



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 18, 2019**

FROM: INNOVATION AND TECHNOLOGY **WARDS: ALL**
DEPARTMENT

SUBJECT: MEASURE Z - CROWDSTRIKE FALCON CYBER BREACH PROTECTION AND
NEXT GENERATION ANTI-MALWARE SOFTWARE FOR A ONE-YEAR TERM
NOT TO EXCEED \$79,729.20

ISSUE:

Authorize the purchase of CrowdStrike Falcon cyber breach protection and next-generation anti-malware software through SHI International, Corporation, of Somerset, New Jersey, under the Omnia Partners Cooperative Purchasing Agreement #2018011-02, in an amount of \$79,729.20 for one-year.

RECOMMENDATIONS:

That the City Council:

1. Authorize the purchase of CrowdStrike Falcon cyber breach protection and next-generation anti-malware software through SHI International, Corporation, of Somerset, New Jersey under the Omnia Partners Cooperative Purchasing Agreement #2018011-02 in response to Request for Proposal #201811 for Information Technology Solutions and Services for one-year in an amount not to exceed \$79,729.20; and
2. Authorize the City Manager, or designee, to execute all documents pursuant to this purchase, and to make minor non-substantive changes.

BACKGROUND:

According to the U.S. Department of Homeland Security Computer Emergency Readiness Team, "Ransomware is a type of malicious software, or malware, designed to deny access to a computer system or data until a ransom is paid. Ransomware typically spreads through phishing emails or by unknowingly visiting an infected website." At least 169 local and state government agencies have been impacted by ransomware attacks according to the New York Times, resulting in partial or complete disruption of daily and public safety operations. Ransomware attacks recently shut down the Colorado Department of transportation for nearly four (4) weeks and cost more than one million dollars in emergency recovery operations resulting in the Office of the Governor issuing a declaration of disaster due to a cyber attack.

The City currently utilizes a traditional anti-virus solution called Windows Defender. The Crowdstrike Falcon cyber breach protection and next-generation anti-malware (Falcon) software is complementary to the Windows Defender software but provides enhanced capabilities that are lacking in the Windows Defender solution such as ransomware and unknown malware prevention, Forensics and threat containment capabilities.

DISCUSSION:

The current anti-virus solution's strengths include virus scanning and detection, against a known signature database of known viruses, as well as, heuristic techniques. The current solution alone does not achieve the required level of cybersecurity protection as new malware is created every 4.2 seconds rendering signature-based protections ineffective. The current anti-virus lacks exploit detection, forensics, remote containment, and threat hunting capabilities. The risk and impact of exploits, such as ransomware, is very high. These attacks often succeed in their goal, causing multi-million dollar damage, significant productivity and service losses, potential fines, and/or complete loss of vital information.

The Crowdstrike Falcon software adds additional cybersecurity capabilities and increases the level of protection for the City's computer systems. The Falcon software will lower the risk of devastating cybersecurity attacks, such as "ransomware." Based on today's cybersecurity threat landscape, the Innovation and Technology Department recommends the City implement the additional capabilities that the Falcon software provides.

Falcon responds to current challenges with a powerful yet lightweight solution that unifies next-generation anti-malware, endpoint detection and response, managed threat hunting capabilities, and aids in maintaining properly functioning devices. Falcon also offers powerful and comprehensive prevention capabilities. It can stop the execution of malicious code, block zero-day exploits, kill processes, and contain "command and control" callbacks. This is all contained in a single, lightweight sensor. Innovation and Technology staff will manage and deliver the software through an efficient central management console, which will maximize support staff productivity.

Purchasing Resolution 23256, Section 602(e) provides that "Competitive Procurement through Informal Procurement and Formal Procurement process shall not be required when Cooperative Purchasing is available and undertaken or when Goods can be obtained through Federal, State and/or other public entity pricing contracts or price agreements..." The purchase of the Crowdstrike Falcon cyber breach protection and next-generation anti-malware software from SHI International, Corporation, of Somerset, New Jersey is under the Omnia Partners Cooperative Purchasing Agreement #2018011-02 and in response to Request for Proposal #201811 for Information Technology Solutions and Services through a formal request for proposal process.

The Purchasing Manager concurs that the recommended action to purchase this software complies with Purchasing Resolution 23256.

FISCAL IMPACT:

The fiscal impact of this purchase is \$79,729.20 for one year. Sufficient funding is available in the following accounts:

Account	Amount
Fund 110 Account No. 2400009-462310	\$50,360.20
Fund 510 Account No. 6003009330-42440000	\$16,112
Fund 520 Account No. 6213009330-42440000	\$5,411
Fund 530 Account No. 2245000-425700	\$239
Fund 540 Account No. 4130000-425806	\$2,012
Fund 550 Account No. 4125000-425806	\$3,992
Fund 640 Account No. 6400000-424400	\$273
Fund 650 Account No. 2215000-425700	\$1,330
TOTAL	\$79,729.20

Requests for annual renewals of this software will be requested via the Innovation and Technology's annual renewal procurement Council Memo each year.

Prepared by: George Khalil, Chief Innovation Officer
 Certified as to
 availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
 Approved by: Lea Deesing, Assistant City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Omnia Partners Contract Documentation
2. Pricing Quote for City of Riverside
3. Measure Z Report