



## Legislation Text

File #: 1748-2016, Version: 1

### **BACKGROUND:**

DoT requires services from a managed security provider in order to comply with federal and state regulatory requirements. These requirements include Payment Card Industry Data Security Standards (PCI DSS), IRS Publication 1075, and the Health Information Portability and Accountability Act (HIPPA). Complying with these regulations requires advanced expertise and tools not available with current staff and systems.

As SecureWorks technology and services are already imbedded within the City's technology infrastructure, it is not in the City's best interests to procure additional service through alternate procurement methods; doing so with another vendor would involve significant additional and unnecessary transition costs. Additionally, the City's PCI compliance project started with SecureWorks in 2013. The City worked closely with SecureWorks to achieve PCI compliance in 2014 and wish to leverage SecureWorks' understanding of the City's environment and PCI compliance efforts to date to ensure the City's compliance posture

This ordinance authorizes the Director of the Department of Technology to renew and modify an agreement with SecureWorks, Inc., for managed technology security services. The original agreement (EL011963) was authorized by ordinance 0818-2011, passed June 13, 2011. The agreement was most recently renewed and modified by authority of ordinance 1344-2015, passed July 23, 2015, through purchase order EL017481. This renewal will provide service for the period August 26, 2015 through August 25, 2016, at a cost of \$264,349.64.

This ordinance also authorizes the Director of the Department of Technology to modify the current contract term period of August 26, 2015 through August 25, 2016 to increase funds by \$14,907.00 to pay for additional security services under the contract. The aggregate total of the ordinance for funding is \$279,256.64.

### **Contract modification in the amount of \$14,907.00**

#### **1.1 Amount of additional funds to be expended: \$14,907.00**

The original contract amount and subsequent year's 2 - 5 total:	\$708,006.36
Modification #1 (2012) total:	\$58,336.76
Modification #2 (2014) total:	\$111,347.24
Modification #3 (2015) total:	\$112,303.89
Modification #4 (2016) total:	<u>\$14,907.00</u>
<b>Total:</b>	<b>\$1,004,901.25</b>

#### **1.2 Reason additional goods/services could not be foreseen:**

The incorporation of Police technology, the need for PCI compliance, and additional firewall services was not known at the time of the original agreement. SecureWorks realigned their service offerings for firewall and log vault service to stay current with evolving technologies, ensuring that the new services aligned with the City's ongoing firewall re-architecture project required more time than was foreseen.

#### **1.3 Reason other procurement processes are not used:**

As SecureWorks technology and services are already imbedded within the City's technology infrastructure, it is not in the City's best interests to procure additional service through alternate procurement methods; doing so with another vendor would involve significant additional and unnecessary transition costs.

#### **1.4 How cost of modification was determined:**

The cost of the additional services was negotiated with SecureWorks.

SecureWorks was awarded a contract through their amended offer to solicitation SA003789 authorized under Ordinance 0818-2011, passed June 13, 2011. That agreement included provisions for annual renewal, subject to mutual agreement and approval of proper City authorities. It is not in the City's best interests to procure this service through competitive procurement, as transitioning to another vendor would entail significant start-up costs already incurred with the existing vendor. Furthermore, there is an immediate need to obtain service to assist the City with PCI compliance. As such, this ordinance requests a waiver of competitive bidding requirements of Columbus City Code, in accordance with section 329.

#### **FISCAL IMPACT:**

In 2014 and 2015, the Department of Technology legislated \$289,213.07 and \$284,533.34 respectively with SecureWorks, Inc. for managed technology security services. This year (2016), the cost for the renewal and modification of managed technology security services with SecureWorks, Inc. is \$279,256.64. Funding for these services are available within the Department of Technology, Information Services Division, Information services Operating fund. The aggregate contract total including this renewal is \$1,269,250.89.

#### **EMERGENCY:**

Emergency action is requested to expedite prompt contract execution and related payment of services.

#### **CONTRACT COMPLIANCE:**

Vendor Name: SecureWorks, Inc. C.C.#/FID#: 26 - 2032356 DAX Vendor Acct.#:002260 Expiration Date: 05/21/2017

To authorize the Director of the Department of Technology to renew and modify an agreement with SecureWorks, Inc. to provide managed technology security services in order to continue compliance with federal and state regulatory requirements; to waive the competitive bidding provisions of Columbus City Code; to authorize the expenditure of \$279,256.64 from the Department of Technology, Information Services Division, Information Services Operating fund; and to declare an emergency. (\$279,256.64)

**WHEREAS**, the Department of Technology (DoT) requires services from a managed security provider in order to comply with federal and state regulatory requirements; these requirements include IRS tax information security guidelines, federal information processing standards, payment card industry data security standards, and the Health Information Portability and Accountability Act (HIPPA); and

**WHEREAS**, this ordinance authorizes the Director of the Department of Technology to renew an agreement with SecureWorks, Inc., for managed technology security services for the period August 26, 2016 through August 25, 2017, at a cost of \$264,349.64; and

**WHEREAS**, this ordinance will also authorize a contract modification in the amount of \$14,907.00 to increase the existing contract for term period August 26,2015 through August 25,2016; and

**WHEREAS**, this ordinance requests approval of the services provided by SecureWorks, Inc., and to waive the competitive bidding provisions of Columbus City Code, Chapter 329; and

**WHEREAS**, an emergency exists in the usual daily operations of the City of Columbus, Department of Technology, in that it is immediately necessary to authorize the Director to modify and renew an agreement with SecureWorks, Inc. for

critical managed technology security services, and to authorize this expenditure or so much thereof as required, thereby preserving the public health, peace, property, safety, and welfare; now, therefore:

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1:** That the Director of the Department of Technology be and is hereby authorized to renew an agreement with SecureWorks, Inc. for managed technology security services, with an associated coverage term period from August 26, 2016 through August 25, 2017, in the amount of \$264,349.64 and to modify the current agreement with SecureWorks, Inc. to increase funding in the amount of \$14,907.00, with a coverage term period of August 26, 2015 through August 25, 2016. The total amount of funding being requested via this ordinance is \$279,256.64.

**SECTION 2:** That the expenditure of \$279,256.64 or so much thereof as may be necessary is hereby authorized to be expended from: (see attachment 1748-2016 EXP)

**Dept.: 47| Div.: 47-02|Obj Class: 03 |Main Account: 63050|Fund: 5100|Sub-fund: 510001|Program:IT013|Section 3: 470201| Section 4:IT014|Amount: \$14,907.00|**

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**SECTION 3:** That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

**SECTION 4:** That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 5:** That this Council finds it in the City's best interests to waive the competitive bidding provisions of Columbus City Code, Chapter 329.

**SECTION 6:** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.