



City Council Report

Date: October 6, 2014
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Purchase of IT Security Infrastructure for Utilities Supervisory Control and Data Acquisition (SCADA) Network **(Citywide)**

Purpose and Recommendation

Council is requested to approve the purchase of IT Security and Network Infrastructure and Security Consulting Services to enhance Cyber-Security Protection for the City's Supervisory Control and Data Acquisition (SCADA) network for City Utilities.

Information Technology and Purchasing recommend authorizing purchases using the State of Arizona and National IPA contract agreements with the following vendors: Enterprise Network Solution (a Mesa business) at \$160,311.00, EMC Corporation at \$31,395.10, Insight Public Sector at \$15,951.02, SHI International at \$21,574.08; and CDW-G at \$6,433.07; and through normal purchasing processes: Technical Marketing Mfg., Inc. at \$9,172.00, and Accuvant at \$9,812.65; for the combined total award of \$254,648.92.

Background / Discussion

The City's SCADA IT security infrastructure supports all aspects of computerized operation, monitoring and control, and data collection for the City's public utilities. It is essential to protect the SCADA network and control systems from cyber-attacks and other malicious hacker activities at all times to prevent the unexpected disruption of utilities service delivery. SCADA services support natural gas for approximately 52,000 homes and businesses throughout Mesa and portions of the Pinal County, 15,700 electric residential and commercial customers, and water/wastewater services to more than 465,000 residents.

As a proactive measure, the City recently requested a comprehensive cyber-security risk assessment be performed by the Department of Homeland Security (DHS). Through active participation with City IT staff, a detailed risk analysis document was created. Cyber-security risks in the current SCADA infrastructure were identified and prioritized according to threat impact and likelihood of occurrence. From this, IT staff in collaboration with Water Resources and Energy Resources departments created a multi-year, three phased cyber-security risk remediation plan. This plan addresses all of the risks noted in DHS's assessment, and will provide the City with a greatly enhanced set of protections against the continual growing threat that today's complex and pervasive cyber-security attacks present. It is likely that these DHS requirements will become mandatory for utilities providers in the

future. Once all phases are complete the City will be fully compliant with the current DHS cyber-security recommendations.

This request includes all security infrastructure items to address phase one of the master plan.

The State of Arizona and National IPA contracts were competitively bid, meet City procurement requirements, and allows cooperative use. Pricing is competitive due to the high volume of regional/national purchases. It is unlikely that competitively bidding will produce better pricing than through the cooperative contracts.

Alternatives

Council may choose not to authorize purchases from the cooperative State of Arizona and National IPA contracts, and through normal purchasing processes.

Fiscal Impact

This purchase is funded by the Information Technology, Energy Resources, and Water Resources departments' FY 14/15 budgets.

Coordinated With

Information Technology, Energy Resources, Water Resources, and Purchasing

AWARD RECOMMENDATIONS

I. PURCHASING INFORMATION

Action: Award

Contracting Agency: State of Arizona

Contracting Agency Contract Number: ADSPO12-024653

Mesa Contract Number: 2015061

***Enterprise Network Solution
Mesa, AZ***

Network security equipment and implementation services	
Hardware and maintenance	\$132,171.00
Professional Services	<u>\$17,500.00</u>
Subtotal	\$149,671.00
8.05% Sale Tax	<u>\$10,640.00</u>
Total	\$160,311.00

II. PURCHASING INFORMATION

Action: Award
Contracting Agency: State of Arizona
Contracting Agency Contract Number: ADSPO10-00000049
Mesa Contract Number: 2015061

***EMC Corporation
Scottsdale, AZ***

Storage hardware and maintenance	
Hardware	\$22,828.00
Software	\$3,789.00
Services	\$2,186.00
Maintenance	<u>\$280.00</u>
Subtotal	\$29,083.00
7.95% Sale Tax	<u>\$2,312.10</u>
Total	\$31,395.10

III. PURCHASING INFORMATION

Action: Award
Contracting Agency: State of Arizona
Contracting Agency Contract Number: ADSPO12-024652
Mesa Contract Number: 2015061

***Insight Public Sector
Tempe, AZ***

Network hardware	
Hardware	\$14,755.80
Services	<u>\$257.00</u>
Subtotal	\$14,755.80
8.1% Sale Tax	<u>\$1,195.22</u>
Total	\$15,951.02

IV. PURCHASING INFORMATION

Action: Award
Contracting Agency: State of Arizona
Contracting Agency Contract Number: ADSPO11-007500
Mesa Contract Number: 2015061

**SHI International
Sumerset, NJ**

Microsoft & Symantec software	
Microsoft quote plus Tax	\$7,681.34
Symantec quote plus Tax	<u>\$3,527.04</u>
Total including Tax	\$11,208.38

V. PURCHASING INFORMATION

Action: Award
Contracting Agency: National IPA
Contracting Agency Contract Number: 130733
Mesa Contract Number: 2015061

**CDW-G
Vernon Hills, IL**

Network hardware optics	
Hardware	\$6,051.81
6.3% Use Tax	<u>\$381.26</u>
Total	\$6,433.07

VI. PURCHASING INFORMATION

Action: Award
Procurement Type: Quotes
Mesa Contract Number: 2015061

**Technical Marketing Mfg., Inc.
Wheatridge, CO**

Proprietary security software solution	
Software	\$8,685.00
5.6% Use Tax	<u>\$487.00</u>
Total	\$9,172.00

VII. PURCHASING INFORMATION

Action: Award
Contracting Agency: State of Arizona
Contracting Agency Contract Number: ADSP011-007500
Mesa Contract Number: 2015061

**SHI International
Sumerset, NJ**

High availability software solution	
Quote total plus tax	\$10,365.70

VIII. PURCHASING INFORMATION

Action: Award

Procurement Type: Quotes

Mesa Contract Number: 2015061

**Accuvant
Denver, CO**

Network security software	
Hardware and maintenance	\$9,090.00
8.05% Sale Tax	<u>\$722.65</u>
Total	\$9,812.65

Combined Total Award: <u>\$254,648.92</u>
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