



Request for Proposals for Fintech Ecosystem Analysis

RFP No. 2020-JAII-05

**Massachusetts Technology Collaborative
75 North Drive
Westborough, MA 01581-3340
<http://www.masstech.org>**

Procurement Team Leader:	Pat Larkin
RFP Issued:	11/20/2019
Questions Due:	11/29/2019
Answers to Questions Posted:	12/4/2019
Responses Due:	12/20/2019

1. INTRODUCTION

1.1 Overview

The John Adams Innovation Institute ("Innovation Institute"), a division of the Massachusetts Technology Collaborative ("Mass Tech Collaborative"), is seeking proposals from qualified applicants ("Applicants") for a consultant to develop an Ecosystem Analysis of the Fintech ecosystem in the Commonwealth of Massachusetts (the "Services").

Applicants will be competing against each other for selection to provide the Services. The submissions of all Applicants shall be compared and evaluated pursuant to the evaluation criteria set forth in this RFP.

Mass Tech Collaborative will be the contracting entity on behalf of the Innovation Institute. For the purposes of this RFP (and except where the specific context warrants otherwise), the Innovation Institute and Mass Tech Collaborative are collectively referred to as Mass Tech Collaborative. Mass Tech Collaborative will enter into a *Services Agreement* and *Statement of Work* with selected Applicants containing certain standard provisions (the "Agreement"), located [HERE](#).

Services under this RFP will be supported through state funding through the Innovation Institute Line Item (7002-0032).

1.2 Mass Tech Collaborative and the Innovation Institute

Mass Tech Collaborative is an independent public instrumentality of the Commonwealth of Massachusetts chartered by the Commonwealth to serve as a catalyst for growing its innovation economy. Mass Tech Collaborative brings together leaders from industry, academia, and government to advance technology-focused solutions that lead to economic growth, job creation, and public benefits in Massachusetts. Mass Tech Collaborative has three primary divisions: The Innovation Institute at the MassTech Collaborative, the Massachusetts Broadband Institute, and the Massachusetts e-Health Institute. For additional information about Mass Tech Collaborative and its programs and initiatives, please visit our website at www.masstech.org.

Established in 2004 as a division of Mass Tech Collaborative, the Innovation Institute works to support key industry clusters and to improve conditions for growth in the Commonwealth's Innovation Economy. The 'Innovation Economy' can be described as the economy that transforms knowledge into new ideas, ways or patterns of thinking, products, processes and services that fuel economic growth, create employment and wealth, and generate significant improvements in the region's standard of living. The Innovation Institute provides targeted, expert services, often accompanied by investments, to support the growth and enhance the competitiveness of key industry clusters in the Commonwealth's knowledge economy. For more information about the Innovation Institute and its activities and investments, please visit the web site at www.masstech.org/innovation-institute

2. SERVICES REQUIRED

2.1 Intent

The intent of this RFP is to solicit responses from Applicants that: 1.) are familiar with the Fintech and financial services industry in Massachusetts, 2.) have demonstrated experience analyzing ecosystems (preferably entrepreneurial ecosystems) with a qualitative approach, and 3.) have knowledge and understanding of the interactions and convergence between Fintech and financial services companies. A qualified Applicant will be able to recommend actionable opportunities to improve collaboration between the Fintech and financial services industries and further develop the growth of both sectors in Massachusetts.

2.2 Background

The financial sector in Massachusetts is rich and diverse; today it employs more than 160,000 people and accounts for 12% of the jobs and 17% of the economic output of the state's innovation economy. With the rise of new technologies and innovations disrupting the financial sector, large incumbent companies start collaborating with small, light-on-their-feet, startups to take advantage of the Fintech revolution and bring new technologies to their operations and customers.

In 2018 the Commonwealth of Massachusetts, specifically the Executive Office of Housing and Economic Development (EOHED), initiated a study into several emerging technologies and the opportunities to grow the state's innovation economy. Fintech was evaluated as one of the most promising areas for further investment. The Baker-Polito Administration adopted these insights and placed Fintech in its 2019 Economic Development Plan as a key priority. At the same time EOHED Secretary Mike Kennealy called for a Fintech Working Group, a collaborative of state, academic, and non-profit leaders working together with leading financial services organizations headquartered in the Commonwealth. The Working Group's goal is to develop a strategic framework and action agenda for the further growth of Fintech sector, which will in turn grow the financial services sector in Massachusetts.

The emerging technologies study, along with findings from additional external consultant support, and the discovery performed by the Fintech Working Group offers the successful Applicant a baseline of information for a more comprehensive understanding of the Fintech ecosystem. Amongst other things, these efforts revealed that 172 Fintech companies are headquartered in Massachusetts, and approximately \$0.5B of venture capital is going into Massachusetts-based Fintech startups. The (small) startups encompass all domains, including capital markets, payments, personal finance, and insurance. Massachusetts has several advantages in Fintech due to the presence of research and academic institutions (e.g. MIT, WPI, Harvard, University of Massachusetts, Brandeis University, etc.), a highly collaborative culture (FinTech Sandbox and MassChallenge FinTech as great examples), and knowledgeable Fintech startup founders (Kensho, Toast, Flywire, etc.). For this reason, Fintech experts rate Boston as a rising player in Fintech, competing with the existing Fintech hubs in California, New York, Paris, Toronto, Singapore, and Hong Kong. While the future for the Massachusetts Fintech scene looks promising, challenges facing its development include the retention of its highly educated talent, the connection of early stage startups with capital, and further relationships of the Fintech and financial services sectors.

2.3 Fintech Ecosystem Analysis Services

The chosen consultant will provide a Fintech ecosystem analysis, which will serve to provide insights into the quality of the Fintech startup ecosystem, to discover opportunities for improvement and better interaction between Fintech and financial services in Massachusetts, and to provide actionable recommendations to ensure future sustainability and growth for the industry in Massachusetts. The consultant will work with a Fintech Advisory Board selected by the Fintech Working Group to guide the direction of, and establish exact goals for the study. The analysis must follow a holistic and systematic framework approach, must focus on the junction of Fintech and financial services, and must include the following:

1. Statistics on Financial Services and Fintech

The quantitative, more traditional approach to measuring industry sectors or clusters, by using a set of metrics (e.g. companies, jobs, investments, wages, new businesses, patents, etc.) for both the sectors, Fintech and financial services, in Massachusetts with the growth over time and benchmarked against Fintech clusters in NY, CA, Toronto, and Singapore. The statistics should show the size and importance of fintech and financial services to the Massachusetts economy. The effort should be kept relatively small by making use of existing data, including the baseline information referenced above.

Roughly 10% of time should be spent on this activity.

2. Map and Assessment of Fintech Ecosystem

A map and an assessment of the entire Fintech ecosystem in Massachusetts (covering both B2B and B2C and all financial services segments) that outlines all organizations, programs and initiatives in place that support growth. Consider all 'critical elements', for example: education, networks, investment, events, policy & regulation, workforce, incubators, etc. The assessment should go into the size, quality, familiarity and collaboration of all these elements and spot gaps or weaknesses. This is the biggest part of the ecosystem analysis. It should deploy a qualitative approach (by interviewing stakeholders) and also build upon the existing information and insights.

Roughly 50% of time should be spent on this activity.

3. Thinking beyond today's ecosystem snapshot

Develop insights into what other geographies have done so far and what Massachusetts can learn. Consultant should make the most insightful selection of Fintech efforts but examples include: California, New York, Chicago's FinTank, Arizona's Fintech Regulatory Sandbox, programs in Atlanta and Charlotte, and 'hubs' Toronto and Singapore), and insights into what the future of Fintech will entail (specific focus on B2B and insurance and asset management segments). The latter entails the exploration of new firms that might enter Fintech (think of Uber, Facebook and Apple's recent efforts), their new type of offerings and business models, and an in-depth look at relevant technologies and their potential for Fintech, such as AI, blockchain, cybersecurity, digital identifiers, etc.

Roughly 25% of time should be spent on this activity.

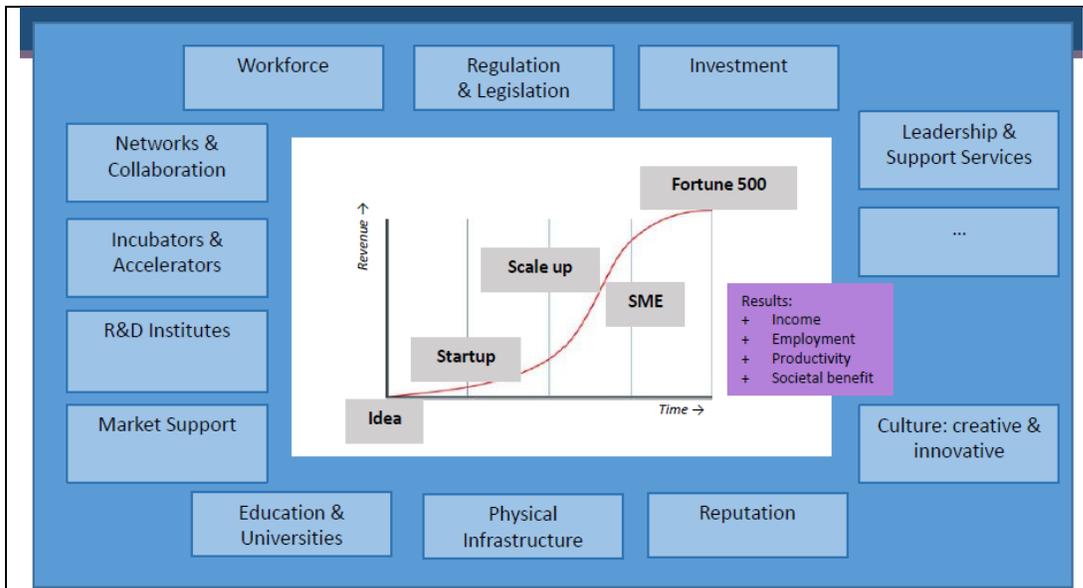
4. Recommendations based on the above

This will include suggested improvements to the current Fintech ecosystem –including:

- a. What are the next steps in supporting the ecosystem?
- b. Who are the key stakeholders that should be engaged?
- c. What are the best practices from Fintech efforts outside of Massachusetts that might be adapted/adopted in Massachusetts?; and
- d. How to leverage future changes in order to grow the existing Fintech and financial service sector?

Roughly 15% of time should be spent on this activity.

The material on the next page represents samples of suggested thinking and methodology for the assessment and map of the Fintech ecosystem outlined in bullet 2, above:



This represents an incomplete overview of 'critical elements' that contribute to a flourishing ecosystem for startups, scaling companies, and corporations.

Suggested Fintech Ecosystem Framework to deploy

<p>Incubators & Accelerators</p> <ul style="list-style-type: none"> • MassChallenge FinTech • Corporate Innovation Labs (DCU Innovation Center, Fidelity Labs, LOFT - Hancock, Eastern Labs,...) 	<p>Sources of investment capital</p> <ul style="list-style-type: none"> • VC investors (Vestigo, F-Prime, General Catalyst,...) • Private equity & Angels • In-house VC groups • Loans 	<p>Market growth resources</p> <ul style="list-style-type: none"> • (Early) customers > B2B/ B2C • Data availability • Distribution channels • Legal support • Accounting support 	<p>Legislation & Public support</p> <ul style="list-style-type: none"> • Regulations • Business Incentives • Financial support (R&D/ start funds) • Institutions/ departments
<p>Industry networking organizations & Leadership</p> <ul style="list-style-type: none"> • FinTech Sandbox • FinTech Meetup group • Events • Thought leaders speaking up • Informal network 	<p>INCUMBENT FINANCIAL SERVICE INSTITUTIONS FINTECH STARTUPS</p>		<p>Creative & Innovative Culture</p> <ul style="list-style-type: none"> • Tolerance of risk • Welcoming attitude • Experimentation • Ambition • Common goal or mission
<p>Degree granting colleges & Universities</p> <ul style="list-style-type: none"> • Institutes and relevant programs (MIT, Brandeis, Harvard, WPI, BU, Northeastern,...) • ALSO: university R&D initiatives/ institutes 	<p>Training Organizations</p> <ul style="list-style-type: none"> • Retraining current workforce • Training unskilled potentials • Entrepreneurial employees • Professional training (chartered financial analysts) 	<p>Marketing & Branding events and organizations</p> <ul style="list-style-type: none"> • Conferences > FinTech Week (sept) • Success stories 	<p>Business prerequisites</p> <ul style="list-style-type: none"> • Housing (companies and people) • Transportation • Logistics • Telecommunications

First endeavor to map the Fintech Ecosystem in Massachusetts by MassTech Collaborative.

To the extent possible the analysis should keep pace and align with the activities of the Working Group. The initial project plan included in the Applicant's Proposal should be presented to the Working Group for review early January 2020. The consultant's close-to-final results should be presented during the March/April 2020 timeframe. The final analysis is expected to be delivered in a report with a complementary PowerPoint presentation that describes all of the insights resulting from the activities described above.

3.0 EVALUATION PROCESS AND CRITERIA

3.1 Process

The Mass Tech Collaborative shall evaluate each Application that is properly submitted. As part of the selection process, Mass Tech Collaborative may invite finalists to answer questions regarding their Application in person or in writing. In its sole discretion, Mass Tech Collaborative may also choose to enter into a negotiation period with one or more finalist Applicant(s) and then ask the Applicant(s) to submit a best and final offer.

3.2 Criteria

Selection of an Applicant to provide the services sought herein may be based on criteria that include but are not limited to:

- Strength of Applicant's qualifications
- Familiarity with *both* financial services and Fintech in Massachusetts
- Demonstrated experience in conducting ecosystem analyses including both quantitative analyses and qualitative ecosystem mapping
- Demonstrated success at recognizing and recommending actionable opportunities, especially with respect to collaborative improvements in an ecosystem
- Clarity and quality of proposed approach that demonstrates understanding of requirements and the significance of the project
- Familiarity with technologies that will impact Fintech in the future and companies and business models that are to be expected in this space
- Sufficient bandwidth to deliver on the project on budget and on schedule
- Quality of Match Contributions
- Overall pricing and rates proposed

The order of these factors does not generally denote relative importance. The goal of this RFP is to select and enter into an Agreement with the Applicant that will provide the best value for the Services to achieve Mass Tech Collaborative's goals. Mass Tech Collaborative reserves the right to consider such other relevant factors as it deems appropriate in order to obtain the "best value".

The Innovation Institute will look positively upon Proposals that identify either cash or in-kind match from the Applicant or their participating partners. While match is not required, it can be a strong indicator the Applicant is demonstrating a broad-based commitment to the effort. In addition, matching resources may create a more robust project with a higher likelihood of success. The successful consultant will work closely with the Fintech Working Group and will likely be offered the opportunity to continue engaging the ecosystem as a standing member of the working group.

Lack of debarment status by either the state or federal government is also required.

4. APPLICATION PROCESS

4.1 Application and Submission Instructions

Applicants are cautioned to read this RFP carefully and to conform to its requirements. Failure to comply with the requirements of this RFP may serve as grounds for rejection of an Application.

- a. An electronic version of the Application **must** be submitted to **proposals@masstech.org** (please include the RFP number in the subject heading).
- b. Required Submissions- All Applications must include the items listed below:

- Application Cover Sheet (**Attachment A**)
 - Application, which shall include:
 - A description of the firm responding to the RFP (including descriptions of proposed subcontractors, if any) and the firm's qualifications to perform the Services.
 - The project plan including the proposed approach to providing the Services. Additionally, Applicants are invited to propose alternative(s) which provide substantially better or more cost-effective performance than achievable under the stated RFP scope of services.
 - Using the Budget Template (**Attachment C**) provide the total not-to-exceed costs for providing the Services based on projected hours, proposed hourly rates, and any other appropriate costs. List additional fees, overhead charges, or reimbursable expenses, if any. As a general policy, the Mass Tech Collaborative does not pay mark-ups on reimbursables or out-of-pocket expenses. The Mass Tech Collaborative also does not pay for word processing, overtime or meals. For travel costs, the Mass Tech Collaborative pays the IRS rate per mile.
 - Three references for work previously performed by the Applicant that is substantially similar to the Services. References should include a contact person, address and phone number.
 - Authorized Application Signature and Acceptance Form (**Attachment B**). **By executing the Authorized Applicant's Signature and Acceptance Form and submitting a response to this RFP, Applicants certify that they (1) are in compliance with the terms, conditions and specifications contained in this RFP, (2) acknowledge and understand the procedures for handling materials submitted to the Mass Tech Collaborative as set forth in subsection d. below, (3) agree to be bound by those procedures, and (4) agree that the Mass Tech Collaborative shall not be liable under any circumstances for the disclosure of any materials submitted to the Mass Tech Collaborative pursuant to this RFP or upon the Applicant's selection.**
 - Exceptions to the *Services Agreement and Statement of Work*, located [HERE](#), if any.
- c. Any and all responses, Applications, data, materials, information and documentation submitted to Mass Tech Collaborative in response to this RFP shall become Mass Tech Collaborative's property and shall be subject to public disclosure. As a public entity, the Mass Tech Collaborative is subject to the Massachusetts Public Records Law (set forth at Massachusetts General Laws Chapter 66). There are very limited and narrow exceptions to disclosure under the Public Records Law. If an Applicant wishes to have the Mass Tech Collaborative treat certain information or documentation as sensitive or confidential, the Applicant must submit a written request to the Mass Tech Collaborative's General Counsel's office no later than 5:00 p.m. fourteen (14) business days prior to the required date of Application submission set forth in Section 4.2 below. The request must precisely identify the information and/or documentation that is the subject of the request and provide a detailed explanation supporting the application of the statutory exemption(s) from the public records cited by the Applicant. The General Counsel will issue a written determination within ten (10) business days of receipt of the written request. If the General Counsel approves the request, the Applicant shall clearly label the relevant information and/or documentation as "**CONFIDENTIAL**" in the Application and **shall only include the confidential material in a hard copy of the Application**. Any statements in an Application reserving any confidentiality or privacy rights that is inconsistent with these requirements and procedures will be disregarded.

4.2 Application Timeframe

The application process will proceed according to the following schedule. The target dates are subject to change. Therefore, Applicants are encouraged to check Mass Tech Collaborative's website frequently for updates to the schedule.

Task	Date:
RFP Released	11/20/2019
Questions Due	11/29/2019 @ 5 PM EST
Question and Answer File Posted	12/4/2019 @ 5 PM EST
Applications Due	12/20/2019 @ 3 PM EST

4.3 Questions

Questions regarding this RFP must be submitted by electronic mail to proposals@masstech.org with the following Subject Line: "Questions – RFP No. 2020-JAIL-05". All questions must be received by 5:00 p.m. EST on 11/29/2019. Responses to all questions received will be posted on or before 5:00 p.m. on 12/4/2019 to Mass Tech Collaborative and Comm-Buys website(s).

5.0 GENERAL CONDITIONS

5.1 General Information

- a) If an Application fails to meet any material terms, conditions, requirements or procedures, it may be deemed unresponsive and disqualified. The Mass Tech Collaborative reserves the right to waive omissions or irregularities that it determines to be not material.
- b) This RFP, as may be amended from time to time by Mass Tech Collaborative, does not commit Mass Tech Collaborative to select any firm(s), award any contracts for services pursuant to this RFP, or pay any costs incurred in responding to this RFP. Mass Tech Collaborative reserves the right, in its sole discretion, to withdraw the RFP, to engage in preliminary discussions with prospective Applicants, to accept or reject any or all Applications received, to request supplemental or clarifying information, to negotiate with any or all qualified Applicants, and to request modifications to Applications in accordance with negotiations, all to the same extent as if this were a Request for Information.
- c) On matters related solely to this RFP that arise prior to an award decision by the Mass Tech Collaborative, Applicants shall limit communications with the Mass Tech Collaborative to the Procurement Team Leader and such other individuals as the Mass Tech Collaborative may designate from time to time. No other Mass Tech Collaborative employee or representative is authorized to provide any information or respond to any questions or inquiries concerning this RFP. Applicants may contact the Procurement Team Leader for this RFP in the event this RFP is incomplete.
- d) The Mass Tech Collaborative may provide reasonable accommodations, including the provision of materials in an alternative format, for Applicants with disabilities or other hardships. Applicants requiring accommodations shall submit requests in writing, with supporting documentation justifying the accommodations, to the Procurement Team Leader. The Mass Tech Collaborative reserves the right to grant or reject any request for accommodations.
- e) Applicant's Application shall be treated by the Mass Tech Collaborative as an accurate

statement of Applicant's capabilities and experience. Should any statement asserted by Applicant prove to be inaccurate or inconsistent with the foregoing, such inaccuracy or inconsistency shall constitute sufficient cause for Mass Tech Collaborative in its sole discretion to reject the Application and/or terminate of any resulting Agreement.

- f) Costs that are not specifically identified in the Applicant's response and/or not specifically accepted by Mass Tech Collaborative as part of the Agreement will not be compensated under any contract awarded pursuant to this RFP.
- g) Mass Tech Collaborative's prior approval is required for any subcontracted services under any Agreement entered into as a result of this RFP. The selected Applicant will take all appropriate steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. The selected Applicant is responsible for the satisfactory performance and adequate oversight of its subcontractors. Subcontractors are required to meet the same requirements and are held to the same reimbursable cost standards as the selected Applicant.
- h) Submitted responses must be valid in all respects for a minimum period of sixty (60) days after the deadline for submission.

5.2 Posting of Modifications/Addenda to RFP

This RFP has been distributed electronically using the Mass Tech Collaborative and COMMBUYS websites. If the Mass Tech Collaborative determines that it is necessary to revise any part of this RFP, or if additional data is necessary to clarify any of its provisions, an addendum will be posted to the websites. It is the responsibility of each potential Applicant to check the Mass Tech Collaborative and COMMBUYS websites for any addenda or modifications to the RFP. The Mass Tech Collaborative accepts no liability and will provide no accommodation to Applicants who submit a response based on an out-of-date RFP.

Attachment A
Application Cover Sheet

Name of Respondent			
Mailing Address	City/Town	State	Zip Code
Telephone	Fax	Web Address	
Primary Contact for Clarification		Primary Contact E-mail Address	
Authorized Signatory		Authorized Signatory E-mail Address	
Legal Status/Jurisdiction (e.g., a Massachusetts Corporation, LLC, LLP, etc.)		Respondents DUNS No.	

Attachment B
Massachusetts Technology Collaborative
Authorized Applicant’s Signature and Acceptance Form

The undersigned is a duly authorized representative of the Applicant listed below. The Applicant has read and understands the RFP requirements. The Applicant acknowledges that all of the terms and conditions of the RFP are mandatory, and that Applicant’s response is compliant with such requirements. The Applicant specifically acknowledges the application of the procedures regarding disclosure of sensitive information as set forth in Section 4.1 (c) of the RFP, and specifically agrees that it shall be bound by those procedures.

The Applicant understands that, if selected by the Mass Tech Collaborative, the Applicant and the Mass Tech Collaborative will execute an Agreement specifying the mutual requirements of participation. The undersigned has either (*please check one*):

- specified exceptions and counter-proposals to the terms and conditions of the Agreement; or
- agrees to the terms and conditions set forth therein;

The undersigned acknowledges and agrees that the failure to submit exceptions and counter-proposals with this response shall be deemed a waiver, and the Agreement shall not be subject to further negotiation.

Applicant agrees that the entire bid response will remain valid for sixty (60) days from receipt by the Mass Tech Collaborative.

I certify that Applicant is in compliance with all corporate filing requirements and State tax laws.

I further certify that the statements made in this response to the RFP, including all attachments and exhibits, are true and correct to the best of my knowledge.

Applicant: _____
(Printed Name of Applicant)

By: _____
(Signature of Authorized Representative)

Name: _____

Title: _____

Date: _____

Attachment C
Budget Template

See Excel spreadsheet