transparency artifact that did not pass Section 508

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**The capability.** An AI capability with a model card transparency artifact for end users.

**The finding.** The model card was accurate but was distributed as an image-only PDF. The accessibility review surfaced that the artifact did not satisfy Section 508. The proposal lost evaluation points for incomplete accessibility compliance even though the AI substance was sound.

**The lesson.** Federal AI transparency artifacts must satisfy Section 508 in addition to being substantively complete. Accessibility is not a separate problem from AI policy compliance; they intersect.

**Pattern recognition.** Five of the six cases above share a common pattern: the substance of the AI work was sound but the documentation failed to meet federal evaluation criteria. The failure mode is not technical capability. The failure mode is documentation that does not survive federal-grade reviewer scrutiny.

## H. Where independent assessment closes the gap

The failures above all share a property: they would have been visible to an independent third-party reviewer running through the proposal volume before submission. Internal review struggles to surface them because internal reviewers share the proposing organization's blind spots. An independent EFAIRA Readiness Audit applies the federal evaluation lens before the federal evaluators do.

**Composite scenarios.** The cases above are composite anonymized scenarios drawn from observed evaluation patterns. They do not represent any specific contractor, agency, or solicitation. Specific failure attribution to identifiable parties is not represented or implied.

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