



INNOVATION TECHNOLOGY DEPARTMENT

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CITY COUNCIL STAFF REPORT

Date: November 18, 2025

Subject

First Amendment to Managed Detection and Response (MDR) Security Services Agreement with Arctic Wolf Networks, Inc., for a total amount of \$266,548, including a 2% contingency, for a total not to exceed of \$486,100

Recommended Action

Approve a First Amendment to the Managed Detection and Response (MDR) Security Services Agreement with Arctic Wolf Networks, Inc., for a total amount of \$266,548, including a 2% contingency, for a total not to exceed of \$486,100, for a term ending on July 12, 2029.

Background

The current three-year Agreement with Arctic Wolf Network, Inc., provides monitoring of the City's network, and log management. As an important component of the City's expanded Infrastructure (IT) security program, the monitoring process notifies the City's Infrastructure division of suspicious activity and hacking attempts and provides information on mitigation steps. This service agreement provides continuous network protection through virus and malware defense, server and endpoint monitoring, vulnerability scanning, 24/7 traffic analysis, and real-time alerts for suspicious activity.

In May 2023, the City Council approved a three-year contract with Arctic Wolf Networks, Inc., and based on the City Manager's recommendation, made the findings required under Municipal Code Section 3.22.060(B) to waive competitive bidding. Municipal Code section 3.22.060(B) authorizes the waiver of competitive bidding procedures if "pursuant to a written recommendation of the City Manager, the City Council finds that the use of the formal competitive bidding procedure is not practical due to limitations on source of supply, necessary restrictions in specifications, necessary standardization, quality considerations, or if other valid reasons for waiving the formal competitive bidding process procedures appear."

Reasons for Recommendation and Available Options

The department recommends proceeding with Arctic Wolf Network, Inc. for Managed Detection and Response (MDR) security services rather than seeking alternative vendors. This recommendation is based on Arctic Wolf's established familiarity with the City's network infrastructure and their strong track record of collaboration with public agencies across the Bay Area. This will ensure the continued delivery of reliable and effective MDR security services for Cupertino's network operations. Transitioning to another provider at this stage would represent a significant setback and could weaken the City's cybersecurity posture. The current defense framework has been carefully developed through years of monitoring and adapting to Cupertino's unique network traffic patterns. As a result, changing platforms could disrupt and diminish the effectiveness of the City's established security measures.

Sustainability Impact

No sustainability impact

Fiscal Impact

No fiscal impact. MDR Security services ongoing budget was approved as part of FY19, this agenda item is solely for Council approval of the Amendment.

City Work Program (CWP) Item/Description

None

Council Goal:

Quality of Life

California Environmental Quality Act

No California Environmental Quality Act impact.

Prepared by: Tommy Yu, CGCIO, Infrastructure Manager

Reviewed by: Teri Gerhardt, CGCIO, Chief Technology Officer

Floy Andrews, Interim City Attorney

Approved for Submission by: Tina Kapoor, Interim City Manager

Attachments:

A – Draft First Amendment

B – Base Agreement