



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 01/21/2020

ITEM NO: 4

DATE: January 21, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to Enter into an Agreement with ZAG Technical Services (ZAG) in an Amount Not to Exceed \$500,000 for Network Security Improvements and Professional Services.

RECOMMENDATION:

Authorize the Town Manager to enter into an agreement with ZAG Technical Services (ZAG) in an amount not to exceed \$500,000 for network security improvements and professional services.

BACKGROUND:

The Town's network infrastructure and security hardware (i.e., firewalls and switches) and the associated software and security design are due for replacement and updating in order to remain robust and modern. The Town uses consultant services to help with the maintenance and ongoing upgrades of the Town's network core, servers, applications, and endpoints to augment existing Information Technology staff. This network redesign, with its technical nature, would benefit from the expertise and professional services of an IT consultant.

The Town has been working with ZAG since 2006. ZAG helped implement most of the Town's technological systems, including the 78 on-premises servers, cloud presence and synchronization, virtualization, network topology, backup solutions, patch deployment automation, databases, email, file servers, web servers, security, threats, and anti-virus. ZAG has extensive knowledge of and experience working with all of the Town's IT software and programs.

PREPARED BY: Chris Gjerde
I.T. Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

BACKGROUND (continued):

On September 5, 2017, the Town Council last approved an Agreement for Consultant Services with ZAG Technical Services, selected through a Request for Proposals process. The Agreement is in effect from September 6, 2017 through June 30, 2020 in an original not to exceed amount of \$200,000. On June 18, 2019, Council increased the compensation in the amount of \$100,000 for a total contract amount of \$300,000 to more adequately reflect use of services since 2017.

DISCUSSION:

In addition to the core IT services ZAG currently performs, the replacement and updating of the Town's network infrastructure and security hardware and the associated software and security design will require additional resources from ZAG. As such, staff is recommending authorization of this new agreement with ZAG at this time to ensure sufficient funding is maintained for these critical consulting services. The term of the new agreement is from January 22, 2020 to June 30, 2023.

ZAG's hourly rates for consulting services are competitive with industry standards and due to the length of relationship and volume of work staff has been able to negotiate significant discounts (23 to 28%) off those rates. In addition to the Town's experience with the consultant, ZAG provides similar services to a host of other neighboring cities (such as the City of Saratoga), water districts, private utilities, school districts, and private sector corporations.

The proposed agreement in Attachment 1 encompasses specialized professional service hours necessary to implement a complete network redesign for improved security and stability in addition to routine assistance with the aforementioned items. The network redesign includes:

1. Increasing network redundancy to reduce unplanned downtime risk;
2. Replacing aging firewalls and switches which are due and planned for replacement;
3. Enhancing the Town's security posture with next-generation firewalls and intelligent switches; and
4. Improving security anomaly alerting, network troubleshooting, and firmware updating.

CONCLUSION:

To maintain the Town's servers, user support, technological infrastructure, and improve the Town's network security and resiliency, staff recommends that Council authorize the Town Manager to enter into an agreement with ZAG Technical Services in an amount not to exceed \$500,000 for network security improvements and professional services.

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SUBJECT: Authorize Agreement with ZAG Technical Services

DATE: January 21, 2020

COORDINATION:

The Finance Department, IT, and Town Manager's Office coordinated this report.

FISCAL IMPACT:

The funding for the first year of this agreement is available in the FY 2019/20 budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. Agreement for Consultant Services with ZAG Technical Services