



Department of Buildings and General Services
BGS Financial Operations
Office of Purchasing & Contracting
109 State Street [phone] 802-828-2211
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<http://bgs.vermont.gov/purchasing>

Agency of Administration

SEALED BID REQUEST FOR INFORMATION

Pilot Program for the Use of Blockchain Technology in the Registration of Vermont
Captive Insurance Entities

ISSUE DATE: * January 10, 2019

QUESTIONS DUE BY: * January 24, 2019 4:30PM

RFI DUE DATE: * February 14, 2019 3:00PM

RFI MUST BE RECEIVED AT: 109 State Street, Montpelier, VT

SECURITY PROCEDURES: Please be advised extra time will be needed when visiting and/or delivery information to 109 State Street. All individuals must present a valid government issued photo ID when entering the facility.

All bidders are hereby notified that sealed bids must be received and time stamped by the Office of Purchasing & Contracting located at **109 State Street - Montpelier, VT 05609-3001** - by the time of the bid opening. Bids not in possession of the Office of Purchasing & Contracting at the time of the bid opening will be returned to the vendor, and will not be considered. **Any delay deemed caused by Security Procedures will be at the bidder's own risk.**

RFI OPENING AND LOCATION: February 14, 2019 3:00PM , 109 State Street, Montpelier, VT

PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES, AND AMENDMENTS ASSOCIATED WITH THIS RFI WILL BE POSTED AT:

<http://bgs.vermont.gov/purchasing/bids>

THE STATE WILL MAKE NO ATTEMPT TO CONTACT VENDORS WITH UPDATED INFORMATION. IT IS THE RESPONSIBILITY OF EACH VENDOR TO PERIODICALLY CHECK <http://bgs.vermont.gov/purchasing/bids> FOR ANY AND ALL NOTIFICATIONS, RELEASES AND AMENDMENTS ASSOCIATED WITH THE RFI.

PURCHASING AGENT: Stephen Fazekas, Technology Procurement
Administrator
TELEPHONE: (802) 828-2210
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1 PURPOSE

This Request for Information (“RFI”) is issued for the Vermont Office of Secretary of State (“SOS”) and Vermont Department of Financial Regulation (“DFR”) (together “the State”) to gather input and obtain information and cost estimates in proceeding with proposals to establish a limited pilot program that offers new Vermont captive insurance entities an option to file registration and reporting documents with the Office of Secretary of State using private blockchain technology.

The State intends to evaluate the submissions by respondents to explore how they would meet its needs and to understand the cost associated with proposed solutions. The State shall not be held liable for any costs incurred by the vendors in the preparation of their submission, or for any work performed prior to contract issuance.

1.1 LIABILITY

THIS IS A REQUEST FOR INFORMATION (“RFI”) ONLY. This RFI is issued solely for information and planning purposes – it does not constitute a Request for Proposal (“RFP”) or a promise to issue an RFP in the future. This request for information does not commit the State to contract for any materials or service whatsoever. Further, the State is not at this time seeking proposals and will not accept unsolicited proposals. Respondents are advised that the State will not pay for any information or administrative costs incurred in response to this RFI; all costs associated with responding to this RFI will be solely at the interested party’s expense. Not responding to this RFI does not preclude participation in any future RFP, if any is issued. If an RFP is released, it will be posted on the BGS bid opportunities web site: <http://www.bgs.state.vt.us/pca/bids/bids.php>. It is the responsibility of the potential offerors to monitor this site for additional information.

1.2 CONFIDENTIALITY

The State retains the right to promote transparency and to place this RFI into the public domain, and to make a copy of the RFI available as a provision of the Vermont access to public records laws. Please do not include any information in your RFI response that is confidential or proprietary, as the State assumes no responsibility for excluding information in response to records requests. Any request for information made by a third party will be examined in light of the exemptions provided in the Vermont access to public records laws.

The solicitation of this RFI does not commit SOS, DFR, or the State of Vermont to award a contract. This RFI is for information gathering purposes only and no vendor will be selected, pre-qualified, or exempted based upon their RFI participation.

2 BACKGROUND INFORMATION

Vermont has a well-developed reputation as an international leader in the captive insurance industry due to its “Gold Standard” regulation, robust professional community, and willingness to embrace innovation. Consistent with this reputation, Vermont is a leading domicile for captive insurance entities in the United States, and typically registers between 20 and 40 new entities per year. The Office of the Secretary of State is responsible for the registration of business entities, including captive insurance entities, in Vermont. The Department of Financial Regulation is responsible for the general supervision and regulation of captive insurance entities operating in Vermont.

Vermont captive insurance registration and reporting currently use a traditional paper-based approach to filing most required documents with the State. SOS and DFR have started to explore areas of regulation

where the introduction and use of new technologies such as blockchain may provide increased efficiency, accuracy, and/or security for users when compared to traditional methods. The State has identified a limited pilot program that provides captive insurance entities the option to use private blockchain technology to make registration and reporting filings to the State as an appropriate area to explore the cost-effectiveness, ease of use, and security of using blockchain technology.

The State envisions the pilot program to be in place for a limited duration to be determined, and to provide the State with a comprehensive understanding of the technical functions and potential additional uses of the technology across state government.

3 RFI DESCRIPTION

The State is seeking information to identify vendors that are qualified to provide technical design, implementation, and consulting services related to the development and maintenance of a state registration pilot program using blockchain technology.

The RFI has five key objectives:

- Provide prospective respondents with information regarding the business, functional, and technical needs of the State to successfully implement, maintain, and use blockchain technology in the registration and ongoing regulation of captive insurance entities.
- Solicit respondent information to assist the State in determining if identified requirements can be met in a cost-effective manner.
- Solicit respondent information to assist the State in determining if identified requirements can be met by available software/hardware commercial off the shelf (“COTS”) alternatives.
- Demonstrate a proof of concept for the implementation, maintenance, and use of blockchain technology across a variety of government processes.
- Solicit respondent presentation of metrics that the State may use to evaluate the effectiveness of the pilot program and determine the appropriate scope of blockchain technology deployment to other areas of government function.

The State is seeking feedback on the information in this RFI and will consider any information, including partial responses, received in response to this RFI. If the State moves forward in the development of an RFP, the RFP process will be open to all respondents regardless of their decision to participate in this RFI.

The State envisions that the solution will support the following high-level goals:

- Provide new Vermont captive insurance entities an opportunity to utilize a secure, digital option to complete registration and reporting requirements with SOS.
- Allow SOS and DFR to become familiar with blockchain functionality and features in a limited pilot program environment.
- Compilation of data that may be used to evaluate the effectiveness of deploying blockchain technology in other government functions.

4 CURRENT STATE

The Secretary of State's office provides for online registration of captive insurance companies and maintains paper and digital originals and copies of filed documents. Many captive insurance companies filed original business registration documents by paper years ago. The Secretary of State's office also accepts amendments, annual reports, and issues certificates of good standing. All of this is now accomplished electronically, along with fee payment: <https://www.sec.state.vt.us/corporationsbusiness-services.aspx>

This registration process is separate from DFR's ongoing regulatory oversight of captives and from DFR's consideration of the merits of a captive's application for licensure in Vermont. This RFI is not intended to change DFR's procedures in any way.

5 STATEMENT OF WORK

5.1 ANTICIPATED REQUIREMENTS

The purpose of this RFI is to determine if there are solutions capable of meeting the State's anticipated requirements and to determine alternatives for meeting those requirements that are consistent with the overall vision for SOS, DFR, and the State of Vermont.

The State's discovery efforts to date have resulted in a desire to obtain access to solutions with the following attributes:

5.1.1 Business Requirements

The State seeks responses from vendors that have technical and consulting expertise, and proven success in implementing and maintaining private blockchain technology that may be applied to the appropriate scope of the State's pilot program. Vendor experience with implementing private blockchain technology in government or other public sector applications is highly desirable.

5.1.2 Functional and Technical Requirements

The pilot program requires the implementation and maintenance of private blockchain technology that provides a secure means for new captive insurance entities to file all necessary corporate formation documents, annual corporate filings, and any other required ancillary documents with SOS. The technology should allow for captive insurance entities, regulators, and the public to access and view all documents filed via blockchain. The technology should include a public display that allows public access to documents filed and managed with blockchain technology, and an interface with SOS's existing website.

5.1.3 On-Going Maintenance /Service Level Requirements

Vendors should be available to provide training to State employees on proper use of hardware and/or software solutions, as well as helpdesk/troubleshooting staff access in order to resolve problems and inquiries in a timely fashion. The State also seeks consultation services that may aid in evaluating the technology's effectiveness and benefit to regulated entities and Vermont residents, as well as identifying ways to leverage the technology for use in other government functions.

6 REQUESTED INFORMATION

Each submission prepared in response to this RFI must include the elements listed below in the order indicated.

The vendor must use the following outline when presenting its response:

- Cover Page
- Vendor Information
- Cost Estimates
- Business and Technical Requirements

6.1 COVER PAGE

The first page of each respondent's RFI Response must be a cover page displaying at least the following:

- Response to RFI Title
- Vendor's Name
- Contact Person
- Telephone Number
- Address
- Fax Number
- Email Address

All subsequent pages of the RFI Response must be numbered.

6.2 VENDOR QUESTIONNAIRE

Please provide your answers to the stated questions related to the project. Additional information may supplement your answers and must be attached to the RFI response.

6.3 CONTACT INFORMATION

All communications concerning this RFI are to be addressed in writing to the attention of: **Stephen Fazekas, State of Vermont, Office of Purchasing & Contracting, 109 State Street, Montpelier, VT 05609-3001**. Stephen Fazekas is the sole contact for this RFI Response. Attempts by RFI Respondents to contact any other party could result in the rejection of their RFI Response.

6.4 RFI RESPONSE SUBMISSION

CLOSING DATE: The closing date for the receipt of RFI Responses is 3:00 PM **February 14, 2019**. Responses must be delivered to: **Stephen Fazekas, State of Vermont, Office of Purchasing & Contracting, 109 State Street, Montpelier, VT 05609-3001** prior to that time. RFI Responses or unsolicited amendments submitted after that time will not be accepted and will be returned to the vendor.

The responses will be received by purchasing at **109 State Street, Montpelier, VT 05609-3001** and will be passed on to the Secretary of State's Office and Department of Financial Regulation for review.

RFI responses must include one (1) electronic copy on Compact Disc (CD) or USB flash drive and Three (3) Paper (hard copy) responses must also be submitted. Paper copies must be bound with a staple, binder or other appropriate means such that pages are not submitted loosely. Three (3) copies of the RFI must be delivered to the Purchasing Agent.

The electronic response made to the narrative portion of this RFI must be in Microsoft Word version 2007 compatible format. At least one copy of the Cost Table and Business and Technical Requirements must be made in Microsoft Excel Version 2007 or higher.

6.5 EXPLANATION OF EVENTS

1. Issuance of RFI

This RFI is being issued by the Office of Purchasing & Contracting, Department of Buildings and General Services Department. Additional copies of the RFI can be obtained from the State Purchasing Division web site <http://bgs.vermont.gov/purchasing> or directly from the State Purchasing Agent.

2. Deadline for Written Questions

Potential respondents may submit questions regarding this RFI. Questions must be submitted in writing, by e-mail, to the Purchasing Agent Stephen Fazekas at stephen.fazekas@vermont.gov and must be received by 4:30 PM Eastern Time on January 24, 2019.

3. Response to Written Questions

Any vendor requiring clarification of any section of this proposal or wishing to comment or take exception to any requirements or other portion of the RFI must submit specific questions in writing no later than January 24, 2019, at 4:30PM. Questions may be e-mailed to stephen.fazekas@vermont.gov. Any objection to the RFI or to any provision of the RFI, that is not raised in writing on or before the last day of the question period is waived. At the close of the question period a copy of all questions or comments and the State's responses will be posted on the State's web site <http://bgs.vermont.gov/purchasing/bids>. Every effort will be made to have these available as soon after the question period ends, contingent on the number and complexity of the questions.

4. Submission of Responses

Three (3) paper copies of the RFI response and one (1) electronic copy on CD should be delivered to the Purchasing Agent no later than 3:00 PM Eastern Time on February 24, 2019. Responses received after the due date and time may not be considered.

Responses should be labeled, "Response to RFI Pilot Program for the Use of Blockchain Technology in the Registration of Vermont Captive Insurance Entities"

5. Review and Evaluation of Responses

The review and evaluation of responses to the RFI will be performed by SOS, DFR, and their designees. The evaluation process will take place the week following the response due date. During this time, the RFI Manager or other SOS or DFR representatives may, at their option, initiate discussion with respondents for the purpose of clarifying aspects of their responses.

6. Vendor Demonstration of Their Product

Vendors chosen from the review process may be called on to demonstrate their products and/or service offering. These select vendors will make arrangements with SOS and DFR to demonstrate their products and/or service offering. SOS and/or DFR shall not be liable for any costs incurred by the vendor in preparation of its demonstration. All costs incurred are the vendor's sole responsibility. All demonstrations are for planning purposes only and do not constitute a legal bid.

7. Vendor Product Test Trial

Certain Vendor products and/or service offering may be selected after review process to be trialed by SOS and DFR, if this is an option allowable by the vendor. The test trial can last up to 90 days. Up to two

vendors' products selected will be involved with the test trial. SOS and DFR staff will provide feedback to the RFI Manager. **The selection of vendor products for a test trial does not commit SOS, DFR, or the State of Vermont to award a contract. This test trial is for information gathering purposes only and no vendor will be selected, pre-qualified, or exempted based upon their RFI / test trial participation. All costs incurred are the vendor's sole responsibility. All product test trials are for planning purposes only and do not constitute a legal bid.**

7 VENDOR QUESTIONNAIRE

We are asking for a total cost estimate (low and high estimates) including software, hardware, and necessary implementation services. We understand that the cost figures provided are for planning purposes only and will not be binding in any way.

8 APPENDIX A: COST ESTIMATE WORKSHEET

8.1: COST ESTIMATE TABLE

Item	General Requirements Description	Cost
1	Hardware/software solution design	
2	Hardware/software solution implementation	
3	Technical/troubleshooting support	
4	System evaluation and consultation	

8.2 ADDITIONAL MATERIALS

Please provide any other materials, suggestions, cost, and discussion you deem appropriate.