

Cyber Liability Costs Rise

By Michael Speakmon, CPPO

Cyber-attacks and data breaches are expensive for government agencies. The average cost of a data breach in 2021 was \$9.05 million, up nearly 5% since 2020. Ransomware attacks cost an average of \$4.62 million.

Cyber insurance policies are developed to address the impacts from cyber incidents and mitigate damages if a data breach or ransomware attack occurs.

The Office of State Procurement awarded a contract for broker services for cyber insurance to Willis of North Carolina in December 2018. The contract is only available for use by State Agencies. Willis will assess and advise agencies on data breach or cyber liability insurance needs, including breach event response and other available services; will advise on how to structure a program; will obtain detailed proposals, including price quotes, from insurers for Cyber insurance, and present the proposals to agencies for acceptance or rejection.

The insurance will cover first- and third-party risks related to unlawful electronic security breaches, fraud, financial loss, reputational damage, regulatory intervention, and other causes of loss. Services expected to be provided include, but are not limited to breach event response, crisis management, and other available services. Information on the contract can be found on our website at procurement.sc.gov.

Agencies will complete the application for cyber liability insurance and submit the application to Willis. Willis will assist the agency with finalizing the application, send the application to the insurance market for quotes, and provide the quotes to the agency. Representatives from Willis will also schedule in-person and/or web-based meetings to answer any questions an agency may have about the coverage options and conduct additional negotiations on behalf of the agency if necessary. Willis will assist with binding coverage and issuing the policy should the agency decide to purchase cyber insurance. Other services that Willis can provide are educational seminars concerning cyber breach avoidance and recovery, assistance in developing an incident response plan, and coverage gap analysis to help an agency determine where their exposure lies.



SPECIAL NOTICE

Assignments

Our office recently executed the following assignment for the contract listed below. Please begin using the new contract numbers immediately.

Contract: **Science Education Supplies**

Old Vendor: Frey Scientific (700009315)

Old Contact Number: 4400018692

New Vendor: School Specialty, LLC. (7000294938)

New Contract Number: 4400027963

NASPO Small Package Delivery Services (December Update)

NASPO has completed negotiations with UPS and is creating a new Master Agreement as of this writing. We are actively monitoring the situation, both with NASPO and the lead State, and will negotiate a participating addendum once the Master Agreement is awarded. Until, then the FedEx contract is active and available for use.

Vehicle Contracts (December Update)

We continue to see some issues with ordering windows closing with little to no warning from the manufacturers. We'll keep the vehicle contract sheets updated with the best information we have, but we strongly recommend contacting the Contractor for the vehicle you are interested in ordering **BEFORE** you submit a purchase order. They'll have the latest information from the manufacturer and can advise you on whether an order can be placed.

Product Category Code Issue – Laboratory Equipment, Chemicals & Supplies

It has been brought to our attention that the NIGP product category code used to create the lab equipment contracts (97952) is causing some issues for users. That product category is defined by NIGP as "Laboratory Equipment and Accessory Rental or Lease: For General and Analytical Research Use, Nuclear, Optical, Physical." However, when we look at the definition of that category code on the contract in SCEIS, it says "Laboratory Equipment and Accessories: General Use."

The issue is that the 97952 code defaults to some general ledger lines for leasing lab equipment, which is not the intention or purpose of this contract. The new contracts will begin on April 1, 2022, and what we'll do is use the product category code 49000 which is "Laboratory Equipment and Accessories (For General Analytical and Research Use): Nuclear, Optical, and Physical" to alleviate the issue. Until that time, you'll need to ensure that the proper GL account line appears on any purchase orders processed against those contracts.

Please relay this information to your budget/financial personnel. If they have any feedback, pro or con, please have them contact Portia Davis at pdavis@mmo.sc.gov as soon as possible. We don't want to create a problem in trying to resolve another one. Here is a link to the contracts.

STC Deliverable-Based IT Consulting & Professional Services

We anticipate publishing a new statewide solicitation for deliverable-based IT consulting and professional services soon. The intent is that the contracts awarded pursuant to this solicitation will eventually replace the contracts awarded pursuant to STC Third Party Consulting (Solicitation 5400015645). If you would like to provide input into this STC, please contact Kristen Hutto at khutto@mmo.sc.gov as soon as possible.

STC Third Party Consulting

We have issued a change order to the contracts awarded pursuant to 5400015645 to shorten the term beginning January 8, 2022 to expire October 8, 2022 (or whenever the STC Deliverable-based IT Consulting & Professional Services contracts are awarded, whichever occurs first). Additionally, we've added two requirements affecting Job Orders. The first is that a Job Order's maximum value, inclusive of the values of any Job Order Modifications, may not exceed one million dollars. The second is that UGUs must receive Job Order Quotes from at least two Contractors (non-responses, letters indicating no response, and the like don't count!) in order to proceed with a Job Order. If you have any questions or concerns, please contact Kristen Hutto at khutto@mmo.sc.gov

Drug & Alcohol Testing

We executed a change order to the D&A contract adding an ethyl glucuronide (ETG) Test to Lot 1, a Direct Observation Collection to Lot 1, and a 12-panel Hair Test to Lot 3. Details on the website.

Market Research and Agency Input Requests for NEW State Term Contracts (STC):

The Office of State Procurement (OSP) is seeking input on the following recommendations for new State Term Contracts (STC). If you have any information you can share, please contact the appropriate procurement manager. Our goal is to put contracts in place that will meet your needs, but we need your input to ensure success.

As with all requests, we would appreciate specifications, usage data, lessons learned through existing contracts, and any other information your IT Professionals, Facilities Directors, or appropriate End Users could share when we are conducting market research.

Telematics (Fleet Monitoring) – Please email Will Butler (wbutler@mmo.sc.gov) if you (or someone in your agency) would like to serve as an evaluation panel member.

The market research for creating new STCs for the contracts listed below has been completed and the OSP will be publishing solicitations in 2022. Thank you for all the feedback we received in helping us make this decision. If you have any questions, please contact Randy Barr (rbarr@mmo.sc.gov).

- **CradlePoint**
- **VM Ware**
- **Varonis**
- **SaaS**

Market Research and Agency Input Requests for existing State Term Contracts:

Existing Goods & Services STCs that need your input:

Ballasts & Lamps (Expires 9/7/2022) – DeAna Reed-Sharpe (drsharpe@mmo.sc.gov) is very interested in your input for the next version of this contract. There have been many advances in the ballasts and lamps industry since the last time this was processed, and we need to know what your needs are. Please forward this information to your facility manager so they can contact DeAna as soon as possible with their input.

Cots, Folding – Emergency Supplies – Ellicia Howard (ehoward@mmo.sc.gov) is beginning her research into this contract. The intent of the contracts is for emergency use, but they are available for use all the time. Please pass this information along to anyone in your organization who could provide input and ask them to contact Ellicia ASAP.

Water Activated Pothole Patching Supplies – DeAna Reed-Sharpe (drsharpe@mmo.sc.gov) is beginning her market analysis for these contracts. The specifications for these contracts are created and maintained by SCDOT so any input you may have must be submitted to them. For other questions concerning this contract please contact DeAna as soon as possible.

Debt Collection Services Higher Education – Portia Davis (pdavis@mmo.sc.gov) has been assigned this solicitation and is reviewing the current specifications. The current specifications seem to be working well, but we really need some input from the higher education users of the contract to let us know if that is the case from their perspective. Please pass this along to someone in your organization who can provide some feedback to Portia.

Existing Information Technology STCs that need your (and/or your IT Department's) input:

Information Security and Privacy Services (Expires 04/21/2022) – Our office is anticipating making changes to this contract portfolio. This is your last chance to make your suggestions heard! The current contracts are separated into the following lots:

Lot 1 – Security Monitoring Analytics	Lot 2 – Security Incident Response Management
Lot 3 – Security Infrastructure Support	Lot 4 – Distributed Denial of Service
Lot 5 – Security Assessments and Other Consult-	Lot 6 – Application Security Assessment and Re-
Lot 7 – Privacy Support Services	

Please contact Will Butler at wbutler@mmo.sc.gov with any input.

Storage (SAN) Products – Will Butler (wbutler@mmo.sc.gov) wants your input on storage products, particularly Storage Area Network and related software and services. Please contact Will with information about what your organization currently purchases using these contracts:

- **Storage / SAN Products – Dell/EMC (Expires 06/30/22)**
- **Storage / SAN Products – NetApp (Expires 06/30/22)**
- **Storage / SAN Products – Hitachi (Expires 9/22/22)**

Market research is concluding for the following contracts:

STC IT Temporary Staff Augmentation – Managed Services Provider (MSP) (5400010842 with TAPFIN) Contact Carol Norfleet at cnorfleet@mmo.sc.gov

STC IT Temporary Staff Augmentation – Supplier Contracts (5400008056) Contact Carol Norfleet at cnorfleet@mmo.sc.gov

STC Citrix Software (5400012348) Contact Kristen Hutto at khutto@mmo.sc.gov

STC HPE Networking Hardware & Services (5400012590) Contact Kristen Hutto at khutto@mmo.sc.gov

STC Palo Alto Networks Products & Services (5400013452) Contact Kristen Hutto at khutto@mmo.sc.gov

If you have any last-minute information you would like to share, please reach out to the respective Procurement Manager over that contract as quickly as possible.

State Term Contracts that will NOT be renewed or resolicited:

The following current STCs will not be resolicited as they have been added to the new STC for Appliances & Kitchen Equipment. Use the existing contracts until they expire and then transition to the new STC.

Boilerless Streamers (expires 2/28/2022)

Combi-Ovens (Expires 12/17/2022)

Currently Published Solicitations:

Service Award Pins (5400022162) – Portia Davis (pdavis@mmo.sc.gov) is evaluating offers received and will post the Intent to Award on January 5, 2022 as scheduled.

Career Ready Assessments (5400022194) – Michael Speakmon (mspeakmon@mmo.sc.gov) is continuing to evaluate offers received and was not able to post the award on December 13, 2021, as anticipated. An award extension was posted on December 10, 2021, with an anticipated award date to be determined.

Microscopes (5400022234) – Portia Davis is finalizing the evaluation of offers received and will publish the intent to award as scheduled on December 23, 2021.

Medical Supplies & Equipment (54000218480) – Portia Davis (pdavis@mmo.sc.gov) just received the CPOs written determination as of this writing. Currently, we do not anticipate an interruption between the new contract and the old but are working to make necessary revisions based on the published determination.

STC Print Management Program (5400019474) -- This solicitation opened on October 20, 2021 and is currently in the evaluation phase. We anticipate an award date of mid – late February 2022. If you have any questions or concerns, please contact

Randy Barr, Sr. at rbarr@mmo.sc.gov You can access the solicitation using the following link: Copiers/Managed Print

STC Mobile Device Management (5400022155) – This solicitation was published on October 6, 2021 and opened on November 30th. We anticipate an award date of late December 2021 – early January 2022. The current contract (here) has been extended until April 8, 2022 or until a new contract is in place (whichever comes first). If you have any questions or concerns, please contact Randy Barr, Sr., at rbarr@mmo.sc.gov. Access the solicitation here.

Newly Awarded State Term Contracts (STC):

Paper Towels, Toilet Paper, Dispensers (5400021900) – DeAna Reed-Sharpe (drsharpe@mmo.sc.gov) posted the intent to award for these contracts on December 13, 2021, after receiving the CPO's written determination on November 30, 2021. Barring any additional protest, the contracts will be effective on December 23, 2021.

Asbestos/Leads Paint/Mold Collection & Testing (FPB) – Michael Speakmon (mspeakmon@mmo.sc.gov) posted two new awards for these contracts in December 2021. Details may be found on the contract sheet here.

Furniture (FPB) – DeAna Reed-Sharpe (drsharpe@mmo.sc.gov) awarded seven new manufacturer contracts, added additional lots to two other manufacturer contracts, and added several new dealer contracts. Details are available on the contract sheet located here.

Tires (FPB) – Portia Davis (pdavis@mmo.sc.gov) awarded one new manufacturer contracts adding Falken Tires, Inc. to the contract. Details can be found here.

Building Inspection Services (FPB) – Portia Davis (pdavis@mmo.sc.gov) awarded one new contract to Insight Group, LLC. Their information has been added to the contract sheet located here.

STC Digital Fingerprinting Services & SLED Concealed Weapon Permit System (5400021691) - The contract awarded pursuant to this solicitation is currently under administrative review by the Chief Procurement Officer. An emergency contract has been established with the incumbent vendor, Idemia Identity and Security USA LLC to ensure service continuation in the interim. Contact Kristen Hutto at khutto@mmo.sc.gov with questions.

STC Cisco Hardware and Software Products and Services --

The next opportunity for submitting offers on this Fixed Price Bid (See Solicitation 5400021841 at this link: [Solicitation Attachments \(sc.gov\)](https://sc.gov)) for provision of Cisco Hardware and Software Products and Services is January 18, 2022, 11:00 a.m. Please contact Carol Norfleet at cnorfleet@mmo.sc.gov if you have any questions about this contract.

NASPO Copier Contracts – The current contracts have been extended for six months (from 12/31/2021 to 6/30/2022) as the State continues work on a Statewide Term Contract for copiers.

Managed Print Services Contract (5400010032) – The current contracts have been extended from 12/31/2021 to 6/30/2022 as the State continues work on a Statewide Term Contract for copiers.

Currently Advertised Cooperative Contracts & Cooperative Contracts Updates:

Fire Truck and Fire Apparatus (New Contract)

The lead state of Mississippi has submitted award recommendations to the NASPO Management Board for review of the new Master Agreements. They anticipate having the new Master Agreements in place very soon. It is our intention to participate.

Walk-In Building Supplies (Expires 07/31/2022)

The NASPO sourcing team has completed their evaluation of the proposals and are negotiating with Lowe's Building Supplies for a new contract.

Mailing Equipment, Supplies, and Maintenance -- Our office has posted an Intent to Participate in the upcoming NASPO Mailing Equipment, Supplies and Maintenance Solicitation. If you have any questions or concerns, please contact Carol Norfleet at cnorfleet@mmo.sc.gov.

