



County of Monterey

Item No.45

Board Report

Board of Supervisors
Chambers

168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 22-570

November 08, 2022

Introduced: 10/28/2022

Current Status: General Government -
Consent

Version: 1

Matter Type: BoS Agreement

- a. Authorize the Chief Information Officer or his designee to execute a non-standard agreement with Digital Scepter Corporation for Palo Alto licensing and hardware, installation of Palo Alto Networks and related equipment, maintenance and related equipment, Palo Alto Network updates and upgrades, Palo Alto related products and services, security related products, security operations management, consulting and project support, training, and after-hours support in an amount not to exceed \$1,500,000, with a retroactive term of June 1, 2022 through May 30, 2025; and
- b. Authorize the Chief Information Officer, or his designee, to execute order forms and such documents as are necessary to implement the non-standard agreement with Digital Scepter Corporation; and
- c. Authorize the Chief Information Officer or his designee to execute two (2) amendments to the agreement, subject to County Counsel review, extending the term by one (1) year per amendment, where the amount of each amendment does not exceed the original annual cost-plus ten percent (10%) per amendment, and where the amendments do not significantly change the scope of work or the terms of the Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Chief Information Officer or his designee to execute a non-standard agreement with Digital Scepter Corporation for Palo Alto licensing and hardware, installation of Palo Alto Networks and related equipment, maintenance and related equipment, Palo Alto Network updates and upgrades, Palo Alto related products and services, security related products, security operations management, consulting and project support, training, and after-hours support in an amount not to exceed \$1,500,000, with a retroactive term of June 1, 2022 through May 30, 2025; and
- b. Authorize the Chief Information Officer, or his designee, to execute order forms and such documents as are necessary to implement the non-standard agreement with Digital Scepter Corporation; and
- c. Authorize the Chief Information Officer or his designee to execute two (2) amendments to the agreement, subject to County Counsel review, extending the term by one (1) year per amendment, where the amount of each amendment does not exceed the original annual cost-plus ten percent (10%) per amendment, and where the amendments do not significantly change the scope of work or the terms of the Agreement.

SUMMARY:

The Information Technology Department (ITD) standardizes the County's network firewall on state-of-the-art security products made by Palo Alto Networks, Inc. (Palo Alto Networks). Digital

Scepter Corporation (Digital Scepter) is an existing County data security vendor, with intimate knowledge of County-specific systems. It possesses the requisite deep expertise in Palo Alto Networks security products. The proposed agreement will continue to safeguard the County's data by providing for security equipment purchases and a wide range of security services.

DISCUSSION:

Digital Scepter specializes specifically in Palo Alto Networks security systems and was highly recommended by the manufacturer to assist in product maintenance and support. Due to the sensitivity of protecting County data, ITD requested sole source approval to utilize services with Digital Scepter in 2018 and renewed sole source approval in October 2022.

ITD worked together with Digital Scepter to complete complex modifications to County systems that significantly enhance the County's network security. In performing these services, Digital Scepter gained current, working knowledge of the County's network infrastructure and security operations. Moreover, Digital Scepter assisted with customization of County security policies to meet the County's specific needs and requirements.

The proposed agreement provides for procurement of Palo Alto licensing and hardware, maintenance of Palo Alto Networks and related equipment, Palo Alto Network updates and upgrades in addition to Palo Alto related products and services such as Falco Audits, security related products such as Plixir, network engineering and design, security architecture design, security operations management, as well as consulting and project support, training, and after-hours support. Projected annual cost is \$500,000 per year, with a total agreement amount not to exceed \$1,500,000 over a three-year term.

The Chief Information Officer recommends approval of non-standard provisions because Digital Scepter specializes in the Palo Alto Networks security systems which are used throughout the County's networks. The continued supportability, intimate knowledge and understanding of the County's data network security that Digital Scepter has acquired are essential to protect County data.

OTHER AGENCY INVOLVEMENT:

Contracts/Purchasing approved the proposed agreement with Digital Scepter as a sole source agreement. County Counsel approves the agreement as to form, while noting the following non-standard provisions: non-standard termination provisions; mutual indemnification; limitations on vendor's liability to County to the amount of vendor's insurance; and non-standard records return provisions.

FINANCING:

Funds for the proposed agreement in the amount of \$500,000 have been included in the FY22-23 Approved Budget for the Information Technology Department, ITD 1930, Appropriations Unit INF002. Funds relating to agreement costs in future fiscal years will be included in each respective Recommended Budget based upon anticipated utilization of Digital Scepter services.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The products and services provided pursuant to this agreement will enable ITD to provide the County with a more robust, secure, and user-friendly data network, and will protect individual County

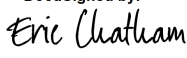
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department data over a wide area network.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Sandra Shaffer, Management Analyst III, 759-6957

Approved by:

DocuSigned by:

Date: 11/2/2022 | 10:11 AM PDT
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Eric A. Chatham, Chief Information Officer, 759-6920

Attachments:

Digital Scepter Corporation Agreement