



County of Monterey

Item No.23

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 26-123

April 21, 2026

Introduced: 4/8/2026

Current Status: General Government -
Consent

Version: 1

Matter Type: BoS Agreement

- a. Authorize the Chief Information Officer to execute Amendment No. 3 to the non-standard Agreement (A-16082) with Digital Scepter Corporation to extend Palo Alto licensing and hardware; installation and deployment; maintenance; updates and upgrades; related products and services through May 31, 2031, and add \$500,000 for a revised total aggregate Agreement amount not to exceed \$2,050,000; and
- b. Authorize non-standard provisions as recommended by the Chief Information Officer; and
- c. Authorize the Chief Information Officer, or his designee, to execute renewals, order forms, and such documents as are necessary for services with Digital Scepter Corporation; and
- d. Authorize the Chief Information Officer or his designee the option to extend the agreement up to two (2) additional one (1) year periods through May 31, 2033, and sign associated order forms with a maximum total increase of \$200,000 for a total agreement not to exceed amount of \$2,250,000 and as long as the order forms do not significantly alter the terms of the Agreement, even if no additional Agreements are entered into, subject to County Counsel review.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the Chief Information Officer to execute Amendment No. 3 to the non-standard Agreement (A-16082) with Digital Scepter Corporation to extend Palo Alto licensing and hardware; installation and deployment; maintenance; updates and upgrades; related products and services through May 31, 2031, and add \$500,000 for a revised total aggregate Agreement amount not to exceed \$2,050,000; and
- b. Authorize non-standard provisions as recommended by the Chief Information Officer; and
- c. Authorize the Chief Information Officer, or his designee, to execute renewals, order forms, and such documents as are necessary for services with Digital Scepter Corporation; and
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SUMMARY:

Digital Scepter Corporation (Digital Scepter) is an existing County data security vendor providing network security services. Approval of this amendment will allow the County to continue service for an additional five years.

DISCUSSION:

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 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, and March 2026.

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.

The proposed amendment supports the continuation of 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 including security architecture design, security operations management, as well as consulting and project support, training, and after-hours support.

The Chief Information Officer recommends approval of this continued support due to Digital Scepter's intimate knowledge and understanding of the County's data network security, necessary to protect County data.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:

Contracts/Purchasing approved the proposed agreement with Digital Scepter as a sole source agreement (2018, 2022, and 2026). 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. Auditor-Controller reviewed the Amendment but does not agree to the non-standard payment provisions.

FINANCING:

Required funds will be included in each respective Requested 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 PLAN GOALS:

The products and services provided pursuant to this agreement will allow ITD to continue to provide the County with a secure, and user-friendly data network, protecting individual County department data over a wide area network.

- Well-Being and Quality of Life
- Sustainable Infrastructure for the Present and Future
- Safe and Resilient Communities

- Diverse and Thriving Economy
- Dynamic Organization and Employer of Choice
- Administrative

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

Approved by: Eric A. Chatham, Chief Information Officer, 759-6920

Attachments:

- Digital Scepter Corporation Agreement
- Digital Scepter Amendment 1-2
- Digital Scepter Amendment 3