



## INNOVATION TECHNOLOGY DEPARTMENT

CITY HALL  
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255  
TELEPHONE: (408) 777-3223 • FAX: (408) 777-3366  
CUPERTINO.ORG

### CITY COUNCIL STAFF REPORT

Meeting: February 6, 2024

#### Subject

Approve a Cooperative Services Agreement with SHI International Corporation for Managed, Detection, and Response (MDR) Cybersecurity Services, for a total not-to-exceed amount of \$180,025.50.

#### Recommended Action

Authorize the City Manager to execute a Cooperative Services Agreement with SHI International Corp. for Managed, Detection, and Response (MDR) Cybersecurity Services for a total not-to-exceed amount of \$180,025.50.

#### Reasons for Recommendation

The City has established a comprehensive, multilayer cybersecurity strategy to address the numerous cyber threats encountered weekly. A key component of this strategy involves tools initially acquired in 2020 through SHI International Corp via the National Association of State Procurement Officials (NASPO), a Cooperative Agreement vehicle that secures competitive rates and favorable terms on goods at the state level. Beginning December 2020, under the City Manager's award authority, the City utilized the Cooperative Agreement to provide these cybersecurity tools during 2021, 2022 and 2023 calendar years. Considering the evolving cybersecurity landscape, the City proposes the continued use of these tools for an additional term through the 2024 calendar year. This additional year is strategically recommended to ensure uninterrupted cybersecurity defense while we diligently assess alternative solutions. Our aim is to identify options that potentially offer enhanced efficacy and cost-effectiveness, aligning with our ongoing commitment to robust and efficient cybersecurity management.

While the City will continue to use the same cybersecurity tools acquired in 2020 through SHI International Corp, due to the expiration of the NASPO agreement, the City will obtain the continuing services of SHI International Corp. through

Omnia Partners, a cooperative purchasing entity that acquired National Intergovernmental Purchasing Alliance (IPA).

Formal Competitive Bidding Exemption

CMC Chapter 3.22 ordinarily requires that purchases of services be selected through a Request for Proposal process. However, CMC § 3.22.070 provides for exemptions to the requirements of Chapter 3.22 when these purchases occur from any other public agency created under the laws of the State of California or the United States Government. The City of Meza, AZ was the lead agency for the competitive solicitation, which was created for intended use through Omnia Partners, which provides contracts that are competitively solicited and publicly awarded by a government entity acting as the lead agency. The Cooperative Purchasing Agreement with SHI International Corp. is available to any public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit (“Public Agencies”), through its cooperative purchasing program.

Sustainability Impact

No impact.

Fiscal Impact

The table below provides a detailed breakdown of the costs incurred to date and the projected future expense associated with the cybersecurity tools which total \$180,025.50. Included in the total contract amount is a lower service cost for 2024 due to a successful negotiation with the vendor. Council approved funding as part of FY2023-24 Proposed Budget.

Date	Price	Services Provided
February 1, 2021	\$49,000.00	MDR Services
February 1, 2022	\$49,000.00	MDR Services
February 1, 2023	\$49,000.00	MDR Services
February 1, 2024	\$33,025.50	MDR Services (contract through Omnia partners)
<b>New not-to-exceed Total</b>	<b>\$180,025.50</b>	

California Environmental Quality Act

Not applicable.

---

Prepared by: Tommy Yu, Infrastructure Manager

Reviewed by: Bill Mitchell, Chief Technology Officer  
Michael Woo, Senior Assistant City Attorney  
Approved by: Matt Morley, Assistant City Manager  
Chris Jensen, City Attorney

Attachments:

- A – DarkTrace via SHI International Corp., Base Cooperative Agreement
- B – Omnia Partners Coop. Agreement No. 2018011-02
- C – Amendment 4 to Omnia Partners Coop. Agreement No. 2018011-02
- D – Draft Supplemental Agreement