



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 15, 2022

FROM: INNOVATION AND TECHNOLOGY DEPARTMENT WARDS: ALL

SUBJECT: AWARD BID NO. 7941 FOR PURCHASE OF A CHECK POINT FIREWALL REPLACEMENT AND YEAR TWO OF ANNUAL MAINTENANCE AND SUPPORT TO NOVACOAST, INC., IN THE AMOUNT OF \$363,019.24

ISSUE:

Award Bid No. 7941 for the purchase of the Check Point Firewall replacement and year two of annual maintenance and support to Novacoast, Inc., in the amount of \$363,019.24 in accordance with existing Service Level Agreement with Check Point Software Technologies, Inc.

RECOMMENDATIONS:

That the City Council:

1. Award Bid No. 7941 for the purchase of the Check Point Firewall replacement and year two of annual maintenance and support to Novacoast, Inc., in the amount of \$363,019.24 in accordance with existing Service Level Agreement with Check Point Software Technologies, Inc.; and
2. Authorize the City Manager, or designee, to execute documentation to effectuate and enforce this purchase, including making minor and non-substantive changes.

BACKGROUND:

On August 11, 2015, the City Council approved a Consultant Services Agreement with Optiv Security Inc., formerly Accuvant, Inc., for the purchase of an enterprise network firewall solution. The purchase was pursuant to Bid No. 7319 and included the first year of Check Point Direct Enterprise Premium Support, Check Point Data Loss Prevention (DLP) software, and Next Generation Threat Extraction (NGTX) software. Since Optiv Security, Inc. resells Check Point products, the agreement stated that a separate Check Point Service Level Agreement would be needed for ongoing maintenance and support.

On November 15, 2016, the City Council approved a Service Level Agreement with Check Point

Technologies, Inc., and issued a purchase order to Optiv Security, Inc. (a Check Point Partner authorized to sell Check Point products) for the renewal of the Check Point Direct Enterprise Premium Support and Check Point DLP software, for the period of November 2, 2016, through November 2, 2017, in the amount of \$57,582.

On December 1, 2016, a purchase order was issued to Optiv Security, Inc. for the annual renewal of the Check Point NGTX software, for the period of November 2, 2016, through November 2, 2017, in the amount of \$29,257. The pricing for this software was bundled as part of the original 2015 procurement; therefore, it was difficult to determine whether the renewal pricing for this software was competitive. To ensure competitive pricing, the Innovation and Technology Department solicited three quotes for this subscription separately and Optiv Security, Inc. was the low bidder.

On November 17, 2017, City Council approved a purchase order to Optiv Security, Inc. for renewal of the annual Check Point support, DLP software, and NGTX software, for the period of November 2, 2017, through November 2, 2018, in the amount of \$96,277.14 pursuant to the existing Service Level Agreement with Check Point Software Technologies, Inc.

Annual maintenance and support for the City's Check Point Firewall for Fiscal Years 2018/2019, 2019/2020, 2020/2021 have been approved annually by the City Council through the Innovation and Technology's annual procurement process. Fiscal Years 2018/2019, 2019/2020, and 2020/21 were renewed through Optiv. The Innovation and Technology Department requested three quotes for the Fiscal Year 2021/2022 renewal where Novacoast Inc. was determined to have submitted the lowest quote.

DISCUSSION:

On August 25, 2022, Request for Bid (RFB) No. 7941 was issued for the upgrade of the City's existing Check Point Firewalls. This upgrade will include the City's two existing firewalls located at City Hall and the City's Emergency Operations Center. The Checkpoint solution provides a comprehensive hardware firewall appliance and advanced software blade subscription services. This solution protects the City against the most sophisticated malware and pre- and post-infection damage. Checkpoint's threat prevention cyber security appliances and specialized software blades enable the City to protect its network with multi-layered defense against cyberattacks.

The upgrade will replace the City's current internet-facing firewall appliances as they have reached end of life and end of support. Without this upgrade the City will no longer be able to get support, replacement parts or have them repaired if they fail. In addition, the City will no longer be able to update downloadable software blade subscriptions that guard against the latest and most current cyber-security threats.

The City received four responses, all four being considered responsive with Novacoast Inc., being deemed the lowest responsive bidder. The bids are summarized in the table below:

Vendors	City Location	Bid Amount	Rank
Novacoast Inc.	Santa Barbara, CA	\$252,866.49	1
Zones, LLC	Auburn, WA	\$292,675.49	2
Axelliant LLC	Torrance, CA	\$348,459.20	3
Hypertec USA, Inc.	Tempe, AZ	\$364,440.34	4

The pricing above includes year one of annual maintenance and support for the new firewalls. However, the bid also requested maintenance costs for continuation years. Based on lowest responsive bid amount and available budget, the Innovation and Technology Department is requesting to award the bid to Novacoast Inc. The Innovation and Technology Department is also requesting to exercise the optional maintenance period through 2023-2024. The firewall purchase and maintenance support will come to a total cost of \$363,019.24.

Item Description		Unit Cost
Optional Items	2023-2024 Next Generation Threat Prevention and Sandblast for additional 1 year for 16200 PLUS Appliance	\$64,498.60
	2023-2024 Enterprise SW Subscription and Premium Support	\$1,975.38
	2023-2024 Enterprise Software Subscription and Premium Support additional product	\$43,678.77
Base Bid Total		\$252,866.49
Total Cost		\$363,019.24

The Purchasing Manager concurs that the recommended action to approve is in compliance with Purchasing Resolution 23914.

STRATEGIC PLAN ALIGNMENT:

The purchase and replacement of the Check Point Firewalls contributes to Strategic Priority No. 6 *Infrastructure, Mobility & Connectivity* and Goal No. 6.2. - Maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

The item aligns with each of the five cross-cutting threads as follows:

1. **Community Trust** – The City followed a transparent and fair procurement process for this purchase.
2. **Equity** – This purchase provides critical cybersecurity services for all City Internet operations for all departments and services. The equipment purchase will result in more reliable operations at all city facilities, benefitting both the staff providing services as well as any public access for online services.
3. **Fiscal Responsibility** – This RFB determined the most responsive lowest bidder. Continuing to use the Checkpoint platform eliminates the need to convert all the City specific configuration to another provider, which could result in higher costs.

4. **Innovation** – The Checkpoint solution is considered a Next Generation firewall technology and is an innovative cybersecurity capability for the City.
5. **Sustainability & Resiliency** – This purchase is imperative to maintain infrastructure and ensure the City can operate in the most effective way possible without any disruptions in services.

FISCAL IMPACT:

The total fiscal impact of this action is \$363,019.24. Sufficient funds are budgeted and available in the Grants and Restricted Programs Fund, Cybersecurity Infrastructure-ARPA account 9277000-462320.

Prepared by: George Khalil, Chief Innovation Officer
Certified as to
Availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by: Edward Enriquez, Interim Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment:

1. Novacoast Quote ID 091322 121749
2. Request for Bid No. 7941
3. Novacoast Bid Response
4. Bid Award Recommendation