

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: MARCH 25, 2019

ITEM NO: 9

SUBJECT: PURCHASE ORDER WITH INSIGHT PUBLIC SECTOR INC. OF IRVINE, CALIFORNIA FOR THE SUPPLY OF EQUIPMENT AND SOFTWARE FOR \$179,772 AND APPROVE WORK ORDER NO. 1914017 IN THE AMOUNT OF \$220,024 FOR THE CYBER SECURITY UPGRADE PROJECT AT THE RIVERSIDE ENERGY RESOURCE CENTER AND SPRINGS GENERATING STATION

ISSUES:

Approve the issuance of a purchase order with Insight Public Sector of Irvine, California for the supply of equipment and software in the amount of \$179,772 and approve Work Order No. 1914017 for \$220,024 for the Cyber Security Upgrade Project at the Riverside Energy Resource Center and Springs Generating Station.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve the issuance of a purchase order with Insight Public Sector of Irvine, California in the amount of \$179,772 pursuant to Purchasing Resolution 23256, Section 702(e); and
2. Approve Work Order No. 1914017 in the amount of \$220,024 for the Cyber Security Upgrade Project at the Riverside Energy Resource Center and Springs Generating Station.

BACKGROUND:

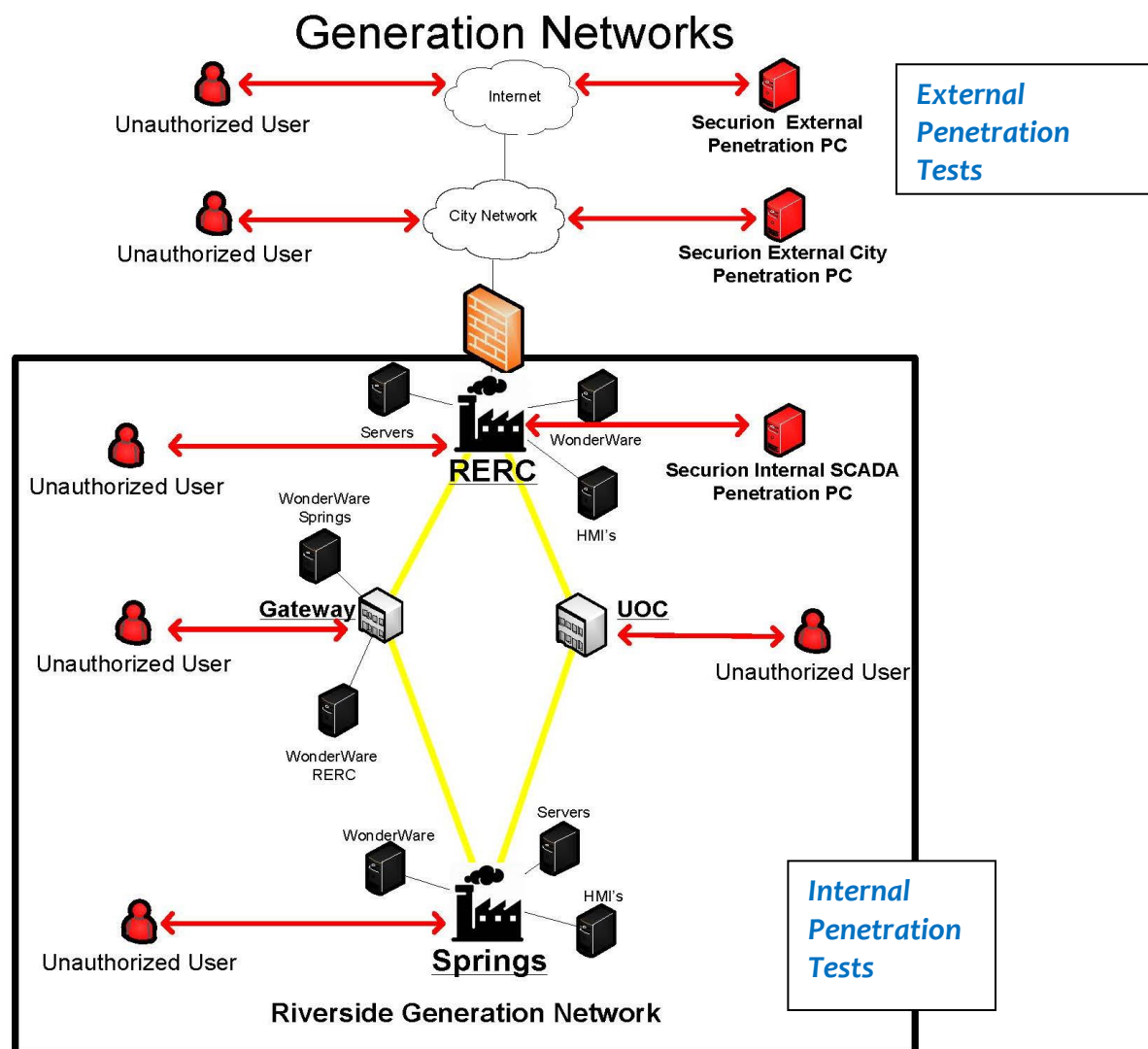
In March 2016, Securicon, LLC (Securicon) conducted a comprehensive information technology (IT) security assessment on the Supervisory Control and Data Acquisition (SCADA) networks at the Riverside Energy Resource Center (RERC) and the Springs Generating Station (Springs). The assessment consisted of internal and external penetration tests that evaluated each power plant's vulnerability to cyber threats and unauthorized users.

Both RERC and Springs achieved excellent results on the external penetration tests. Securicon was unable to infiltrate the existing security systems and firewalls at each facility. However, the internal penetration tests resulted in five network security recommendations that solidify the SCADA infrastructure and better align each facility with the industry's best practices.

One of the recommendations is to replace the SCADA devices that were installed since the power plants were first constructed (over 10 years ago) and update the existing network to current security standards. The newer devices allow for a configuration that provides higher security against unauthorized users to the SCADA networks.

Recent maintenance activities indicate that these devices have reached the end of their useful lives and are starting to fail. After extensive review, staff determined the most cost-effective approach would be to purchase the equipment recommended by the Securicon assessment and to upgrade the SCADA network at the two facilities.

The following illustration outlines the security assessment on the SCADA networks at RERC and Springs.



DISCUSSION:

Staff contacted Insight Public Sector Inc. (Insight) for a proposal to provide components, servers and software for the Cyber Security Upgrade Project. Insight has an existing contract (Amendment No. 4 to Contract 4400006644) under the US Communities Cooperative Agreement. Insight was able to provide pricing in accordance with their contract in the amount of \$179,772. U.S. Communities is a national cooperative purchasing program, providing government procurement resources and solutions to local and state government agencies, school districts (K-12), higher education institutions and nonprofits looking for the best overall pricing. This program provides the City with access to pricing obtained by other public agencies through a competitive procurement process.

Purchasing Resolution 23256, Section 702(e) provides that the informal and formal Procurement processes shall not be required when cooperative purchasing is available and undertaken or when services can be obtained through federal, state and/or other public entity pricing contracts or price agreements. In this case, the Purchasing Department has determined that the quote provided by Insight Public Sector Inc. is under the U.S. Communities agreement. The Purchasing Services Manager concurs that the recommended actions comply with Purchasing Resolution No. 23256.

The project/fiscal breakdown is as follows:

Project and Fiscal Breakdown		
Work Type	Performed By	Amount (\$)
Part, Components and Software	Insight Public Sector Inc.	\$169,621
Sales Tax	Insight Public Sector Inc.	\$10,151
Purchase Order Total		\$179,772
Implementation Labor	Riverside Generation Section Staff	\$22,275
10% Contingency		\$17,977
Work Order Total		\$220,024
Anticipated Start Date		April 2019
Anticipated Duration		June 2019

FISCAL IMPACT:

The total fiscal impact of the project is \$220,024. Sufficient funds are available in the Public Utilities Capital Technology Governance Account No. 6130200-470824.

Prepared by: Daniel E. Garcia, Utilities Assistant General Manager/Resources
 Approved by: Todd M. Corbin, Utilities General Manager
 Approved by: Al Zelinka, FAICP, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Certifies availability of funds: Aileen Ma, Interim Utilities Assistant General Manager/Finance & Administration

Attachments:

1. US Communities Cooperative Agreement and Amendments with Insight Public Sector Inc.
2. Insight Public Sector Inc. Proposal