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| **HM REVENUE & CUSTOMS**  **Request FOR proposal** |

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| **Title:**  Name of project / requirement | HMRC Cryptoasset analysis tooling |
| **HMRC Reference:**  To be quoted in all correspondence | SR302926154 |
| **Date issued:** | 13th January 2020 |
| **Deadline for Responses:** | 27th January 2020 |

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| **1.** | **Contact Details** | | | |
| **Issued to:** | |  | **From:** | Kirstie Colder |
| **Address:** | | Event held within SAP Ariba Portal | **Address:** | HMRC Commercial Directorate  **Plaza 1, Ironmasters Way, Telford, TF3 4NT** |
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| **2.** | | **Background** | |
| * 1. **Background to HMRC**   HM Revenue & Customs (HMRC) is one of the UKs largest organisations, with approximately 60,000 full-time equivalent staff. Almost every individual and business in the UK is a direct customer of HMRC.  HMRC is an effective, efficient and impartial tax and payment authority with the vital purposes of:   * Collecting the money that pays for the UK’s public services and help families and individuals with targeted financial support * Helping the honest majority to get their tax right and make it hard for the dishonest minority to cheat the system * Collecting over £500 billion a year in revenue from 45 million individuals and 4.9 million business customers * Playing a key role in enforcing UK Border Controls and national minimum wage levels, administering environmental taxes and recovering student loans   HMRC is a non-ministerial government department which was formed in 2005 through the merger of the Inland Revenue and HM Customs and Excise.   * 1. **Background to HMRC Cryptoasset analysis tool requirement**  FIS-DSI Cybercime is responsible for criminal investigations relating to fraudulent access to HMRC online services. These online services enable assessment and collection of billions of pounds of annual tax revenue.Crypto assets, such as Bitcoin and Ethereum, provide a means to transfer value between interacting parties. Also known as virtual and crypto currencies, these services are increasingly used for a range of purposes, from international money transfers, sales of digital services, paying staff and tax evasion and money laundering. Many of these crypto asset transactions are recorded publicly in a ledger known as a blockchain. Whilst the transactions are typically public, the participants undertaking them are not. Commercially provided services work to link transactions with the institutions and people participating, using a range of sources.The key deliverable outcomes of a Cryptoanalysis tool are as follows:Access to tools that enable efficiencies and opportunities in investigating cryptoasset transactions compared to using ‘free’ online resources and raw blockchain data.Progress investigations, leading to closure of intelligence gaps in the use of crypto-assets in supporting criminal activity against HMRC. | | | |
| **3.** | | | **Requirements** |
| * 1. **General requirements**   Provision of a tool that will support intelligence gathering methods to identify and cluster Cryptoasset transactions into linked transactions and identify those linked to Cryptoasset service providers.  A commercial off the shelf tools/platform to enable interpretation of Cryptoasset blockchains, on the public transaction ledger.  The tool must specifically provide the following capabilities: -   * + 1. De-anonymization by cluster analysis and identify confidence rating in clusters     2. Attribution of a cluster/address to a known commercial entity (exchange) or a known service provider (mixing service, gambling service, dark market, etc)     3. Software supplier to be able to produce on request a statement regarding why and how they have attributed activity to a specific entity. (primary evidence will remain from Open source block explorers and corroborating evidence from exchanges, however, complex/edge cases may require supporting statement from the vendor)     4. Web based access, visualisation and analytics of Blockchain transactions using proprietary data to enhance existing blockchain and open source derived data to progress identification of suspects, activity, and build intelligence.     5. The ability to track and trace, and for the tool to maintain this capability following any forks or other underlying currency change, for the following Cryptoassets as a minimum:-   Etherium  Etherium Classic  Bitcoin  Bitcoin Cash  Ripple  Tether  Litecoin  Preferable requirement - plans to develop capability for Monero, Zcash, Dash   * + 1. The supplier to provider quality end user training delivered locally or remotely.     2. Secondary Training modules available via remote on demand delivery     3. HMRC requires all bidders to ensure that in the event they are successful in this competitive procurement exercise, no conflict of interest between this tool and any other services being supplied currently, or in the future, shall arise.   1. **Skills**      1. The successful Service Provider must have relevant people, suitable assets, and deep experience. Critically, we will be looking for vendors to showcase their capabilities by demonstrating their expertise in the field of Cryptoasset tracing.   2. **Security**      1. In the delivery of the service, the Service Provider must ensure that the standards, best practice guidelines and approaches that are required to protect UK government assets contained in the [Security Policy Framework](https://www.gov.uk/government/publications/security-policy-framework) are adhered to.   3. **Duration / Project Plan**       1. The proposed start date for award is targeted to be 31st January 2020 for acquisition of software licencing.      2. Tool specific training to be delivered within 20 working days from the licencing commencement.   4. **Duration**   Software Licence period to be a for a minimum 12 months.   * 1. **Location**       1. Provision of a tool that will be accessible remotely via web access.      2. Training locations to be at Customs House London, and/or via remote/distance learning. | | | |
| 1. **Pricing Schedule** | | | |
| * 1. **Pricing Structure**      1. The pricing structure will consist of the following elements contained in the Excel spreadsheet Pricing Matrix provided at Annex A:  1. Confirm subscription licensing model e.g. concurrent users/user account basis 2. A fixed price per license per annum 3. Volume discount ranges for licenses 4. Discounts for multiyear licenses 5. Fixed Integration costs 6. Cost for witness statements 7. A fixed price for support 8. Training costs 9. Trial costs    1. **Invoicing**       1. HMRC now requires all suppliers to transact via the HMRC dedicated Ariba portal. The winning supplier will need to be onboarded onto the system in order to receive PO numbers and to be able to send Invoices.    2. **Expenses**       1. Expenses will not be payable if a supplier is invited to make a presentation for clarification purposes as part of the tender process. | | | |
|  | **Commercial Terms** | | |
| * 1. **Terms & Conditions.**      1. Any contract entered into as a result of this RFP process will be under the HMRC Short Form Model Contract. | | | |
|  | | | **Tender Responses** |
| * 1. **Procurement Timeline**      1. The outline planned procurement timeline, which may be subject to change is:  1. Issue RFP 17/01/2020 2. Deadline for Clarification Questions 24/01/2020 (17:00) 3. Deadline for Tender Responses 31/01/2020 (12:00) 4. Complete evaluation of tender responses 30/01/2020 – 06/02/2020 5. Moderation 07/02/2020 6. Trials (if applicable) w/c 10/02/2020 7. Contract Start Date w/c 17/02/2020    1. **Award Weighting Requirements**       1. The award criteria that will be used for this procurement are as follows:  * Quality – 50% * Cost – 30% * Security – 20%   1. **Scoring**   Scoring will be in line with the scoring scheme contained in the following table.   |  |  |  | | --- | --- | --- | | Score | ‘Closed’ Question Criteria | ‘Open’ Question Criteria | | 100 | Excellent answer which meets all of the requirements and provides all of the required detail. | The response is excellent and completely relevant. The response is comprehensive, unambiguous and demonstrates an excellent understanding of, and meets, the requirements in all aspects, with no clarification required. The response is well thought out and/or provides   * highly credible examples; * benefits; or * innovation. | | 80 | Good answer which meets all of the requirements but lacks some minor detail | The response is good and highly relevant. The response indicates a good understanding of the requirements and provides sufficient detail across all areas. The response demonstrates how the requirements will be met in the main, which may require minor clarification only. | | 60 | Satisfactory answer, which meets the requirements in many aspects, but fails to provide sufficient detail in some areas. | The response is satisfactory and relevant. The response indicates a satisfactory understanding of the requirements in most aspects, although may lack detail in certain areas. The response suggests that the outline requirements would be met satisfactorily but may some clarification may be required. | | 40 | Limited answer which satisfies some aspects of the requirements, but fails to meet the specification in the whole. | The response is limited and partially relevant. The response indicates partial understanding of the requirement. The response contains ambiguities or deficiencies, which suggests that the requirements could be met, but clarification would be required. | | 20 | Poor answer which significantly fails to meet the requirements. | The response is poor and only partially relevant. The response addresses some aspects of the requirements but contains insufficient/limited detail or explanation. The response demonstrates only limited understanding of the requirement. The response contains ambiguities or deficiencies which suggest the requirements would not be met. | | 0 | The response is not considered relevant. The response is unconvincing, flawed or otherwise unacceptable. Response fails to demonstrate an understanding of the requirement. | | | | | |

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|  | **Request for Proposal Response** |
| * 1. **Response format**      1. Vendor responses should be submitted electronically using HMRC’s eSourcing Portal.      2. Accessibility needs, which cover a range of disabilities, should be highlighted to HMRC at the earliest opportunity if it felt that they may hinder the Tenders’ ability to provide a response.      3. As part of the e-Sourcing event suppliers are required to answer all of the questions contained within the questionnaires.   2. **Selection Questionnaire**      1. In response to the Selection Questionnaire, the applicant must provide:  1. general organisation information, and 2. financial information to allow revenue compliance checks to be made.    1. **Quality Questionnaire**       1. In response to this questionnaire the applicant should prepare a proposal. The formal proposal should explain how the requirements will be met and relating to the following specific sections of the requirements the following information should be provided; 3. Section 3.1, General Requirements –    1. Please demonstrate how your solution provides an effective and intuitive interface to search and analyse the data within the platform?    2. Please demonstrate how your solution is able to analyse the following as a minimum: -   Etherium  Etherium Classic  Bitcoin  Bitcoin Cash  Ripple  Tether  Litecoin   * 1. Please explain how your tool enables tracing of Cryptoassets and provides confidence ratings for any representation of results?   2. Please provide details and supporting examples of Cryptoasset service provider global coverage?   3. Please explain your process for requesting witness statements in support of tool output?   4. Please provide details of any previous court challenges to evidence produced from your platform.   5. Please provide details of user access control for customer organisations   6. Please demonstrate how your solution is supported by common web browsers.   7. Please confirm average service/web response times.   8. Please provide details of any trial period you offer including scope and length.   9. Please provide details of any training you offer.   10. Please provide examples of your experience of working with organisations of a similar size and scope.   11. Please confirm hours of support and service availability targets, including any DR plans in place to ensure this is met.   12. Please confirm your logging and data retention policy.  1. Section 3.4, Security –   Please complete the HMRC Security Questionnaire attached in Annex B | |

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|  | **Further information** |
| * 1. **Questions and Clarifications**      1. Please send any clarification questions you have on this Request for Proposal via the eSourcing Portal using the ‘Compose Message’ field. In order to provide you with a comprehensive answer to your questions, HMRC request that all clarification questions are received by 22/01/2020 17:00hrs      2. If for any reason the messaging system be unavailable, then all queries in relation to this Request for Proposal should be directed to the HMRC contact detailed in section1.      3. Commercial Directorate co-ordinates all queries in order to ensure equity of treatment of all potential Contractors. Therefore, the business areas must not be contacted directly.   2. **General Information**      1. Instructions and guidance for completion of the on-line element are available from the help menus within the supplier’s area of the portal.      2. If any part of your submission is incomplete, it may not be evaluated resulting in you being excluded from the process.      3. In your response to the requirements, please do not:  1. reference your answers from one response to another, even where there is commonality; 2. submit additional documentation with your response except where specifically requested; 3. include publicity material of any kind, e.g. brochures and web references; or 4. contain any inserted, pasted or embedded; pictures or documents (e.g. image files, Adobe Acrobat documents or other Word documents).    * 1. Any additional items where requested should be provided as separate files using the format specified e.g. MS Word, MS Excel, MS PowerPoint, Adobe Acrobat or jpeg formats; no other formats should be used.      2. Where a supplier exceeds the permitted number of attachments and/or any maximum page limits, HMRC may disregard any information provided which is over and above the permitted limit.      3. These instructions are designed to ensure that all suppliers are given equal treatment.  It is important therefore that you provide all the information asked for in the format and order specified.      4. HMRC may decide to hold a product trial stage post evaluation for high scoring suppliers before award selection. | |

**Annex A – Pricing Matrix**

The embedded Pricing Matrix below must be completed and provided as part of your proposal response.



Suppliers must only provide responses within the blue cells.

**Annex B – HMRC Security Questionnaire**

The embedded Security questionnaire must be fully completed and provided as part of your proposal response.

