Project Overview for the gTLD Marketplace Health Index Assessment Request for Proposal

Date of issue:
22 September 2017

ICANN

1.0   Introduction

1.1   About This Document

The Internet Corporation for Assigned Names and Numbers organization ("ICANN") is soliciting proposals to identify one or more suppliers qualified to (a) assess domain name system (DNS) marketplace indicators, (b) create a detailed taxonomy document of the final set of recommended indicators, and (c) identify sources for any requisite data external to ICANN organization. This document provides an overview of the request for proposal (RFP). It aims to provide background and pertinent information regarding the requirements. The RFP itself comprises this as well as other documents that are hosted in the ICANN Sourcing (SciQuest) tool. Indications of interest are to be received by emailing gTLDMktHealthIndexAssessment-rfp@icann.org by 6 Oct 2017.

Complete proposals must be electronically submitted by 23:59 UTC on 30 Oct 2017 using the ICANN organization sourcing tool (SciQuest), access to which will be granted after receipt of an indication of interest to the email address above.

1.2   Overview of the Internet Corporation for Assigned Names and Numbers (ICANN)

The ICANN organization is a non-profit public benefit corporation dedicated to preserving the operational security and stability of the Internet; to promoting competition; to achieving broad representation of global Internet communities; and to developing policy appropriate to its mission through bottom-up, consensus-based processes.   More specifically, the ICANN organization:

1) Coordinates the allocation and assignment of the three sets of unique identifiers for the Internet, which are
    a. Domain names (forming a system referred to as the domain names system, or DNS);
    b. Internet Protocol ("IP") addresses;
    c. Autonomous System ("AS") numbers; and
    d. Protocol port and parameter numbers.
2) Coordinates the operation and evolution of the DNS root name server system.
3) Coordinates policy development reasonably and appropriately related to these technical functions.

See www.icann.org for more information.

2.0   Scope

2.1 Project Background

The gTLD Marketplace Health Index originated to further the ICANN organization's strategic objective (2.3) of "supporting the evolution of the gTLD marketplace to be robust, stable, and trusted."[1]

Guided by wider community input, the ICANN organization developed a "Beta" indicator schema for these three objective categories. This "Beta" schema was limited to metrics that could be obtained using datasets internal to the ICANN organization. The ICANN organization commissioned an independent third-party review of these "Beta" metrics from an economic

---

[1] ICANN's 2016-2020 Strategic Plan is available for download via:
https://www.icann.org/en/system/files/files/strategic-plan-2016-2020-10oct14-en.pdf

perspective, to evaluate whether the category definitions and the metrics selected were suitable with respect to the desired objectives.

Professor Hemant Bhargava of UC Davis conducted a first-stage assessment of the effort and published a paper entitled "An Economic Evaluation of gTLD Performance Metrics."[2] Enlightened by the input provided by Dr. Bhargava for future iterations of the initiative, the first gTLD Marketplace Health Index (Beta) was published in July 2016.[3] In this report, category definitions and a number of metrics were presented to measure robust competition, marketplace stability and trust, with the wider aim of portraying DNS marketplace evolution.

The ICANN organization sought wider community input to its "Beta" report through a Public Comment period, and a multi-stakeholder Advisory Panel was established to expand and refine the initiative. The ICANN organization plans to post updated data for the metrics included in the "Beta" report every six months, as it did in December 2016 and July 2017, until the collaborative work on a new Version 1.0 report is completed.[4]

Substantive updates are envisioned in this planned "Version 1.0" Domain Name Marketplace Indicators report. The ICANN organization has collaborated closely with the Advisory Panel to review and update the definitions for its three objective categories of robust competition, marketplace stability and trust.

The Advisory Panel has also supported the process of shortlisting potential additional metrics that might best measure performance against the three objective categories. The ICANN organization may have significant data that can be used for a subset of the Version 1.0 metrics, but it is anticipated that data will also be required from third-party sources. Further data may not yet be available and potentially require primary data collection.

Updated category definitions for robust competition, marketplace stability and trust, as well as all shortlisted metrics envisioned for each, are included in Appendix A.

2.2 Objectives

This proposed engagement will include the following objectives:

1. Conduct a detailed assessment of the draft "Version 1.0" gTLD Marketplace Health Index schema;

2. Create a detailed taxonomy document that describes and outlines the proposed method(s) of calculating each of the final recommended metrics; and

3. With respect to metrics for which the ICANN organization does not maintain data, identify and recommend data sources covering both existing "off the shelf" sources and, where relevant, recommendations for primary data collection.

The review shall take the form of a Request for Proposal ("RFP" and/or "Proposals"). The intent is to identify one or more suppliers qualified to provide these services. Through the

---

[2] Professor Bhargava's "An Economic Evaluation of gTLD Performance Metrics" is available for download via: https://www.icann.org/en/system/files/files/economic-evaluation-gtld-performance-metrics-20jun16-en.pdf
[3] July 2016 edition of the 'Beta' report is available for download via: https://www.icann.org/news/announcement-2-2016-07-19-en
[4] December 2016 and July 2017 editions of the 'Beta' report are available for download via: https://www.icann.org/news/announcement-2016-12-21-en and https://www.icann.org/resources/files/1208121-2017-07-06-en

issuance of this RFP, the ICANN organization's Global Domains Division solicits proposals from qualified suppliers for the provision of the services.

2.3 Scope of Work

Each of the objectives noted above are detailed within this section as project phases.

1. **Conduct a detailed assessment of the draft "Version 1.0" gTLD Marketplace Health Index schema;**

   As part of this phase of the project, the vendor will be expected to conduct a detailed assessment of all elements comprising the design of the draft indicators schema.

   The expected coverage of this assessment will include an evaluation of the comprehensiveness, clarity and viability of the category definitions of robust competition, trust and marketplace stability developed in collaboration with the Advisory Panel from the perspective of a marketplace economist. As part of its review, the vendor would be expected to recommend all necessary modifications required to ensure that the category descriptions are well-suited to the schema.

   Using a comprehensive framework, the vendor will also assess the extent to which all shortlisted metrics capture relevant factors and recommend any modifications to ensure all metrics are fully aligned with the category definitions and structured in a manner that is statistically sound and able to represent marketplace developments.

   The vendor is expected to provide a summary report of its assessment, parts or whole of which will be made public. Upon completion, and prior to final sign-off on the assessment report, it would be expected to present findings to ICANN project sponsors and the Advisory Panel, in order to allow for further deliberation and revision based on their inputs.

2. **Create a detailed taxonomy document that describes and outlines the proposed method(s) of calculating each of the final recommended metrics.**

   As part of this phase of the project, the vendor will be expected to create a detailed taxonomy document for all indicators to be utilized in the final recommended schema. This taxonomy document should describe each final recommended metric, present a rationale for its inclusion in the final indicator schema and outline the proposed method(s) of calculating each.

   The vendor is expected to provide a summary report of its evaluation, parts or whole of which will be made public. Upon completion, and prior to final sign-off on the taxonomy document, it would be expected to present this output to ICANN project sponsors and the Advisory Panel, in order to allow for further deliberation and revision based on their inputs.

3. **Identify and recommend suitable sources of data outside of the ICANN organization, covering both existing "off the shelf" sources and, where relevant, recommendations for primary data collection.**

   Many of the indicators may come from ICANN data, as was the case for the indicators used in the 'Beta' report (and as noted in Appendix A), but others may only be available from third-party data sources. For instance, while ICANN has access to

select data on registries and accredited registrars, it does not have similar access to data from resellers. Similarly, ICANN does not have any data corresponding to ccTLDs, which the initiative will now seek to cover as per the recommendation of the Advisory Panel. The ICANN organization will provide the vendor with guidance on whether any internal datasets are available that could be used for the generation of the final set of recommended metrics.

As part of this project phase and for all metrics requiring external data sources, the vendor will be expected to seek out and assess third-party data sources based on a number of criteria, such as whether they meet the desired metric definition, and are reliable (i.e. credible sources), rigorous (i.e. well-considered methodology) and are regularly recurring (i.e. updated at regular intervals). On a best effort basis, the ICANN organization will attempt to schedule time for a select number of third-party data vendors to provide presentations of their datasets and capabilities to support this due diligence process.

For proposed metrics for which inadequate data are available to measure performance, such as the languages of suppliers' terms and conditions pages or payment options for registries or registrars, the ICANN organization would expect recommendations on how the data may best be gathered, including primary data collection that could potentially consist of surveys, mystery shopping or utilization of automated scripts to crawl and gather information from service provider websites.

The deliverable for this phase will be a written report of recommendations on suitable data sources for each of the recommended metrics. Where there is more than one viable source, the ICANN organization would expect a recommendation on which provider is the better option, given the requirements of the project.

In addition, the ICANN organization would expect the vendor to recommend a timetable for refreshing all third-party sourced metrics, based on the frequency of update of the third-party data as well as any data resulting from primary collection.

Upon completion, and prior to final sign-off on the assessment report, it would be expected to provide a presentation of findings to the ICANN organization project sponsors and the Advisory Panel in order to allow for further deliberation and revision based on their inputs.

2.4   Examples

As previously noted, the ICANN organization commissioned a review of the design of its "Beta" metrics schema from an economic perspective. Professor Bhargava's "An Economic Evaluation of gTLD Performance Metrics" is available for download via:
https://www.icann.org/en/system/files/files/economic-evaluation-gtld-performance-metrics-20jun16-en.pdf

3.0   High-Level Selection Criteria

The decision to select a provider as an outcome of this RFP will be based on, but not limited to, the following selection criteria:

1) Demonstrated understanding of the assignment

2) Knowledge and expertise
    a. Demonstrated experience in conducting similar types of studies
        i. Detailed assessment of proposed metrics design
        ii. Metrics taxonomy development
        iii. Due diligence and selection of suitable data to fit metrics schema
    b. Knowledge of the ICANN organization's functions, the DNS, and the domain name registration process
    c. Suitability of proposed CVs
3) Proposed methodology
    a. Design approach
        i. Clearly articulated rationale for proposed methodology.
        ii. Comprehensive and well-considered proposed evaluation framework.
    b. Implementation approach
        i. Suitable project management plan, including proposed timeline.
        ii. Engagement model providing appropriate levels of coordination with the ICANN organization and openness to input coming from Advisory Panel members.
        iii. Level of responsibility for designated key staff.
4) Flexible approach, including but not limited to meeting the proposed project timeline.
5) Commitment to working with the ICANN organization's multi-stakeholder model, including a demonstrated understanding of and commitment to the ICANN organization's requirements for transparency and accountability.
6) Financial value
7) Reference checks; both for applicant and any partner firms.
8) Conflict of interest & Independence

4.0   Business Requirements

Providers must demonstrate their ability to meet the following business requirements:

1) Ability to provide a complete response based on the ICANN organization's specifications by the designated due date (see below).
2) Availability to participate in finalist presentations via conference call/remote participation (see below).
3) Ability to negotiate a professional services agreement using the ICANN organization's Contractor Consulting Agreement (see attached).
4) Ability to begin work and complete all project work deliverables as per the timeline described (see below).
5) Conduct periodic status update calls, frequency to be determined.
6) Demonstrated ability to develop work methods and evaluation/assessment approaches as appropriate for the activity.
7) Ability to conduct thorough analysis with a wide-ranging perspective and consideration of various DNS industry intricacies and nuances.
8) Ability to maintain confidentiality around sensitive data.
9) Ability to meet the following project activity and deliverable milestones (Note: the ICANN organization reserves the right to modify the timeline at any time as necessary):

Activity/Deliverable	Estimated Dates
1. Project kickoff	15 January 2018
2. Delivery of draft inception report, which should include project work plan, detailed methodology, proposed	22 January 2018

	Estimated Dates
assessment frameworks to be used, template for metrics taxonomy document, etc.	
3. Working session via remote participation with the ICANN organization project team and Advisory Panel members to discuss proposed assessment frameworks.	29 January 2018
4. Delivery of draft summary assessment report of 'Version 1.0' gTLD Marketplace Health Index schema design.	9 February 2018
5. Working session via remote participation with the ICANN organization project team and Advisory Panel members to discuss reports covering schema assessment	16 February 2018
6. Delivery of draft taxonomy report for all indicators to be utilized in the final recommended schema	22 February 2018
7. Working session via remote participation with the ICANN organization project team and Advisory Panel members to discuss reports covering schema assessment and metrics taxonomy.	1 March 2018
8. Delivery of draft summary report with recommendations on suitable data sources for each recommended metric.	8 March 2018
9. Working session via remote participation with the ICANN organization project team and Advisory Panel members to discuss recommendations of suitable data sources for each metric.	15 March 2018
10. Finalization of all deliverables – target date:	By March end 2018

5.0   Project Timeline

The following dates have been established as milestones for this RFP. The ICANN organization reserves the right to modify or change this timeline at any time as necessary.

Activity	Estimated Dates
RFP published	22 September 2017
Participants to indicate interest in submitting RFP proposal	**6 October 2017 by 23:59 UTC**
Participants submit any questions to ICANN (see Excel template in RFP packet)	**13 October 2017 by 23:59 UTC**
ICANN responds to participant questions	20 October 2017
Participant proposals due by	**30 October 2017 by 23:59 UTC**
Evaluation of responses	31 October to 20 November 2017
Final evaluations, contracting and award	21 November to 22 December 2017

6.0   Terms and Conditions

General Terms and Conditions

1. Submission of a proposal shall constitute Respondent's acknowledgment and acceptance of all the specifications, requirements and terms and conditions in this RFP.

2. All costs of preparing and submitting its proposal, responding to or providing any other assistance to ICANN in connection with this RFP will be borne by the Respondent.

3. All submitted proposals including any supporting materials or documentation will become the property of ICANN. If Respondent's proposal contains any proprietary information that should not be disclosed or used by the ICANN organization other than for the purposes of evaluating the proposal, that information should be marked with appropriate confidentiality markings.

Discrepancies, Omissions and Additional Information

1. Respondent is responsible for examining this RFP and all addenda. Failure to do so will be at the sole risk of Respondent. Should Respondent find discrepancies, omissions, unclear or ambiguous intent or meaning, or should any question arise concerning this RFP, Respondent must notify the ICANN organization of such findings immediately in writing via e-mail no later than three (3) days prior to the deadline for bid submissions. Should such matters remain unresolved by the ICANN organization, in writing, prior to Respondent's preparation of its proposal, such matters must be addressed in Respondent's proposal.

2. The ICANN organization is not responsible for oral statements made by its employees, agents, or representatives concerning this RFP. If Respondent requires additional information, Respondent must request that the issuer of this RFP furnish such information in writing.

3. A Respondent's proposal is presumed to represent its best efforts to respond to the RFP. Any significant inconsistency, if unexplained, raises a fundamental issue of the Respondent's understanding of the nature and scope of the work required and of its ability to perform the contract as proposed and may be cause for rejection of the proposal. The burden of proof as to cost credibility rests with the Respondent.

4. If necessary, supplemental information to this RFP will be provided to all prospective Respondents receiving this RFP. All supplemental information issued by the ICANN organization will form part of this RFP. ICANN is not responsible for any failure by prospective Respondents to receive supplemental information.

Assessment and Award

1. The ICANN organization reserves the right, without penalty and at its discretion, to accept or reject any proposal, withdraw this RFP, make no award, to waive or permit the correction of any informality or irregularity and to disregard any non-conforming or conditional proposal.

2. The ICANN organization may request a Respondent to provide further information or documentation to support Respondent's proposal and its ability to provide the products and/or services contemplated by this RFP.

3. The ICANN organization is not obliged to accept the lowest priced proposal. Price is only one of the determining factors for the successful award.

4. The ICANN organization will assess proposals based on compliant responses to the requirements set out in this RFP, any further issued clarifications (if any) and consideration of any other issues or evidence relevant to the Respondent's ability to successfully provide and implement the products and/or services contemplated by this RFP and in the best interests of the ICANN organization.

5. The ICANN organization reserves the right to enter into contractual negotiations and if necessary, modify any terms and conditions of a final contract with the Respondent whose proposal offers the best value to the ICANN organization.

Appendix A: Draft 'Version 1.0' Domain Name Marketplace Indicators Schema

Note: The category definitions for the objectives of the ICANN organization's Strategic Goal 2.3 (i.e. robust competition, marketplace stability, and trust), as well as all shortlisted metrics that make up the draft "Version 1.0" Domain Name Marketplace Indicators schema are listed below. This schema is the outcome of the detailed review by the project Advisory Panel, focusing on the continued relevance of: a) all existing metrics featured in the 'beta' report, b) all metrics previously recommended for inclusion but did not feature in the 'beta' report, c) entirely new metrics as suggested and discussed by the members of the Advisory panel.

"Robust Competition" Category Definition:

1. Registrants should have a choice for which domains they can purchase and where they can purchase them, characterized by:
   a) Geographical spread of registrants
   b) Domain names are available across languages and character scripts
   c) Suppliers' terms & conditions are available across languages and character scripts
   d) Variety of payment methods.

2. Demonstrated by registrant adoption of new TLDs and across all TLDs.

3. The TLD marketplace is open to new providers, including back-end technology service providers, registries, registrars, and resellers.

4. The TLD marketplace as a whole is not subject to control by a small number of providers, including back-end technology service providers, registries, registrars and resellers.

"Robust Competition" Shortlisted Metrics:

METRIC	DESCRIPTION	CATEGORY
1a.1	Registrant distribution by geographic region.	Recommended in "Beta Report"
1b.1	Total number of second-level domain names registered in Internationalized Domain Name (IDN) gTLDs.	Featured in "Beta" Report
1b.2	Net change in number of second-level domain names registered in IDN gTLDs (showing gross adds & deletions as a further level of detail in appendix).	Featured in "Beta" Report
1b.3	Compound annual growth rate (CAGR) of second-level domain names registered in IDN gTLDs.	Featured in "Beta" Report
1b.4	Percentage of gTLD registrars offering registrations in IDN gTLDs.	Recommended in "Beta" Report
1c.1	Percentage distribution of languages available in gTLD service provider (gTLD registrar, gTLD registry operator, reseller) website terms and conditions pages.	Recommended in "Beta" Report

1.d.1	Acceptance of multiple payment methods by registrars and resellers	New suggestion from Advisory Panel
2.1	Total number of second-level domain names registered in Legacy gTLDs, New gTLDs, ccTLDs, .brands, geographic gTLDs.	Featured in "Beta" Report
2.2	Net change in number of second-level domain names registered in Legacy gTLDs, New gTLDs, ccTLDs, .brands, geographic gTLDs (showing gross adds & deletions as a further level of detail in appendix).	Featured in "Beta" Report
2.3	Compound annual growth rate (CAGR) for second-level domain names registered in Legacy gTLDs, New gTLDs, ccTLDs, .brands, geographic gTLDs.	Featured in "Beta" Report
2.4	Percentage renewal rates of second-level domain names.	Recommended in "Beta" Report
2.5	Marketplace churn and burn rate for TLDs (i.e. grand total number of domains registered in a TLD and the subset of currently active domains versus deleted domains over the same period, using a normalized timeframe)	New suggestion from Advisory Panel
3.1	Percentage of gTLD registrars that are distinct entities (counting one per family).	Featured in "Beta" Report
3.2	Average number of gTLD registrar accreditations per registrar family.	Featured in "Beta" Report
3.3	Percentage of gTLD registry operators that are distinct entities (counting one per family).	Featured in "Beta" Report
3.4	Average number of gTLD registries held by each gTLD registry parent company.	Featured in "Beta" Report
3.5	Number/percentage of unique gTLD resellers by region.	Recommended in "Beta" Report
3.6	Percentage of gTLD registry operators that are also affiliated with a gTLD registrar.	Recommended in "Beta" Report
3.7	Number of back-end technology service providers	New suggestion from Advisory Panel
4.1	Number of registrars accredited and de-accredited (Voluntary and Involuntary)	Featured in "Beta" Report
4.2	Number of registries accredited and de-accredited (Voluntary and Involuntary)	Featured in "Beta" Report
4.3	Average number of gTLD registrars that offer each gTLD (average across all gTLDs and segmented by category).	Recommended in "Beta" Report
4.4	Percentage of second-level domain name registrations by resellers.	Recommended in "Beta" Report
4.5	gTLD registry operator and gTLD registrar market share.	Recommended in "Beta" Report

METRIC	DESCRIPTION	CATEGORY
4.6	Concentration index (e.g. Herfindahl Hirschmann Index) for back-end technology service providers, registry operators, registrars, and resellers.	Recommended in "Beta" Report

"Marketplace Stability" Category Definition:

1. Registries and registrars consistently deliver against their contractual obligations and are not responsible for marketplace instability that would result in harm to registrants.

"Marketplace Stability" Shortlisted Metrics:

METRIC	DESCRIPTION	CATEGORY
1.1	Volume of registrar and registry-related complaints received, closed before 1st inquiry, or processed by ICANN contractual compliance, across types of activity	Recommended in "Beta" Report
1.2	Number of second-level domain names in gTLDs suspended for valid abuse.	Recommended in "Beta" Report
1.3	Number of gTLD registrar security breaches reported to the ICANN organization.	Recommended in "Beta" Report
1.4	Availability of gTLD registrar, registry, and reseller services (e.g. uptime of website, uptime of WHOIS service, services are reachable and responsive).	Recommended in "Beta" Report
1.5	Survey data (from gTLD registrants, Intellectual Property holders, law enforcement and others) indicating improvement in levels of service provided by registry operators, registrars, and resellers	Recommended in "Beta" Report

"Trust" Category Definition:

1. Demonstrated by operational success of domain name industry safeguards for registrants, Internet users and the global community (including law enforcement and intellectual property holders).

"Trust" Shortlisted Metrics:

METRIC	DESCRIPTION	CATEGORY
1.1	Number of involuntary gTLD registrar terminations, related to accreditations revoked involuntarily.	Featured in "Beta" Report
1.2	Number of involuntary gTLD registry terminations, related to accreditations revoked involuntarily.	Featured in "Beta" Report
1.3	WHOIS Accuracy rates detected by ICANN WHOIS Accuracy Reporting System.	Featured in "Beta" Report
1.4	Number of UDRP and URS complaints decided against second-level gTLD registrants - annual total plus percentage of cases filed.	Featured in "Beta" Report

1.5	Number of valid issues with gTLD registry services detected by ICANN SLA Monitoring (SLAM) system.	Recommended in "Beta" Report
1.6	Percentage utilization of DNSSEC for second-level gTLDs .	Recommended in "Beta" Report
1.7	Percentage of second-level gTLD domain names that utilize privacy or proxy registration services.	Recommended in "Beta" Report
1.8	Reasons that registrars and registries are involuntarily terminated	New suggestion from Advisory Panel