



CITY OF MENIFEE

SUBJECT: Subscription Service Renewal with ExtraHop Inc. for Cybersecurity Network Detection and Response Services

MEETING DATE: August 7, 2024

TO: Mayor and City Council

PREPARED BY: Michelle Sarkissian, Information Technology Manager

REVIEWED BY: Ron Puccinelli, Chief Information Officer

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Approve and authorize the City Manager to issue a purchase order to SHI International Corp., authorized reseller of ExtraHop, Inc., in the amount of \$70,383.05 for Fiscal Year 2024/25 for the purchase of cloud-based cybersecurity network detection and response, packet forensics, and ransomware detection services; and
2. Authorize the City Manager to approve three optional one-year renewal purchase orders on the same terms with an annual increase not-to-exceed 10% per year for Fiscal Years 2025/26 through 2027/28; and
3. Approve and authorize this purchase utilizing the OMNIA Master Intergovernmental Cooperative Purchasing Agreement and SHI Master Agreement No. 2018011-02 pursuant to Menifee Municipal Code Section 3.12.070 (6).

DISCUSSION

In May 2023, the City of Menifee took a significant step toward strengthening its cybersecurity defenses by partnering with ExtraHop, a leader in network detection and response solutions. Over the past year, ExtraHop's platform, RevealX, has been instrumental in transforming how the City protects its digital infrastructure, ensuring that Menifee remains resilient against ever-evolving cyber threats.

Since RevealX has been integrated into the Information Technology (IT) environment, there have been improvements in cybersecurity posture witnessed. During the initial proof of concept period, RevealX identified and remediated over ten hidden vulnerabilities within the network. These vulnerabilities, if left unchecked, could have posed serious risks to the City's operations and the sensitive information of its residents. These issues were prioritized and addressed using RevealX,

ensuring the security of the environment. Since then, an additional five hidden vulnerabilities have been identified and remediated, further enhancing the security of our network.

The impact of RevealX goes beyond mere numbers. For instance, RevealX detected a significant amount of unwanted traffic originating from international sources such as China and Russia. This traffic was targeting internal City websites, including the business licensing system and the Menifee GIS portal. Recognizing the potential threat of data exfiltration and the implications for sensitive information, the IT team was able to act swiftly. ExtraHop/RevealX provided detailed insights and alerts regarding suspicious traffic, enabling the IT team to make immediate changes to the firewall settings. By blocking the incoming traffic from these international sources, the City was able to prevent potential breaches and secure its internal websites. This proactive measure not only protected critical data but also highlighted the importance of having an advanced network detection and a response solution in place.

Given the substantial benefits and successes achieved with ExtraHop/RevealX, a renewal of the partnership for another year is now sought. The renewal would allow the City to keep benefiting from real-time threat detection, comprehensive network visibility, and proactive threat management. ExtraHop's AI-driven insights would continue to empower the IT team, enabling them to focus on strategic initiatives while staying ahead of potential cyber threats.

The City plans to purchase the subscription through SHI International Corporation ("SHI"), an authorized reseller and partner of the OMNIA Partners cooperative purchasing alliance ("OMNIA"). The City of Menifee, a member of the OMNIA cooperative purchasing alliance since March 31, 2011, is allowed to purchase the proposed Services under a cooperative purchasing program.

The OMNIA cooperative secures pricing and terms for purchases by participating public entities through publicly bid master agreements. In this case, the master agreement for the Services is SHI/OMNIA Contract No. 2018011-02, originally entered into by the City of Mesa, AZ. The substantive provisions of that master agreement apply to the purchase of the services from SHI. This structure permits the City to secure the services through the cooperative structure and pricing, rather than independently securing and negotiating for the Services.

STRATEGIC PLAN OBJECTIVE

Safe and Vibrant Community

FISCAL IMPACT

The proposed purchase for ExtraHop RevealX services is currently budgeted within the 2024/2025 Fiscal Year Budget under cybersecurity for IT Operations within the IT Fund (1110-ITD-OPER-651354) in the amount of \$70,383.05.

Funding for the three optional one-year renewals (Fiscal Years 2025/26 through 2027/28) would be budgeted as part of the respective year's budget. No additional budget appropriation(s) are required. Due to ExtraHop being unable to provide staff with an annual increase estimate, staff estimated a conservative annual increase of up to a maximum of 10% per fiscal year for the

optional renewals. This 10% is to anticipate an annual increase from ExtraHop for their services as well as the potential data flow of traffic to our ExtraHop solution. For instance, if we see an increase in network traffic at City Hall (more devices, more users, etc.), this estimation would help accommodate those changes. A breakdown of the cost by fiscal year is shown below on Table 1.

TABLE 1 – ALLOCATIONS BY FISCAL YEAR

Fiscal Year (FY)	Amount (Annual 10% Increase Included)
2024/2025	\$70,383.05
Optional Renewal – 2025/2026	\$77,421.36
Optional Renewal – 2026/2027	\$85,163.50
Optional Renewal – 2027/2028	\$93,679.85

ATTACHMENTS

1. SHI Quote
2. SHI/OMNIA Partners Data Sheet
3. SHI/OMNIA Master Agreement No. 2018011-02 – ExtraHop Services