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Res. No. 72 - 22 - 23. By Alderpersons Mitchell and Filicky-Peneski.  
September 19, 2022.

A RESOLUTION authorizing the IT Director to execute all necessary documents to enter into a further contract with Darktrace Holdings Limited related to cybersecurity.

WHEREAS, cybersecurity is the practice of protecting critical systems and sensitive information from digital attacks; and

WHEREAS, in 2020, in the United States, the average cost of a data breach was \$8.64 million; and

WHEREAS, it is in the best interest of the City that a robust cybersecurity system be in place; and

WHEREAS, City IT staff has previously recommended that Darktrace Holdings Limited ("Darktrace") be part of that cybersecurity system; and

WHEREAS, via Res. No. 76-21-22, the City has previously entered into a Darktrace Master Customer Agreement governing various purchases related to the Darktrace cybersecurity system, a copy of which is available at <https://www.darktrace.com/resources/legal-online-terms.pdf>; and

WHEREAS, the City has seen an uptick in attempted digital attacks aimed at its email system, leading City staff to recommend the purchase of additional protection within the Darktrace system that is designed to protect the city's email system from such attacks; and

WHEREAS, given the inherently sensitive nature of cybersecurity, the exact product or products being obtained from Darktrace has intentionally been omitted from this Resolution; and

WHEREAS, both City IT staff and the City Attorney have reviewed the Terms and Conditions of the Agreement for the additional protection and have negotiated those terms to the advantage of the City, including price reductions, a non-appropriation clause, and a delay of the first payment so that the payment may be made in the 2023 budget year even though coverage will begin earlier; and

WHEREAS, the negotiated cost of the additional protection will be no more than \$86,568 for the new service through September 30, 2026, and \$31,208 for the extension of the previous service for 11 months so that all services terminate at the same time, thus requiring council approval; and

WHEREAS, the Finance Director has previously been authorized to make all necessary accounting entries to accurately reflect the prior purchase in

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the City's Financial Statements, including initially reflecting the total value of the contract as a Prepaid Asset, and she should be authorized to do the same with regard to the additional prepaid expenditures authorized by this Resolution; and

WHEREAS, City staff is recommending the rules be suspended and the resolution adopted upon first reading in order to take advantage of September incentives that will result in a savings of more than \$15,000.

NOW, THEREFORE, BE IT RESOLVED: That the Director of Information Technology is hereby authorized to sign the Product Order Form provided to him and to the City Attorney, including the terms and conditions thereto.

BE IT FURTHER RESOLVED: That because the contract with Darktrace is a multi-year agreement being paid in advance, the Finance Director is authorized to make all necessary accounting entries to accurately reflect this agreement in the City's Financial Statements, including initially reflecting the total value of the contract as a Prepaid Asset (Account No. 713-162000).

BE IT FURTHER RESOLVED: That the IT Director may execute all additional necessary documents consistent with the Product Order Form and the Darktrace Master Customer Agreement as may be necessary to engage Darktrace for the additional services being purchased.

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I HEREBY CERTIFY that the foregoing Resolution was duly passed by the Common Council of the City of Sheboygan, Wisconsin, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Dated \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, City Clerk

Approved \_\_\_\_\_ 20\_\_\_\_. \_\_\_\_\_, Mayor