

FOR CONSIDERATION

March 30, 2022

TO: The Board of Trustees

FROM: Thomas Falcone

REQUEST: Approval of the Selection of Cyber Security Framework Assessment Services

The Board of Trustees (the “Board”) is requested to approve a resolution, attached hereto as **Exhibit "A"**, authorizing the Chief Executive Officer, or his designee, to engage the following companies (subject to mutual agreement on contract terms) to provide Cyber Security Assessment Services and other cyber security related support for a term not to exceed five (5) years, including independent reviews of the compliance of PSEG Long Island with cybersecurity standards under the Board’s Information and Cyber Security Policy and the Second Amended and Restated Operations Services Agreement (“OSA”):

1. Burns and McDonnell
2. IBM Corporation
3. Ernst & Young US LLP
4. Optic Cyber Solutions

Background

LIPA's Board has adopted an Information and Cyber Security policy to protect digital infrastructure and customer data. The key provision of this policy is to maintain a level of 3 or higher on the National Institute of Standards and Technology (NIST) Cyber Security Framework, as evaluated annually through an independent assessment.

In the OSA, LIPA established a cyber security default metric to maintain NIST Cyber Security Framework implementation Tier 3. The revised contract provides LIPA with the right to terminate the OSA should PSEG Long Island fail to maintain the standard, which provides a strong incentive for compliance.

Under the Cyber Assessment Services, the vendor/s will conduct an annual independent review of PSEG Long Island's security posture and NIST Cyber Security Framework compliance with the contract standards and determine the Applicable Cyber Security Framework Requirements to achieve compliance and the status of the implementation of such requirements. The vendor/s will also provide support to implement other cyber security related recommendations of the Board Policy.

Discussion

On January 20, 2022, LIPA issued an RFP for independent, qualified cyber security firms to provide Cyber Security Assessment Services.

On or before February 25, 2022, LIPA received timely proposals from 32 firms, including seven firms that are certified Minority-Women Owned Business Enterprises (MWBE) and one certified Service-Disabled Veteran-Owned Business (SDVOB). Responses were evaluated according to the criteria set forth in the RFP by LIPA's Information Technology Team, while LIPA's Procurement Team, as required by State law, reviewed compliance with the 30% goal for MWBEs and 6% goal for SDVOB solicitation opportunities, as well as the cost aspects of the proposals.

The recommendation set forth in the accompanying resolution included assessments of the firm's experience and qualifications, rates, proposed changes to LIPA's standard consulting contract, and proposals to comply with MWBE requirements.

LIPA Staff recommends that the following companies: (1) Burns and McDonnell, (2) Ersnt & Young US LLP, (3) IBM, and (4) Optic Cyber Solutions be awarded the contract for Cyber Assessment Services and cyber related support and that such fees, as provided for in the RFP, are reasonable for the services to be provided.

Attachment

Exhibit "A" Resolution

RESOLUTION AUTHORIZING THE ENGAGEMENT OF A FIRM TO NIST CYBER SECURITY FRAMEWORK ASSESSMENT SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached Memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage (1) Burns and McDonnell, (2) Ersnt & Young US LLP, (3) IBM, and (4) Optic Cyber Solutions to provide Cyber Security Assessment Services and other cyber security related support for a term not to exceed five (5) years.

Dated: March 30, 2022