

NO: R169

COUNCIL DATE: November 23, 2020

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **November 18, 2020**

FROM: **General Manager, Corporate Services**

FILE: **1375-20**

SUBJECT: **Award of Contract No. 1220-041-2020-005 for Data Centre Firewalls**

RECOMMENDATION

The Corporate Services Department recommends that Council:

1. Award Contract No. 1220-041-2020-005 to CDW Canada Corporation in the amount of \$789,874.00, including GST & PST, for the purchase of Data Centre Firewalls, including 3 years of maintenance and licensing;
2. Set the expenditure authorization limit at \$868,861.00 (including GST & PST and contingency); and
3. Authorize the General Manager, Corporate Services to execute Contract No. 1220-041-2020-005 and approve all related agreements and approve payments up to the expenditure authorization limit.

INTENT

The purpose of this report is to obtain Council's approval to award Contract No. 1220-041-2020-005 to CDW Canada Corporation for Surrey Data Centre Firewalls including three years of maintenance support and licensing, to meet enhanced security requirements.

BACKGROUND

Cyber criminals continue to find new ways of targeting organizations to gain access to their network and data. While the City has deployed multiple preventative technologies, Cyber attacks are becoming more prevalent with continuously increasing sophistication.

2019 and 2020 were unprecedented years with respect to Canadian organizations being victimized by cybersecurity breaches. Canadian banks, schools, governments, and businesses continue to be impacted by cyber attacks, exposing customer data, paying ransoms to hackers, and losing valuable time recovering from breaches. Most notably, over 47% of the attacks on Canadian public sector organizations targeted municipalities.

The annual Accenture Cost of Cybercrime survey reports that the average cost of investigating and remediating an attack among Canadian organizations last year was \$9.25 million.

DISCUSSION

The City's Data Centre is protected using state-of-the-art security tools and practices. However, our current firewall infrastructure lacks capacity to accommodate the enhanced security architecture required to strengthen the City's cybersecurity defense.

The City's existing cybersecurity strategy employs a model referred to as "Defense-in-depth." While this model has been effective, it is no longer sufficient to keep pace with the volume, type, and sophistication of current attacks that the City is experiencing. As new technology vulnerabilities are discovered and exploited daily, the City must continue to elevate its cybersecurity defences. On average, the City's current firewall infrastructure detects and blocks over 4,000 attacks per day.

The new model requires the implementation of Data-Centre segmentation that will effectively:

1. Reduce the City's cybersecurity risks by providing more granular visibility into application and user traffic on its Network; and,
2. Enable the City to control, restrict and block unauthorized access to information.

A review of the City's Cybersecurity toolset was conducted in Q1 of 2020 by the Herjavec Group, a 3rd party security consultancy firm, that validated the architectural modifications as noted above.

QUOTATION RESULTS

In September 2020, Request for Quotation 1220-041-2020-005 - Core Security Infrastructure, was posted on BC Bid and the City's websites. CDW Canada Corp and IT Blueprint provided quotations as follows:

Supplier	Option	One-time	Year 2	Year 3	Total 3-year cost
CDW Canada Corp	1	\$506,784	\$158,473*	\$161,643*	\$826,900
	2	\$789,874			\$789,874
IT Blueprint	1	\$719,379	\$186,282*	\$190,008*	\$1,095,669
	2	\$1,054,383			\$1,054,383

*Estimated maintenance and licensing in years 2 and 3.

EVALUATION

Suppliers were asked to provide pricing for two (2) options:

- Option 1 is the cost to acquire the technology and includes the first year of maintenance and licensing.
- Option 2 was for the cost to acquire the technology and include three years of pre-paid maintenance and licensing.

To establish a total three-year cost, estimates for maintenance and licensing were applied to the Option 1 quotations in the table above. The option 2 quotations provided for total 3-year cost including maintenance and licensing.

Based on the purchase price of Option 2 quotation submitted by CDW Canada Corporation staff considers this option to be the best value.

It is therefore recommended that CDW Canada Corporation be awarded Contract No. 1220-041-2020-005 for the supply and delivery of the Data Centre Firewalls.

SUSTAINABILITY CONSIDERATIONS

The implementation of additional Data Centre firewalls supports the City's Sustainability Charter 2.0. In particular, the purchase relates to the Sustainability Charter 2.0 theme of Infrastructure. Specifically, the Data Centre firewalls support the following Desired Outcomes("DO's"):

- All Infrastructure DO1: City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems.
- All Infrastructure DO2: Infrastructure systems provide safe, reliable and affordable services

FUNDING

Funding for this project is available in the approved 2020 Information Technology Budget.

CONCLUSION

The implementation of Data Centre segmentation will reduce our cybersecurity risks by providing more granular visibility into application and user traffic on our Network, enabling us to control, restrict and block unauthorized access to information. It is recommended that Council award Contract No. 1220-041-2020-005 to approve the purchase from CDW Canada Corporation in the amount of \$868,861, (including GST & PST and contingency) for the purchase of Data Centre Firewalls including three years of maintenance.

Rob Costanzo
General Manager, Corporate Services