



State of Vermont
Agency of Digital Services
133 State Street, 5th Floor
Montpelier, VT 05633-0210

John Quinn III, Secretary and State CIO
Shawn Nailor, Deputy Secretary

[phone] 802-828-4141

TO: Susanne Young, Secretary, Agency of Administration
John Quinn, Secretary, Agency of Digital Services

FROM: Scott Carbee, Deputy Chief Information Security Officer, Agency of Digital Services

DATE: September 19, 2018

RE: Sole Source Waiver Request

Name of Entity: Norwich University Applied Research Institute (NUARI)
Nature of Service: Security Operations Center (SOC) Infrastructure
Contract Period: 12 Months from Date of Execution

In accordance with Agency of Administration Bulletin 3.5, Procurement and Contracting Procedures, Section VIII, D. 2, the Agency of Digital Services (ADS) respectfully request a sole source waiver request for this contract. Specifically, ADS is seeking a waiver to the Standard Bidding Process as outlined in Section VIII, B. due to the compelling urgency to protect the State's technology infrastructure, the personal and confidential information of Vermonters, and to assure the continuity of State operations. Norwich University is uniquely positioned from a technology and geographic perspective to provide this service. Failure to provide immediate protection in these areas continues to leave the State and Vermonters vulnerable to malicious cyber attacks.

For ADS to carry out the Governor's priorities to grow the economy, make Vermont more affordable, and protect the most vulnerable, ADS has identified the need for a security operations center (SOC). The purpose of a SOC is to have a facility or functional area that monitors, assesses and defends our data, applications, and network. Compromises of computer networks often happen in minutes and the State is not structured to identify and respond in our current configuration. The State currently operates in a traditional "eight to five" environment which is no longer adequate given the sophisticated cyber threats that states face today. Attacks have become more targeted, malicious, persistent, and are designed to acquire valuable information. They have the potential to cause millions of dollars worth of damage due to compromised records and network failure. Attacks on government entities are so pervasive and sophisticated that anyone can become a victim. The SOC is a necessary component of being able to monitor and protect our assets twenty-four hours a day, seven days a week. Every day we are without twenty-four-hour coverage we increase our risk of an unnoticed attack and potential data breach. I cannot stress enough the urgency and importance of moving on this contract quickly. Failure to do so continues to expose the State and its residents to significant financial consequences, loss of personal and confidential information, and a disruption to the continuity of State operations. We have been at high risk for far too long. We have an obligation to Vermonters to do our best to keep their information safe.

During the 2018 legislative session, ADS worked with the Legislature to secure funding to start a SOC implementation in FY19. A detailed implementation plan was delivered to the Legislature in June and approved in July outlining ADS' approach and spending strategy. We briefed the Joint Fiscal Committee on our plan to utilize Norwich at that time.

While researching SOC models in other states, it quickly became evident that we would need to create a public-private partnership to keep costs low and staff the center 24x7. Vermont is fortunate to have two universities with information assurance and cybersecurity capabilities. Norwich University is nationally recognized for its work and affiliations with the Department of Defense and Department of Homeland Security for its work in cybersecurity. They are a center of excellence for the National Security Agency in information assurance. Norwich's SOC is operational 24 hours a day, seven days a week. Champlain College is a recognized leader in cyber forensic work with the Department of Justice and others focused on cybercrimes. Champlain's SOC is operational eight hours a day, five days a week. The Agency of Digital Services Security Operations Center needs tightly align with the cybersecurity and threat detection capabilities that Norwich University offers. Their experience in providing cyber threat monitoring for Super Bowl L combined with the resources already in-place as a result of this work allows ADS to provide more initial service for a lower starting cost. If threats are identified, immediate incident response is critical to mitigating the adverse effects. Norwich's location, its 24/7 offering, and its ability for SOC staff to travel to Montpelier in minutes is crucial for supporting ADS in any incident response scenarios. Response time to Montpelier is one of the reasons having a local partnership is crucial. Several other states have realized the importance of proximity and are starting to work with colleges in their home states to set up similar alliances for cyber services. Furthermore, with Norwich working with the States of Colorado and Washington on a national pilot for state information analysis, Vermont's participation would bolster that effort, and we would benefit from the accomplishments of the pilot program. Our best choice for addressing our vulnerabilities as quickly and effectively as possible is to partner with Norwich University Applied Research Institute (NUARI) and Norwich University.

Norwich is effective at interfacing with multiple federal agencies and receives funding for cybersecurity research and operations through grants, allowing the State to take advantage of a low cost of entry in addition to inclusion in programs for which the State would not otherwise qualify. The price of this contract is \$399,664, approximately 65 percent of the allocated amount, which leverages our participation in event management, threat intelligence, and cybersecurity information sharing with other state and federal entities.

Any delay moving forward with this proposed sole-source contract will continue to leave Vermonters vulnerable, disrupt plans, and delay implementation for a SOC, which is intended to reduce potentially costly intrusions and security breaches, and directly supports citizens privacy, safety, and livelihood.

Approved by: _____
Suzanne Young, Secretary of Administration

Date: _____

Approved by:  _____
John Quinn, Secretary of Digital Services

Date: 09/19/2018