



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Execute a Professional Services Agreement with Enterprise Risk Management, Inc. for Payment Card Industry Data Security Standards Consulting Services for a Term Not to Exceed Seven Years with a Maximum Compensation Not to Exceed \$413,770; and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Technology and Innovation)**

Submitted By: Kyle Mobley, Director of Technology and Innovation; Danny Wan, Executive Director

Parties Involved: Enterprise Risk Management, Inc., Miami, FL

Amount: \$413,770 (operating expense)

EXECUTIVE SUMMARY: The Port of Oakland (Port) requires a consultant for compliances related services to ensure the Port maintains compliance with Payment Card Industry (PCI) Data Security Standards for its systems that support and transmit payment card data.

BACKGROUND & ANALYSIS

The Port accepts or transmits payment card data, such as credit card information, in several areas of Port operations. The most significant volumes are at the Oakland Airport (OAK or Airport) using Port-owned and maintained computer equipment for airline customers, airline tenants, and airport parking customers. It is important to use the services of a PCI Data Security Standards consultant to perform assessments on the Port-owned Airport common use and tenant networks, as well as the Airport parking infrastructure to ensure the PCI standards are maintained to achieve a high degree of safety and security of cardholder data when using Port systems. Additionally, Port Staff will utilize the PCI consultant for as-needed consulting services 1) for other smaller payment card systems at the Port, 2) as standards and systems evolve, and 3) as new systems are put in place.

In April 2022, the Port Purchasing Department in coordination with the Port IT Division published a request for proposals (RFP) for PCI services, including seven years of support, updates and licensing.

Port Staff disseminated the RFP in several ways:

- Port website
- Advertisement in the Oakland Tribune
- Distributed by email to local Chambers and Community Based Organizations
- Email notifications to businesses located in the LIA/LBA area from the California Department of General Services certified databases of Small and Micro Businesses

- Email notifications to existing Port vendors and the Port's certified database (representing local and small businesses) and known cybersecurity firms

Three companies submitted proposals by the June 3, 2022 due date. The Port Staff Evaluation Committee (Committee) short listed the top two companies and they were invited to a final interview on July 26, 2022. The third firm (True North Consulting, Waco, Texas) was almost 400% more expensive than the top two firms. The Committee evaluated each proposal based on criteria set forth in the RFP listed in Table 1.

Table 1
RFP Evaluation Criteria

Item	Criteria	Weights
	<u>Adherence to Port Policy and Other Requirements and Debarment Statement</u> Proposals from companies who have not or will not adhere to the Port Policy and Other Requirements or who have been debarred and have not provided sufficient reasons/justification for the Port to review the circumstances surrounding the debarment will not be forwarded to the evaluation committee for review	Pass/Fail
1	<u>Company Information, Client References, Litigation and Other Information, and Required Forms</u> Respondent's capacity to provide professional service as evidenced by past performance, company information, reference checks, litigation and other information, and required forms	20%
2	<u>Knowledge and Experience</u> Respondent's knowledge and experience in assessing PCI Compliance in medium to large airport environments.	20%
3	<u>Plan and Approach</u> The Respondent's the general approach, scope of services, and methodology to fulfill the general functions required in the RFP..	20%
4	<u>Proposed Costs</u> The Respondent's proposed costs.	25%
5	<u>Non-Discrimination and Small Local Business Utilization Policy (NDSLBP)</u> Does your company meet the Port's definition of Small Local Business and/or make a commitment to the Port's values and programs? The Port will evaluate companies that have provided substantiating documentation to prove they meet the Port's NDSLBP program and award points accordingly to qualifying companies.	15%
	Total	100%

The Board of Port Commissioners (Board) approved award of the agreement to the first-place responder (RSI Systems, San Diego, CA) in November 2022. After significant Port Staff efforts to work with this firm, the agreement was terminated for convenience in February 2024 due to the contractor's lack of familiarity with payment card scenarios in Port's airport environment. Enterprise Risk Management, Inc. (ERM Protect) came in second place in this process and had a strong proposal. Given that ERM Protect ranked second, combined with their current work for the Port on Cybersecurity Vulnerability Assessments demonstrating their familiarity with airport environments, Port Staff recommend moving forward with ERM Protect to provide the PCI Consulting Services. Port Staff are requesting the Board approve and authorize \$413,770, including the fixed-cost component of \$344,809 for pre-defined assessment services, and a contingency for potential as needed services and travel of up to \$68,961 throughout the seven-year contract term.

OTHER FINDING AND CONSIDERATIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☒ Categorically exempt under the following CEQA Guidelines Section:
15306 (Information Collection)
- ☐ Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- ☐ Other/Notes:

BUDGET

- ☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
- ☒ Operating ☐ Non-Operating ☐ Capital

Analysis: Cost associated with the proposed action is included in the Board adopted FY 2025 operating budget. There is no impact to the FY 2025 Operating Budget.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Budgeted Headcount.
- Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
- Reason:

**MARITIME AND AVIATION PROJECT
LABOR AGREEMENT (MAPLA):**

Applies? No (Other) - see explanation below.

- ☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

Yes (Service Provider) – proposed action entails at least \$50,000 in payments to service provider (and/or its subcontractor) employing at least 21 employees who spend at least 25% of their time on Port-related work on premises owned or managed by the Port

- ☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? No.

Reason:

GENERAL PLAN (City Charter § 727):

Conformity Determination:

	No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.								
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <table><tr><td><input type="checkbox"/> Grow Net Revenues</td><td><input type="checkbox"/> Modernize and Maintain Infrastructure</td></tr><tr><td><input type="checkbox"/> Improve Customer Service</td><td><input type="checkbox"/> Pursue Employee Excellence</td></tr><tr><td><input checked="" type="checkbox"/> Strengthen Safety and Security</td><td><input checked="" type="checkbox"/> Serve Our Community</td></tr><tr><td><input type="checkbox"/> Care for Our Environment</td><td></td></tr></table>		<input type="checkbox"/> Grow Net Revenues	<input type="checkbox"/> Modernize and Maintain Infrastructure	<input type="checkbox"/> Improve Customer Service	<input type="checkbox"/> Pursue Employee Excellence	<input checked="" type="checkbox"/> Strengthen Safety and Security	<input checked="" type="checkbox"/> Serve Our Community	<input type="checkbox"/> Care for Our Environment	
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