



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 9

**Agenda Date:** March 21, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

3/21/2024 Annual Contract

**SUMMARY:**

An ordinance awarding one contract to provide the City with commodities and services on an annual basis for the term of the contract for an estimated amount of \$162,373.27 annually. This ordinance provides the procurement of the following item, as needed, and dependent on the department's available budget, for the term of the contract:

A. SHI/Government Solutions, Inc. for Enterprise Immune System Antigena Network Software / Darktrace AI Security for ITSD, \$162,373.27 annually – 1 contract, Information Technology Services Department (ITSD).

**BACKGROUND INFORMATION:**

The City of San Antonio (City) utilizes annual contracts for procuring high volume repetitive purchases. Annual contracts are an efficient method of securing the best prices through volume purchasing and reducing large amounts of work related to the bid process. Utilization of annual contracts allows the City to procure numerous different commodities in support of the normal daily operations.

Procured on the basis of Cooperative:

A. SHI/Government Solutions, Inc. for Enterprise Immune System Antigena Network Software / Darktrace Artificial Intelligence (AI) Security for Information Technology Services Department (ITSD), \$162,373.27 annually, May 1, 2024 through April 30, 2025 with three, one-year renewal options – will provide ITSD with a contract for Darktrace, an Enterprise Immune System security tool. Darktrace will allow City cyber security to remain at a higher responsive cyber security posture. Darktrace is a security tool that uses an AI engine to form a baseline profile of endpoints and users for use in its assessment of possible threat vectors within the network using its AI to detect, learn, assess and prevent attacks from malicious binaries/codes/vectors. Darktrace has the ability to track and maintain abnormal and out of ordinary behavior of endpoints and users to prevent device/users malicious intent. This key coverage mitigates a security gap identified over 5 years ago and was covered with Darktrace’s ability to look at devices which was practically non-existent. This contract will provide the City with licensed use of Darktrace’s Enterprise Immune System Antigena Network Software.

This purchase is made in accordance with the National Intergovernmental Purchasing Alliance Company (Omnia Partners) Program passed through Ordinance 2013-06-13-0414 dated 6/13/2013 and Omnia Contract number 2018011-02. This contract will continue services for Darktrace Artificial Intelligence (AI) Security for ITSD.

Darktrace is not new software. Darktrace was originally acquired in 2019 with renewal for up to 4 option years. The original contract is near expiration and needs to be renewed.

**ISSUE:**

This contract represents a portion of approximately 250 annual contracts that will be brought before City Council throughout the fiscal year. These products and services are used by City departments in their daily operations.

A. SHI/Government Solutions, Inc. for Darktrace AI Security for ITSD

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived as department utilized a cooperative contract with a non-SBEDA eligible firm, SHI International Corp., through Omnia Partners.

This contract is an exception to the Local Preference Program. The Veteran-Owned Small Business Preference Program does not apply to goods/supplies or non-professional services, so no preference was applied to this contract.

**ALTERNATIVES:**

Should this contract not be approved, City departments will be required to process individual procurements for these items and services on an as needed basis and increased costs due to non-contract buying could be realized adversely affecting timelines of delivery.

**FISCAL IMPACT:**

Funds are not encumbered by this ordinance. All expenditures will be in accordance with the department's adopted budget approved by City Council. Purchases made by the departments are as needed and dependent upon available funds within their adopted budget.

**RECOMMENDATION:**

Staff recommends the acceptance of this contract submitted through this ordinance to provide the City with specified services on an annual contract basis.

This contract was procured on the basis of a cooperative contract; therefore, a Contract Disclosure Form is not required.