File #: 24-537, **Version:** 1

Memorandum

Date: **May 14, 2024**

To: **The Honorable Lake County Board of Supervisors**

From: **Shane French, Information Technology Director**

Subject: **A) Approve the addition of a fixed asset titled 'Palo Alto 1410 firewall HA Pair' in 2023-2024 Capital Asset Listing in the amount of $93,186; and B) Approve budget transfer of $87,000 from account 001-1904-719.01-11, 'Salaries and Wages, Permanent' to account 001-1904-719.62-71; and C) Waive the formal bidding process due to cooperative purchasing and authorize the IT Director to issue a purchase order in the amount of $93,185.88 to EPlus for a Palo Alto 1410 HA pair firewall and security services**

Executive Summary:

The County of Lake IT Department utilizes Palo Alto firewalls to protect county networks from cybersecurity threats. In addition to the firewall hardware, IT purchases security subscriptions that enable the firewalls to protect network traffic in various ways. There have been significant increases in the costs of these security subscriptions over the years. At this time, it costs about $45,000 per year to maintain these security subscriptions. Further, we anticipate 5-10% uplift in these costs each year based on previous trends.

In an effort to reduce costs, we have worked with Palo Alto Networks to come up with a solution that will allow for predictable cost savings going forward. Palo Alto Networks is offering a hardware refresh along with five years of security subscriptions for a greatly reduced cost. The cost for the two firewalls and five years of security subscriptions is $93,185.88. This represents a cost reduction of over $130,000 over five years before even taking hardware refresh costs into account.

As the hardware portion of this purchase was unplanned for this fiscal year, we are asking that your Board approve the addition of the firewalls as a fixed asset in the 2023-2024 fixed asset listing for department 1904.

There are currently only $7,195.11 in funds remaining in account 001-1904-719.62-71 (Equipment-Office). We are requesting a budget transfer of $87,000 from account 001-1904-719.01-11 (Salaries and Wages, Permanent) to fixed asset account 01-1904-719.62-71 to cover the difference.

The purchase will be made using the cooperative NASPO purchasing contract. As such, we are requesting that your board waive the formal bidding process.

If not budgeted, fill in the blanks below only:
Estimated Cost: ________ Amount Budgeted: ________ Additional Requested: ________ Future Annual Cost: ________

Purchasing Considerations (check all that apply): ☐ Not applicable
☒ Fully Article X. <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOBI>- and/or Consultant Selection Policy <http://lcnet.co.lake.ca.us/Assets/Intranet/Policy/Policies+$!26+Procedures+Manual/Ch4_2021v2.pdf>-Compliant (*describe process undertaken in "Executive Summary"*)
☒ Section 2-38 <https://library.municode.com/ca/lake_county/codes/code_of_ordinances?nodeId=COOR_CH2AD_ARTXPU_S2-38EXCOBI> Exemption from Competitive Bidding (*rationale in "Executive Summary," attach documentation, as needed*)
☐ For Technology Purchases: Vetted and Supported by the Technology Governance Committee <http://lcnet.co.lake.ca.us/Assets/Intranet/Intranet+Forms/Information+Technology/AdvPlan.pdf> (*"Yes," if checked*)
☐ Other (*Please describe in Executive Summary*)

Consistency with Vision 2028 <http://www.lakecountyca.gov/Government/Directory/Administration/Visioning/Vision2028.htm>
(check all that apply): ☐ Not applicable

☐ Well-being of Residents	☐ Public Safety	☐ Disaster Prevention, Preparedness, Recovery
☐ Economic Development	☐ Infrastructure	☐ County Workforce
☐ Community Collaboration	☐ Business Process Efficiency	☐ Clear Lake

Recommended Action: Approve the addition of a fixed asset titled 'Palo Alto 1410 firewall HA Pair' in 2023-2024 Capital Asset Listing in the amount of $93,186. Approve budget transfer of $87,000 from account 001-1904-719.01-11, 'Salaries and Wages, Permanent' to account 001-1904-719.62-71. Waive the formal bidding process due to cooperative purchasing and authorize the IT Director to issue a purchase order in the amount of $93,185.88 to EPlus for a Palo Alto 1410 HA pair firewall and security services.