



Canada's Tournament Capital

## City of Kamloops

### **REQUEST FOR PROPOSAL - Information Security and Compliance Services**

**Reference No. P17-10**

**Issue Date: 2010 August 19**

**Closing Date: 2010 September 16**

**CITY OF KAMLOOPS**  
**REQUEST FOR PROPOSAL NO. P17-10**  
**Information Security and Compliance Services**

**1.0 SUMMARY OF REQUIREMENT**

The City of Kamloops operates a complex set of computer information systems to support its wide variety of business requirements. The City last had its information security practices reviewed in October 2005 by Deloitte. Recent changes in requirements from the credit card industry have prompted the City to recognize the need to review information security on a more regular basis.

The City wishes to engage outside expertise to review its information security practices and recommend a plan to bring these practices into full compliance with Payment Card Industry (PCI) standards, thereby moving the City toward best practices for municipal governments.

**1.1 Time Frame**

To be eligible, completed proposals must be submitted to:

City of Kamloops  
Public Works Centre  
Attention: Purchasing Division  
955 Concordia Way  
Kamloops BC V2C 6V3

and received by 2:00 pm Pacific Standard Time on 2010 September 16.

**2.0 GENERAL INFORMATION AND INSTRUCTIONS TO BIDDERS**

Proposals, rather than tenders, have been requested in order to afford the proponents a more flexible opportunity to employ their expertise and innovation and thereby satisfy the City's needs in a more cost-effective manner. Proposals should be based on these instructions and the attached project requirements.

**2.1 Errors, Omissions, Clarifications**

All questions and requests for clarification relating to the Request for Proposal process and/or identification of any errors or omissions in the Request for Proposal documents shall be directed to Mr. Joe Dickenson, Purchasing Coordinator, via fax to 250-828-3390, or via email to [jdickenson@kamloops.ca](mailto:jdickenson@kamloops.ca).

All requests for technical information or to clarify specifications or requirements shall be addressed to Mr. Frank Mayhood, Information Technology Manager, via email to [fmayhood@kamloops.ca](mailto:fmayhood@kamloops.ca).

## 2.2 Good Business Clause

Contractors, consultants, and suppliers wishing to do business with the City of Kamloops agree to resolve any differences through the City of Kamloops dispute resolution procedure. Contractors, consultants, and suppliers who choose to use a public forum to air any differences run the risk of being removed from the preferred vendor list and may be prevented from doing future business with the City of Kamloops.

## 2.3 Proposal Submissions

Two signed and sealed copies of each proposal shall be submitted. Each copy shall be complete and unabridged and shall not refer to any of the other copies for additional information, clarification, or details. Sealed proposals clearly marked with the proposal number and project title shall be delivered to the reception counter, at the Central Maintenance Yard office, Attention: Purchasing Division, 955 Concordia Way, Kamloops, BC, V2C 6V3 until 2:00 pm Pacific Standard Time on the closing date.

The City of Kamloops will not be held liable for any costs incurred in the preparation of this proposal.

**The City of Kamloops requests that you do not include the following with your submission: three-ring binders, excess brochures, packaging, and other items not specifically requested that could potentially impact our environment.**

## 2.4 Proposal Contents

All proposals shall provide all detailed information as requested in the RFP document. Failure to be fully responsive in accordance with the RFP request for all detailed information may result in rejection of a proposal without further consideration by the City of Kamloops.

## 2.5 Late Proposals

Late proposals will not be accepted and will be returned to the proponent.

## 2.6 Signed Proposals

The proposal must be signed by a person authorized to sign on behalf of the contractor binding the contractor to statements made in response to this Request for Proposal.

## 2.7 Proposal Validity

Proposals will be open for acceptance for at least 90 days after closing date.

## 2.8 Firm Pricing

Prices will be firm for the entire contract unless the Request for Proposal specifically states otherwise.

## 2.9 Irrevocability of Proposals

By submission of a clear and detailed written notice, the contractor may amend or withdraw its proposal prior to closing date and time. Upon closing time, all proposals become irrevocable. By submission of a proposal, the contractor agrees that should the proposal be successful, the contractor will enter into a contract with the City.

## 2.10 Freedom of Information and Protection of Privacy Act

The City is subject to the provisions of the *Freedom of Information and Protection of Privacy Act*. As a result, while the Act offers some protection for third party business interests, the City cannot guarantee that any information provided to the City can be held in confidence.

## 2.11 Term of Contract

The term of the consulting contract shall be until the final report is accepted by the City or until one year has elapsed from the signing of the contract, whichever comes first.

# 3.0 **PROPOSAL EVALUATION AND SELECTION PROCESS**

## 3.1 Proposal Opening

Proposals will be opened after 2:00 pm Pacific Standard Time on the same day as the deadline for RFP responses.

## 3.2 Proposal Evaluation

All proposals will be initially evaluated by a staff Evaluation Committee to assess the qualifications and capabilities of bidders to meet the minimum standards specified in the RFP.

Throughout the evaluation process, the City, at its sole discretion, may request additional written clarifications and/or supplemental information from selected bidders as part of the initial evaluation process.

## 3.3 Non-compliance with RFP Requirements

Unless explicitly stated in the proposal, all proposals shall be assumed by the City to be in full compliance with the RFP requirements without exception.

All items in the proposal that are not in full compliance, or that vary from the specific RFP requirements, shall be clearly identified in the proposal as non-compliant and/or variances, and shall include specific reference to the precise nature of the variances of non-compliance. Non-compliance or variation from the specific RFP requirements will not necessarily result in rejection of a proposal. The acceptance or rejection of all non-compliant items and/or variances to the RFP requirements shall be at the sole discretion of the City without any obligation by the City to either request clarification or enter into detailed discussions or negotiations with the bidder(s).

- 3.4 The lowest or any proposal not necessarily accepted. The City of Kamloops reserves the right to accept any proposal in whole or in part unless otherwise stipulated.

#### 4.0 **CONTRACT AWARD/RIGHT TO TERMINATE**

- 4.1 The acceptance of the Owner of proposals submitted by the proponents under the Request for Proposals is an invitation by the Owner to proponents to enter into negotiations for a contract and evinces the Owner's intention to consider proposals and, if it wishes in its sole discretion, to enter into negotiations with one or more of the proponents.
- 4.2 The Owner reserves the right to negotiate with the respective proponents any portion of any proposal received by the Owner.
- 4.3 The Owner, in its absolute and sole discretion, and according to its own judgment of its best interest, having regard for the greatest value that can be obtained on overall quality, service, and price, reserves the full right to reject any or all proposals or alternative proposals for any reason whatsoever and continue negotiations with one or more of the other proponents.
- 4.4 The Owner shall not be liable under any circumstances for a proponent's cost in preparing a proposal.
- 4.5 The Owner retains a separate right to waive irregularities of a minor or technical nature. This right does not in any way waive the requirement of the proponents to submit a proposal in proper form as required by the proposal documents.
- 4.6 If the Owner at its absolute and sole discretion determines that it wishes to enter into a written contract or agreement with a proponent, the Owner will notify the successful proponent, in writing, by way of a notice of acceptance.
- 4.7 In the event that a single proposal is received, the Owner may open the proposal without further notice to any party.
- 4.8 The owner reserves the right to reject any proposals from a proponent that is, or whose principals or partners are, at the time of closing of proposals, engaged in litigation against the Owner.
- 4.9 Notice of award will be posted on the City's website, [www.kamloops.ca/purchasing](http://www.kamloops.ca/purchasing).
- 4.10 The City of Kamloops reserves the right to terminate this contract at its sole and absolute discretion upon 30 days written notice, and the service provider will have no rights or claims against the City.
- 4.11 By submission of a proposal, the proponent agrees that should it be identified as a successful proponent, it is willing to enter into a contract with the City of Kamloops.

## 5.0 ENVIRONMENTAL CONSIDERATIONS

The City of Kamloops will consider offers on products, projects and services that are Environmentally Preferred.

The City recognizes that procurement decisions by its employees can make a difference in pursuit of improving environmental performance and as such support the purchase of products, projects, and services that will minimize the negative impact on the environment when they are practical and can be obtained at a reasonable cost.

Definitions:

Environmentally Preferred products, projects, and services are those that have a lesser impact on human health and the environment when compared with competing products, projects, and services. This comparison may consider raw materials acquisition (materials that are abundant in nature, natural and biodegradable, organically grown, fast growing, and sustainably harvested), production and manufacturing (energy efficient, the use of renewable energy or efficiently used materials), packaging, distribution, re-use (from recycled content or a recyclable material), operation, maintenance and disposal options for the product, project, or service. Environmentally preferred products, projects, and services will have third party certification acceptable to the City of Kamloops.

Practical means the products, projects, and services can perform the intended function as well as the products, projects, or services made from virgin materials and the cost of the Environmentally Preferred products, projects, and service reasonably approximates the cost of the products, projects, and services made from virgin products. Reasonable cost may require a Life Cycle Cost Analysis of the product, project, or service.

## 6.0 SCOPE OF WORK

### 6.1 Work Expectations

The successful proposal will describe how the vendor will:

- 6.1.1 Review the 2005 Deloitte report.
- 6.1.2 Review current information security processes.
- 6.1.3 Perform an external penetration test.
- 6.1.4 Assess any gaps between current practices and accepted best practices for municipal governments of a similar size to Kamloops.
- 6.1.5 Assess the PCI compliance of current practices.
- 6.1.6 Develop a plan, or plans, that would move Kamloops to PCI compliance and/or the accepted best practices.
- 6.1.7 Cost the plan(s).
- 6.1.8 Report on the findings and review the report with the Kamloops Information Technology management team.
- 6.1.9 Present to report to the Kamloops Senior Management team.

6.2 The proposal must provide a fixed cost for accomplishing the work.

6.3 The proposal must specify the names, roles, and expected hours for every individual to be involved in the project.

- 6.4 The proposal must include the resumé of each individual to be involved in the project. Proposals involving individuals with security certifications and organizations listed on the PCI Security Standards Council's Qualified Security Assessors list will be preferred.
- 6.5 The proposal may include recommendations for an ongoing relationship between the City and a security assessment organization.

**7.0 MANDATORY CRITERIA**

The successful proponent must supply the following information within two weeks of award of contract:

- 7.1 The City of Kamloops Contractors Coordination Program requires that before a contractor can be hired to do work for the City of Kamloops, the following information must be on file:
  - A copy of your current WorkSafeBC Clearance Letter.
  - A copy of your current City of Kamloops business licence.
  - A copy of your insurance acceptable to the City of Kamloops.
  - An up-to-date copy of your Occupational Health and Safety Program acceptable to the City of Kamloops.
  - For companies with more than 20 employees, the City will require a copy of the contractor's Occupational Health and Safety Program for review to ensure that it meets the criteria set by the WorkSafeBC Regulation 3.3. The manual must also contain safe work procedures regarding the type of work the contractor is being hired to do.
  - For companies with less than 20 employees, there must be proof that employees have been properly trained in the work they have been hired to do and evidence there is a commitment to safety by the contractor.

**8.0 VENDOR SELECTION**

**8.1 Selection Criteria**

- |  |           |
|--|-----------|
| • Responsiveness to proposal call                    | 10 points |
| • Experience and qualifications of the proposed team | 30 points |
| • Proposed methodology                               | 30 points |
| • Certifications                                     | 15 points |
| • Price  | 15 points |

**9.0 CLOSING DATE**

Proposals clearly marked P17-10, "Information Security and Compliance Services", will be accepted up to and including 2:00 pm local time on 2010 September 16 at the Public Works Centre, Attention: Purchasing Division, 955 Concordia Way, Kamloops, BC, V2C 6V3. Proposals received after the closing time and date will be returned unopened.

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J. Dickenson, CPPB  
Purchasing Coordinator

JMD/lm

PURCHASING DIVISION

2010 August 23

File: P17-10

RE: Proposal Reference No.P17-10 Information Security and Compliance Services Clarification One

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1. Number of IT Employees: 12
2. Number of Credit Card Transactions (Annually):76,924 for \$5,665,721 (in 2009)
3. Number of Departments that take credit cards: 4
4. Any Time Constraints/Deadlines/Pending Events:
5. Do you use third party service providers (off-site storage, gateways, managed service, co-lo, background checks, etc.)? Yes, a few. Telus, Bell, Shaw, IBM, Dell, ESRI,..., Offsite storage is at our firehall, ISP is Bell, co-lo with BCNet, OCIS, Shaw, BC Lotteries, Telus at our datacenter.
6. Which payment processors do you use? Monaris, Global
7. What type of credit card transactions are accepted and/or processed, e.g. point of sale, telephone, online. Face-to-face and online credit and debit.
8. Do you employ a call center? If so, where is it located? No, after hours answering service only.
9. Have you completed the PCI Self Assessment Questionnaire? Read it, but not completed it.

## Network Architecture

10. At a high level, briefly explain the process flow of transactions through your environment for all different channels of acceptance. If you are successful, all will be revealed.

*OUR CORPORATE MISSION IS . . . to provide the best possible services to our citizens that reflect the will of Council and provide a balance of benefits to the community.*

11. Do all the City of Kamloops locations have a consistent credit card environment/topology configuration?  
Three different environments: One for Face-to –Face; Class point of sale and online; Tempest (Dog Licenses, Parking Tickets, etc.)
12. What WAN transport is used to communicate from remote locations to your data center(s)? Mostly City owned fibre. Landfill site is P2P wireless.
13. Is there wireless in the City's Payment Card Environment (PCE)? Not today.
14. How many different locations (owned by the City or outsourced to a 3<sup>rd</sup> party) contain systems that store, process or transmit cardholder data (data centers, hosting centers, operations centers, call centers, etc.)? 9
15. Please indicate where these are located?
- City Hall, 7 Victoria Street West
  - Development and Engineering Services, 105 Seymour St
  - Tournament Capital Centre, 910 McGill Rd
  - Kamloops Museum, 207 Seymour St
  - Interior Savings Centre, 300 Lorne St
  - Kamloops Landfill Site, Mission Flats Rd
  - Westsyde Pool. 859 Bebek Rd
  - Fire Hall #1, 12-5 Summit Dr
16. Please provide an estimate how many network devices are in the entire networked environment?  
(routers, switches, firewalls) 46
17. How many of these devices are security specific? (firewalls, IDS/IPS, SIM/SEM, etc) ?  
6
18. How many servers touch (transmit, process, store) cardholder data? 4
19. What is the primary operating system for the servers above? (MS, UNIX, Linux, etc.)

Windows Server 2003, Oracle Linux

20. Are systems that touch credit card data segregated on the network? Are credit card systems segmented away from the public Wi-Fi access?

No, servers are all on one backbone. Public WiFi is VLAN'ed

21. Is credit card data encrypted or truncated in your databases at rest? While in transit?

Yes. Class 7 is PCI compliant. All transmissions are SSL encrypted

22. Is an Intrusion Detection/Prevention System in place?

Yes, SNORT reports to a TriGeo SIEM appliance

23. Is a centralized logging solution in place? TriGeo

## **Policies and Procedures**

24. Does a formal information security policy exist? No

25. How comprehensive are your written security policies on a scale of 1 (low) to 5 (high)? (change control, data control, data retention, data disposal, media control, etc) 2-3

26. How comprehensive are your written security procedures on a scale of 1 (low) to 5 (high)? (change control, data control, data retention, data disposal, media control, etc) 2-3

## **Vulnerability Scanning/Pen Testing**

27. How many Internet-accessible IP addresses are associated with the cardholder environment (routers, firewalls, load balancers, web servers, application servers, etc) that are subject to the PCI Scanning Procedures? We control 512 IPv4 addresses. Only 3 are involved in credit card transactions.
28. Does the City of Kamloops perform internal vulnerability scanning today? If not, how many internal IP addresses does the City of Kamloops have? Occasionally. Last was 2005.
29. How many external IP addresses does the City of Kamloops have? ? We control 512 IPv4 addresses. About 15 are in use.
30. Does the City of Kamloops have external penetration testing performed regularly? Occasionally. Last was 2005