

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator Ben Berry, CTO		2. Telephone No. 503-823-4291	3. Bureau/Office/Dept. Bureau of Technology Services
4a. To be filed (hearing date): July 10, 2013	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and BTS Budget Analyst: June 12, 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

*Authorize a contract for \$210,000.00 with Coalfire Systems, Inc. for PCI DSS Compliance Audit Services (RFP No. 115181).

2) Purpose of the Proposed Legislation:

The purpose of this ordinance is to authorize a contract for Professional Technical and Expert (PTE) Services which will include the following Services:

- a. Conduct and complete an annual PCI-DSS compliance audit for all specified City of Portland systems which store, process, or transmit cardholder data.
- b. Conduct and complete quarterly network scans as necessary to assist City personnel in achieving compliance with PCI-DSS standards.

Cardholder associations, such as Visa and Mastercard, have mandated compliance with certain credit card security standards known as PCI-DSS. In order to minimize the loss of cardholder data, these associations created the PCI-DSS which applies to all merchants who utilize these cardholder associations for payment card transactions. There are currently four merchant levels (Level 1-4) within the PCI-DSS. The City of Portland is currently a Level 2 merchant, but foresees growth into a Level 1 merchant within one to two years time. Compliance with PCI-DSS standards is critical in order for the City of Portland to maintain its merchant Level status.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

If authorized by the accompanying Ordinance, this contract will not generate any revenue or reduce any current or future revenue to the City.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)

If authorized by the accompanying Ordinance, the contract will cost approximately \$210,000 over 5 years. The source of the funding for these expenses is the Bureau of Technology Services Business Solutions operating budget.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)

No

- Will positions be created or eliminated in future years as a result of this legislation?

No

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- YES: Please proceed to Question #9.
 NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item? None

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

As part of a collaborative effort between BTS and Procurement Services, a Request for Proposal (RFP) No. 115181 was issued on February 1, 2013 to establish a contract for PCI DSS Compliance Audit Services from a firm which was a certified Qualified Security Assessor (QSA) and an Approved Scan Vendor (ASV). Six (6) proposals were received. A Member of the Minority Evaluator Program (MEP) was actively sought and one MEP member participated in the evaluation of the RFP proposals.

c) How did public involvement shape the outcome of this Council item?

Review by City staff, technical experts, and a MEP evaluator ensured a fair and equitable selection process.

d) Who designed and implemented the public involvement related to this Council item?

Procurement Services and BTS collaborated on development of the RFP.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

James C. Moering, CPPB, JD, Senior Technology Procurement Specialist, 503-823-7886
james.moering@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No further public involvement is necessary until this contract expires and a new RFP is required.

Ben Berry, Chief Technology Officer



APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND

186149

OFFICE OF MANAGEMENT AND FINANCE

Charlie Hales, Mayor
Jack D. Graham, Chief Administrative Officer
Bryant Enge, Director, Bureau of Internal Business Services

Christine Moody
Chief Procurement Officer
Procurement Services
1120 S.W. Fifth Avenue, Rm. 750
Portland, Oregon 97204-1912
(503) 823-5047
FAX (503) 823-6865
TTY (503) 823-6868

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

DATE: June 26, 2013

TO: Mayor Charlie Hales

FROM: Christine Moody, Chief Procurement Officer

RE: *Authorize a contract for \$210,000.00 with Coalfire Systems, Inc. for PCI DSS Compliance Audit Services. (Ordinance RFP No. 115181)

- 1. INTENDED THURSDAY FILING DATE:** June 27, 2013
- 2. REQUESTED COUNCIL AGENDA DATE:** July 10, 2013
- 3. CONTACT NAME & NUMBER:** Christine Moody x31095
- 4. PLACE ON:** CONSENT REGULAR
- 5. BUDGET IMPACT STATEMENT ATTACHED:** Yes No N/A
- 6. ONE (1) ORIGINAL OF CONTRACT "APPROVED AS TO FORM" BY CITY ATTORNEY ATTACHED:** Yes No N/A

7. BACKGROUND/ANALYSIS:

The City of Portland, Oregon, Bureau of Technology Services (BTS) is responsible for management, policy setting, strategic planning, program security and leadership for the City in the use of computer, radio, and telecommunications technologies, to support the delivery of effective government services. In conjunction with the City Treasurer, BTS seeks to engage a contractor for the annual services of a QSA (Qualified Security Assessor) and quarterly services of an ASV (Approved Scan Vendor) for the purposes of complying with PCI-DSS (Payment Card Industry- Data Security Standard) as a Level 1 merchant.

Cardholder associations, such as Visa and Mastercard, have mandated compliance with certain credit card security standards known as PCI-DSS. In order to minimize the loss of cardholder data, these associations created the PCI-DSS which applies to all merchants who utilize these cardholder associations for payment card transactions. Compliance with PCI-DSS standards is critical in order of the City of Portland to maintain its merchant level status.

On February 1, 2013, the Chief Procurement Officer advertised RFP No. 115181 for PCI-DSS compliance audit services. On March 1, 2013, Six (6) proposals were received for PCI-DSS compliance audit services. The proposals were reviewed, evaluated, and scored in accordance with Portland City Code 5.68.

The proposal from Coalfire Systems, Inc. was deemed responsive to the requirements of the solicitation, and received the highest evaluation scores. On April 30, 2013, the City issued a Notice of Intent to Negotiate and Award a five (5) year contract to Coalfire Systems, Inc. for PCI-DSS compliance audit services. No protests were received.

Coalfire Systems, Inc. has a current City of Portland business license account, is in full compliance with the Equal Benefits Program, and their EEO Certification is current through August 21, 2014. The level of confidence in the negotiated cost for these services is High.

Awarding a contract to Coalfire Systems Inc. will provide annual PCI-DSS compliance audit services for all specified City of Portland systems which store, process, or transmit cardholder data, and quarterly network scans as necessary to assist City personnel in achieving compliance with PCI-DSS standards.

An Equal Opportunity Employer

To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

Legal issues - none known

Controversial issues – none known

Citizen participation –Mr. Michael Wallis participated as an evaluator under the Minority Evaluator Program.

Link to current city policies – none

Other governmental participation – none

8. FINANCIAL IMPACT:

The source of the funding for all contract expenses shall be the Bureau of Technology Services Business Solutions operating budget. Funds are currently allocated for this contract.

9. RECOMMENDATION/ACTION REQUESTED:

Authorize a five year contract with Coalfire Systems, Inc. to provide PCI-DSS compliance audit services for a not to exceed amount of \$210,000.