

Electric Reliability Council of Texas, Inc. (ERCOT)

Contract Administration and Procurement



Request for Information

For

Multi-Factor Authentication Solution 01-18 JT

Date of Release: January 8, 2018

1	GENERAL INFORMATION	3
1.1	RFI Objective	3
1.2	ERCOT Background	3
1.3	Basic Philosophy: Vendor Relations	3
1.4	Legal and Regulatory Constraints	3
1.5	ERCOT Point of Contact	4
1.6	ERCOT Timeline	4
1.7	RFI Cancellation	5
1.8	Right to Reject Responses	5
2	SCOPE, PURPOSE, AND OBJECTIVE	6
2.1	Project Background	6
2.2	Project Overview and Objective	6
2.3	ERCOT MFA Requirements	7
2.4	Project Timeline	8
2.5	Vendor Questions and Required Feedback	8
3	GENERAL INSTRUCTIONS AND RESPONSE REQUIREMENTS	10
3.1	Notice of Intent to Respond	10
3.3	News Releases	10
3.4	ERCOT Use of Vendor Ideas	11
3.5	Additional Information	11
3.6	Instructions for Submitting Responses	11
3.7	Format and Content	12
4	EVALUATION	15
4.1	Evaluation of Response	15
4.2	Evaluation Criteria	15
4.1	Oral Presentations and Site Visits	15
4.3	Discussions with Respondents	15

1 GENERAL INFORMATION

1.1 RFI Objective

This is a Request for Information (RFI) only and does not constitute a commitment, implied or otherwise, that the Electric Reliability Council of Texas, Inc. (ERCOT) will take procurement action in this matter.

The ERCOT objective in this RFI is to evaluate vendor product and service offerings and develop multi-factor authentication for both on-premises application and SaaS applications used by ERCOT employees and ERCOT customers.

1.2 ERCOT Background

1.2.1 Overview of the Electric Reliability Council of Texas, Inc.

Electric Reliability Council of Texas (ERCOT) manages the flow of electric power to 24 million Texas customers, representing approximately 90 percent of the state's electric load. As the Independent System Operator for the region, ERCOT schedules power on an electric grid that connects more than 43,000 miles of transmission lines and 550 generation units. ERCOT also performs financial settlement for the competitive wholesale bulk-power market and administers retail switching for 7 million premises in competitive choice areas. ERCOT is a membership-based 501(c)(4) nonprofit corporation governed by a board of directors and subject to oversight by the Public Utility Commission of Texas and the Texas Legislature. Additional information about ERCOT can be found at <http://www.ercot.com/>.

1.3 Basic Philosophy: Vendor Relations

ERCOT'S fundamental commitment is to contract for value and successful results. A successful result is denoted as the generation of defined, measurable, and beneficial outcomes that support ERCOT's missions, objectives, and goals, and satisfies all defined contract requirements.

1.4 Legal and Regulatory Constraints

1.4.1 Conflicts of Interest

ERCOT seeks to ensure a level playing field in the award of the contract. ERCOT has implemented an aggressive policy concerning actual or potential conflicts of interest to ensure fair and open competition, and has included language concerning actual and potential conflicts of interest in Section 8 of the Master

Section 1 – General Information

Agreement. Respondents must carefully review and understand this language when developing proposals.

1.4.2 Former Employees of ERCOT

The Respondent must disclose any past employment of its employees and agents, or its subcontractors' employees and agents, by ERCOT, including the individual's name and the date such individual's employment at ERCOT ended.

1.5 **ERCOT Point of Contact**

The sole point of contact for inquiries concerning this RFI is:

Jason Terrell
Procurement Specialist
2705 West Lake Drive
Taylor, Texas 76574
(512) 248-6331
Fax: (512) 248-3118
Jason.Terrell@ercot.com

All communications relating to this RFI must be directed to ERCOT contact person named above.

1.6 **ERCOT Timeline**

ERCOT Timeline	
RFI Release Date	01/08/2018
Notice of Intent to Respond	01/18/2018
Vendor Questions Due	01/18/2018
Response to Vendor Questions	01/25/2018
Vendor Responses Due	02/08/2018
Vendor Presentations	03/01/2018
Future Solicitation for Proposal (if needed)	03/2018

1.7 RFI Cancellation

ERCOT reserves the right to cancel this RFI.

1.8 Right to Reject Responses

ERCOT may, in its discretion, reject any and all responses submitted in response to this RFI.

1.11 No Reimbursement for Costs of Responses

ERCOT will not reimburse any respondent for costs of developing a response to this RFI.

2 SCOPE, PURPOSE, AND OBJECTIVE

2.1 *Project Background*

ERCOT is seeking information on a solution for multi-factor authentication (MFA) to manage identities and access effectively for on-premise and cloud applications for employees and customers. ERCOT needs the ability to have assurance that users are who they claim to be (identity assurance) and that their access is appropriate (access assurance).

2.2 *Project Overview and Objective*

ERCOT has applications on-premise as well as in the cloud where the SaaS applications are not stored in a centralized identity store. To prevent “islands of identities”, ERCOT is seeking a solution that will bridge these islands with a single unified platform that provides the visibility and control IT needs while providing the users with a common access point that’s easy and convenient. We are seeking a solution that provides risk-based identity assurance, a range of mobile-optimized authentication methods and the ability to protect the broadest range of cloud, web, and traditional client/server applications that are on-premise and in the cloud.

The solution should be built on “API first” meaning that IAM services can be consumed via API’s in a self-service manner through vendors and custom API development. The MFA solution should also provide agents, proxies and plug-ins for important enterprise use cases that support easy integration and rapid deployment

The solution must be able to be integrated with Identity as a Service (IDaaS).

- 2.2.1** The MFA solution must augment the traditional authentication with risk-based analytics and adaptive authentication techniques.
- 2.2.2** The MFA solution must adopt identity proofing as requisite step in user enrollment for MFA credentials.
- 2.2.3** The MFA solution must be able to support SSO and Federation.

2.3 ERCOT MFA Requirements

ERCOT seeks to deploy an MFA solution and has defined the current general requirements and specifications.

2.3.1 General Requirements

- (A) Access to on-premises web applications. This requirement includes applications that do not support single sign-on (SSO) and, therefore, cannot rely on trusted identity providers to enforce MFA.
- (B) Identity Federation and web SSO. This requirement covers both on-premises and cloud-based applications that either natively support SSO or can be integrated with SSO-capable access management solutions.
- (C) User and Entity Behavior Analytics (UEBA) must be embedded. The solution must be able to continuously evaluate contextual data to dynamically assess trust and risk and, when necessary, prompt adaptive responses to elevate trust or mitigate risk.
- (D) The solution must have capability to integrate with IDaaS with little or no modifications.

2.3.2 Project-specific Requirements

- (A) Solution must ensure adequate protection of enrollment sessions. Identity proofing must be a requisite step in user enrollment.
- (B) Solution must support application access for both on-premises and cloud based applications.
- (C) Solution must support SSO.
- (D) Solution must support applications that do not support SSO.
- (E) Solution must support provisioning and identity synchronization.
- (F) Solution must support mobile push, mobile OTP, pattern-based, and voice callback authentication methods.
- (G) Solution should support biometric and wearable authentication methods.
- (H) Solution must support adaptive authentication.
- (I) Solution should support bypass codes for emergency authentication.
- (J) Solution must support integration with SIEM tools and analytics to collect and report on authentication events, blocked requests, failed requests, and device information.
- (K) Solution must support 7 x 24 x 365 end-to-end availability.
- (L) Solution must support secure communications.

2.4 Project Timeline

ERCOT is requesting information for MFA solutions and capabilities. Based on the information received, ERCOT will invite vendors for on-site visits and demonstrations. If vendors have the ability to perform a proof of concept, please identify in the response and ERCOT will work with vendor to plan accordingly. Vendors are required to provide references of previous implementations based on the General Requirements described in section 2.3.1. If this RFI solicitation results in solution(s) that meet ERCOT's requirements, a formal Request for Proposal may be issued at a later date.

Vendor is required to specify how the solution addresses the General Requirements as well as the tasks required to implement the solution to meet the requirements.

Solutions that provide MFA, SSO, Federation, analytics, and contextual authentication will be given preference for review and future selection possibilities.

2.5 Vendor Questions and Required Feedback

ERCOT seeks vendor responses to the following questions and solicits general feedback regarding ideal methodologies and approaches to Multi-Factor Authentication.

2.5.1 Corporate Background and Experience

- (A) When was your company founded?
- (B) Is Multi-Factor Authentication your company's core competency?
- (C) Please provide the total quantity of solution deployments
- (D) Of all solution deployments to date, what is your retention rate? (i.e. how many of those deployments are still operational?)

2.5.2 Total Cost of Ownership

- (A) What are the initial (one-time) costs for this type of service?
- (B) Please identify all costs associated with annual support or maintenance.
- (C) Please identify all costs associated with training ERCOT staff
- (D) Please provide an hourly rate for future professional services.
- (E) How often would ERCOT be required to upgrade to new versions and what is the cost to do so?

2.5.3 Project Schedule

- (A) What is the length of a typical solution deployment?
- (B) Does the deployment labor include project management?
- (C) What project management methodology does your company utilize?

2.5.4 Support, Training and Management

- (A) Please identify any various support levels (Silver, Gold, Platinum, etc.) and details for each.
- (B) Is support conducted by your company or do you have relationships with third party support providers?
- (C) What type of training format do you recommend for a standard deployment - In-person, online, etc.?

2.5.5 Security

- (A) Please provide any SOC II audit or other documentation outlining your security practices.

3 GENERAL INSTRUCTIONS AND RESPONSE REQUIREMENTS

3.1 *Notice of Intent to Respond*

A prospective vendor may submit a Notice of Intent to Respond to the ERCOT Point of Contact identified in Section 1.5 no later than 5:00PM Central Time on **the date listed in the timeline in Section 1.6**. The Notice of Intent should consist of an email stating that the prospective vendor intends to submit a response for this request. Only vendors who submit a Notice of Intent to Respond will receive the answers to questions from all vendors, and/or any clarifications, amendments, and addenda to the Request For Information. Vendors who provide a Notice of Intent are not obligated to respond after submitting the NOI, but must submit a response to be considered for an award.

3.2 *Vendor Questions and Comments*

All questions and comments regarding this RFI must be submitted electronically to the email address contained in Section 1.5 (ERCOT Point of Contact). All questions must reference the appropriate RFI page and section number. In order to receive a response, vendor questions and comments must be received no later than the deadline set forth in Section 1.6 (ERCOT Timeline). Inquiries received after the due date may be reviewed by ERCOT but will not receive a response. Answers to vendor questions will be emailed to the point of contact listed on the Notice of Intent to Propose. A respondent must inquire in writing as to any ambiguity, conflict, discrepancy, exclusionary specification, omission or other error in this RFI prior to submission. If a respondent fails to notify ERCOT of any error, ambiguity, conflict, discrepancy, exclusionary specification, or omission, the respondent shall respond at its own risk and, if awarded the contract, shall have waived any claim that the RFI and Master Agreement were ambiguous and shall not contest ERCOT's interpretation. If no error or ambiguity is reported by the deadline for submitting written questions, the respondent shall not be entitled to additional compensation, relief, or time by reason of the error or its later correction.

ERCOT reserves the right to amend answers prior to the submission deadline.

3.3 *News Releases*

A respondent may not issue press releases or provide any information for public consumption regarding its participation in this RFI without specific, prior written approval of ERCOT.

3.4 ERCOT Use of Vendor Ideas

- ERCOT reserves the right to use any and all ideas presented in any response that are not the respondent's proprietary information and so designated in the response. The respondent's proprietary materials do not include information that ***is already published or available to the public, or subsequently becomes available;***
- is received from a third party who, to ERCOT's knowledge, is not in breach of ***any obligation of confidentiality; or***
- is independently developed by personnel or agents of ERCOT without reliance on the respondent's proprietary materials.

3.5 Additional Information

By submitting a response, the respondent grants ERCOT the right to obtain information from any lawful source regarding: (i) the past business history, practices, conduct, and ability of a respondent to supply goods, services, and deliverables; and (ii) the past business history, practices, conduct, and ability of the respondent's directors, officers, and employees. ERCOT may take such information into consideration in evaluating responses.

3.6 Instructions for Submitting Responses

3.6.1 Submission

Submit responses to the ERCOT Point of Contact no later than **2:00 p.m. Central Time on the submission deadline** (See Section 1.6 & 1.7). The proposal must be signed by an authorized representative of the respondent and submitted electronically via email—the file must not exceed 20MB. If this size restriction cannot be met, multiple emails may be sent, but respondent must indicate how many emails ERCOT should anticipate (i.e. email 1 of 3). ERCOT reserves the right to disqualify late proposals.

3.6.2 Additional Requirements

All responses must be:

- Clearly legible;
- Sequentially page-numbered;
- Organized in the sequence outlined in Section 3.11;
- Bound in a notebook or cover (only if submitted as a hard copy);
- Responsive to the requirements of this RFI;

- Responses should include the respondent's name at the top of each page, and should not include unrequested materials or pamphlets.

3.7 Format and Content

The proposal must consist of two parts:

- Part 1 – Business Response; and
- Part 2 – Cost Proposal.

3.7.1 Part 1 -- Business Response

The Business Response, must include:

- Section 1 – Transmittal Letter;
- Section 2 – Executive Summary;
- Section 3 – Corporate Background and Experience;
- Section 4 – Methodology and Services Approach
- Section 5 – Assumptions;
- Section 6 – Vendor Information and Other Required Forms.

Section 1 -- Transmittal Letter

Respondents must include a transmittal letter printed on official company letterhead. The letter must be signed by an individual authorized to legally bind the respondent.

The transmittal letter must include:

1. Disclosure of all pending, resolved, or completed litigation, mediation, arbitration, or other alternate dispute resolution procedures involving the respondent (including subcontractors,) and its client(s) within the past 24 months.
2. Disclosure of all affiliations with, or ownership relationships with, any ERCOT Market Participant or its affiliates.
3. A description of any personal or business interest that may present an actual, potential, or apparent conflict of interest with the performance of the contract and an explanation of how the respondent can assure ERCOT that these relationships will not create an actual conflict of interest.
4. A list of key personnel previously employed by ERCOT in accordance with the requirements of Section 1.5.2.
5. A complete list of all exceptions, reservations, and limitations to the terms and conditions of the RFI.

6. Signed copies of the Professional Services Agreement, NDA, IRS W-9, and Vendor Information Form located at <http://www.ercot.com/about/procurement/index.html>.

Please also address the following Records and Information Management (RIM) RFP Questions:

1. Does the solution include an application that will generate electronic information to be saved or stored within such application, whether hosted off-site or within ERCOT's current IT infrastructure?
If YES, proceed to question 2.
If NO, no further questions are required as this does not pose any RIM Program concerns.
2. Does your solution utilize proprietary electronic document formats?
If YES, provide additional detail for RIM evaluation (what format(s) and access requirements).
If NO, provide additional detail for RIM evaluation (what format(s)).
3. Can your product meet ERCOT's RIM program requirements¹ for Records and information generated or stored by the system including destruction at the end of their lifecycle?
If YES, provide additional detail for RIM evaluation.
If NO, initiate additional discussion.

Section 2 -- Executive Summary

In this section, the respondent should condense and highlight the content of the Business Response to provide ERCOT with a broad understanding of the respondent's approach to meeting ERCOT's objectives for this RFI.

Section 3 -- Corporate Background and Experience

Respondent Background and Experience

This section details the respondent's corporate background and experience. If the respondent proposes to use subcontractor(s), it must describe any existing ongoing relationships with such subcontractor(s), including project descriptions. The section should include the following information:

- Respondent's full organization, company or corporate name;
- Headquarter address;
- Type of ownership (e.g. partnership, corporation);
- If the respondent is a subsidiary or affiliate and the name of the parent organization;
- Federal taxpayer identification;

¹ RIM program requirements include purging records and non-record information based on current business requirements and the retention requirements found in ERCOT's Records Retention Schedule.

Section 3 – General Instructions

- Name and title of person responsible for responding to questions regarding the response, with telephone number, facsimile number, and email address.

Describe the respondent's corporate background as it relates to projects similar in scope and complexity to the project described in this RFI.

Section 4 – Methodology and Services Approach

Describe the respondent's methodology for providing the services/requirements identified in Section 2. Include a proposed project schedule, including start and finish dates of the terminal, and summary elements that are essential to developing a MFA solution as required in Section 2 or as proposed by the vendor.

Section 5 – Assumptions

State any business, economic, legal, or practical assumptions that underlie the respondent's Response.

Section 6 – Appendices

Include any appendices to the respondent's Business Proposal.

Section 7 – Vendor Information and Other Required Forms

Respondents must complete the following required forms:

- Nondisclosure Statement (Attachment B)
- Vendor information form (Attachment C)
- Except for current ERCOT suppliers who have an active Master Agreement with ERCOT or who have completed the Vendor Information Form (VIF) within the last six months, all Respondents must provide a completed Supplier Vendor Information Form, attached hereto as Attachment C along with the proposal.

4 EVALUATION

4.1 Evaluation of Response

ERCOT will select the successful vendor through an internal evaluation process. ERCOT will consider capabilities or advantages that are clearly described in the proposal, which may be confirmed by oral presentations, site visits, or demonstrations if required, and verified by information from reference sources contacted by ERCOT. ERCOT reserves the right to contact individuals, entities, or organizations that have had dealings with the respondent or staff proposed for this effort, whether or not identified in the proposal.

4.2 Evaluation Criteria

The primary criteria for evaluating the proposals as they relate to this RFI are as follows:

1. The vendor's ability to meet the requirements set forth in Section 2.
2. The vendor's fees or cost structure.

4.1 Oral Presentations and Site Visits

ERCOT may, at its sole discretion, request oral presentations, site visits, and/or demonstrations from one or more respondents. ERCOT will notify selected respondents of the time and location for these activities, and may supply agendas or topics for discussion. ERCOT reserves the right to ask additional questions during oral presentations, site visits, and/or demonstrations to clarify the scope and content of the written proposal, oral presentation, site visit, or demonstration.

4.3 Discussions with Respondents

ERCOT may, but is not required to, conduct discussions and negotiations with all, some, or none of the respondents for the purpose of obtaining the best value for ERCOT.