



November 30, 2022

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement for Palo Alto Firewall Renewal Subscriptions

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2022-23 Budget, the Orange County Transportation Authority Board of Directors approved expenditures for Palo Alto renewal subscriptions. Palo Alto provides firewall hardware and services used as Orange County's Transportation Authority's primary cybersecurity defense for all connections into and out of the Orange County Transportation Authority Nevada data center, Orange Administration building, and five bus bases. A firewall is a network security device used to monitor incoming and outgoing network traffic and permits or blocks this traffic based on the organization's security rules. Palo Alto subscriptions provide licensing and services needed for these firewalls to meet the federal, state, and Orange County Transportation Authority policy requirements. Bids were received in accordance with the Orange County Transportation Authority's procurement procedures. Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A52259 between the Orange County Transportation Authority and Thomas Gallaway Corporation, doing business as Technogent, in the amount of \$393,639 for Palo Alto Firewall renewal subscriptions for a three-year term.

Discussion

The Orange County Transportation Authority's (OCTA) data center, Orange Administration building, and five bus bases require the use of firewalls to monitor, protect, and report on the data that flows into and from the OCTA network and the internet. The purpose of OCTA firewalls is to provide the first line of defense for all data and connections. The security subscriptions being purchased allow OCTA firewalls to provide threat analysis, receive real time updates to new

security threats, provide URL filtering, allow central management, and provide configuration support to meet the requirements set out by OCTA policy, cybersecurity insurance, and industry best practices. Without these subscriptions, OCTA would not be able to utilize the next generation-based security components used to monitor, update, and protect against modern cybersecurity threats in near real time.

OCTA purchased Palo Alto firewalls to replace legacy firewalls to take advantage of next generation security services that were not available for the hardware in use at OCTA and to meet industry best practices in 2019.

In the event of a cyber incident, whether malicious or unintentional, the firewalls will be used as one of the main data sources in OCTA's Incident Response Program processes. The firewalls will be used to mitigate any further intrusion attempts until the remediation efforts have been completed as OCTA's Continuity of Operations Plan establishes mission essential functions to be performed or resumed during an emergency or disruptive event.

Procurement Approach

This procurement was handled in accordance with OCTA's Board of Directors (Board)-approved procedures for competitive sealed bid procurements. These procedures, which conform to both state and federal requirements, apply when minimum requirements are clearly specified. Upon completion of the sealed bid process, the contract is awarded to the lowest responsive and responsible bidder.

Invitation for Bids (IFB) 2-2788 was released on September 6, 2022, through OCTA's CAMM NET system. The project was advertised on September 6 and September 13, 2022, in a newspaper of general circulation. Three addenda were issued to provide responses to questions received and make administrative changes. On October 17, 2022, four bids were received and publicly opened. One bid from Questivity, Inc., was deemed non-responsive as the correct price summary sheet was not submitted.

All bids were reviewed by staff from both Contracts Administration and Materials Management and the Information Systems (IS) departments to ensure compliance with the technical specifications and solicitation instructions.

The list of bidders and bid amounts is presented on the next page:

<u>Firm and Location</u>	<u>Bid Amount</u>
Thomas Gallaway Corporation, doing business as Technologent Irvine, California	\$393,639
Digital Scepter Murrieta, California	\$408,702
Zones, LLC Auburn, Washington	\$441,016

The independent cost estimate for this project was \$450,000. The recommended firm's bid is approximately 12.5 percent lower than the OCTA project manager's estimate and therefore considered by staff to be fair and reasonable.

State law requires award to the lowest responsive, responsible bidder. As such, staff recommends award to Thomas Gallaway Corporation, doing business as Technologent, the lowest responsive, responsible bidder, in the amount of \$393,639, for Palo Alto Firewall renewal subscriptions for a three-year term.

Fiscal Impact

The project was approved in Orange County Transportation Authority's Fiscal Year 2022-23 Budget, Finance and Administration/IS, Account No. 1289-7519-IX061-PAL, and is funded through local funds.

Summary

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute Purchase Order No. A52259 between the Orange County Transportation Authority and Thomas Gallaway Corporation, doing business as Technologent, in the amount of \$393,639, for Palo Alto Firewall renewal subscriptions for a three-year term.

Attachment

None.

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