

Date of Action: 9/23/13	
Approved <input checked="" type="checkbox"/>	Denied <input type="checkbox"/>
By: <i>H Smith</i>	

**CITY COUNCIL ACTION MEMORANDUM**

**AM No. 13-32: Authorization to award a contract to Moss Adams in the amount of \$41,592 for the Independent Audit/Assessment of the City of Wasilla's IT Infrastructure.**

Originator: April Dwyer, Purchasing/Contracting Officer

Date: 9/11/2013

Agenda of: 9/23/2013

Route to:	Department Head	Signature	Date
	Chief of Police		
X	Public Works Director	<i>[Signature]</i>	9/11/13
	Recreation & Cultural Services Director		
X	Finance Director	<i>[Signature]</i>	9/11/13
X	Deputy Administrator	<i>[Signature]</i>	9-11-13
X	City Clerk	<i>[Signature]</i>	9/11/13

Reviewed by Mayor Verne E. Rupright: *[Signature]*

Fiscal Impact:  yes or  no

Funds Available:  yes or  no

Account name/number/amount:

Construction Services/IT Review

\$41,592

Attachments: RFQ Score Sheet (1 Page)  
Moss Adams Proposal (11 pages)

**Summary Statement:** The City issued an RFQ for an Independent Audit/Assessment of Information Technology (IT) on May 20, 2013. We received four (4) responses. Responses from CTG, Resource Data Inc., Matrix Consulting Group, and Moss Adams were reviewed and scored by the Director of Finance, the City Planner, and the Network Support Specialist. Moss Adams received the highest score. The cost for this review includes not only hardware/software structure, but network review as well, at all locations (\$37,922). Security penetration testing of the network perimeter and wireless is also planned (\$1,900). An in-person presentation to Council of report findings is also anticipated and may be changed should Council not want an "in person" presentation (\$1,770).

The City has never had an IT review or security testing (other than WPD) done in prior years. With the contract for IT services up for renewal in April of 2014, it has been suggested that a review such as this could provide the City insight in IT services and budgetary understanding when the next RFP process is written, scored and submitted to Council for decision.

---

At the September 9, 2013 Finance introduced for public comment Ordinance No. 13-28 to appropriate funding for this project; which is now being requested to be approved by Council. Should Ordinance No. 13-28 fail, AM No. 13-32 should be pulled to fail also. Should Ordinance No. 13-28 pass, finance requests AM No. 13-32 to be adopted.

**Staff Recommendation:** Adopt AM No. 13-32.

City of Wasilla  
 RFQ Scoring  
 RFQ No. 0520-0-2013/AD  
 Independent Audit/Assessment of IT  
 Due: June 21, 2013 @ 3pm

**Proposals received from:**

- 1 Date/Time proposal received
- 2 Is there (1) original proposal?
- 3 Is there (3) identical copies?
- 4 Is the Letter of Transmittal signed?

	CTG	Resource Data Inc	Matrix Consulting Group	Moss Adams
1	6/21 @ 10:04am	6/20 @ 3:00pm	6/21 @ 2:50pm	6/21 @ 2:50pm
2	X	X	X	X
3	X	X	X	X
4	X	X	X	X

**Scoring:**

- 1 Firm experience & Firm stability (25 points)

\* as represented in the proposal

- 2 Qualifications and Experience of the PM (25 points)

\* The project manager is the person who will actually be directly involved in managing the day to day activities

The project manager is NOT the principal-in-charge unless the principal is actually formulating the work.

- 3 Quality of Proposal (25 points)

\* Does the proposal express a clear understanding of the scope of work? Does it contain all information requested in the RFQ?

	CTG	RESOURCE DATA INC	MATRIX CONSULTING GROUP	MOSS ADAMS
1	68	69	60	75
2	68	67	55	75
3	70	75	57	73

**Total Score Without Cost:**

206	211	172	223
-----	-----	-----	-----

- 4 Cost (25 points)

The lowest total cost is assigned 25 points. The fee points are awarded based on the following formula. Lowest Sum Proposal / Proposer's Sum Proposal X 25 points = Fee Proposal Points

	CTG	RESOURCE DATA INC	MATRIX CONSULTING GROUP	MOSS ADAMS
	18	17	19	25

**Total Score With Cost:**

224	228	191	248
-----	-----	-----	-----

MOSS ADAMS<sub>LLP</sub>

PROPOSAL FOR  
City of Wasilla  
INDEPENDENT AUDIT/ASSESSMENT  
OF INFORMATION TECHNOLOGY  
RFQ 0520-0-2013/AD

Prepared by:  
Kevin Villanueva, Senior Manager  
Chris Kradjan, Partner

**Moss Adams LLP**  
999 Third Avenue  
Suite 2800  
Seattle, WA 98104  
(206) 302-6500

# MOSS ADAMS<sub>LLP</sub>

## TABLE OF CONTENTS

---

A.	LETTER OF TRANSMITTAL	1
B.	NARRATIVE	2
	1. PROPOSED PROJECT TEAM	2
	2. RELEVANT PROJECTS AND REFERENCES	5
	3. PROJECT UNDERSTANDING AND WORK PLAN	7
C.	COST PROPOSAL AND FEE SCHEDULE	9
	1. COST ESTIMATE	9
	2. SERVICE STATEMENT AND FEE SCHEDULE	9

MOSS ADAMS<sup>LLP</sup>

## A. LETTER OF TRANSMITTAL

June 21, 2013

Ms. April Dwyer, Purchasing/Contracting Officer  
City of Wasilla  
290 E. Herning Ave.  
Wasilla, AK 99654

Dear Ms. Dwyer:

Moss Adams LLP is pleased to submit our proposal in response to RFQ 0520-0-2013/AD to provide an audit of the City of Wasilla's ("the City") IT infrastructure. We are excited about this opportunity to serve you, and our goal is to become your trusted advisors. Our team has an outstanding track record of providing IT audit and assessment services for local government clients throughout the Western United States. We are confident that we provide an approach and team that are well aligned with your expectations and needs. Moss Adams has:

- **Experience helping local governments increase the effectiveness of IT.** With significant experience both in local government and IT management, the Moss Adams consulting team is available to work with you to improve the City's technology environment.
- **A proven approach to auditing and assessing information technology environments and control structure.** Our team conducts dozens of IT audits annually based on multiple best practice frameworks including ISO27001/27002, NIST SP 800-53a, COBIT, PCI DSS, ITIL, HIPAA, SysTrust, and COSO frameworks.
- **An established, reputable firm with breadth and depth of resources and technical proficiency.** Moss Adams is the largest regional accounting and management consulting firm in the Western United States. We have been providing high-quality professional services to our clients since our founding in 1913.

Moss Adams is uniquely qualified to provide these services, and we firmly believe we offer the kind of special dedication, continuity, and commitment that inspires mutual trust and confidence in projects of this type. We appreciate the opportunity to provide our proposal to City of Wasilla and look forward to discussing this important engagement with you. Per the RFQ specifications, Chris Kradjan is a partner, authorized to make representations for Moss Adams. Thank you for your consideration.

Sincerely,



Kevin Villanueva, CISA, CISM, CISSP, PCI QSA  
Senior Manager  
For Moss Adams LLP  
999 Third Avenue, Ste. 2800, Seattle, WA 98104  
206-302-6542  
[kevin.villanueva@mossadams.com](mailto:kevin.villanueva@mossadams.com)



Chris Kradjan, CITP, CPA, CRISC  
Partner  
For Moss Adams LLP  
999 Third Avenue, Ste. 2800, Seattle, WA 98104  
206-302-6511  
[chris.kradjan@mossadams.com](mailto:chris.kradjan@mossadams.com)

# MOSS ADAMS<sup>LLP</sup>

## B. NARRATIVE

### 1. PROPOSED PROJECT TEAM

The Moss Adams approach to staffing is to assemble a highly skilled group of consultants to deal with the variety of specialties and tasks that must be performed during the course of the project. Our consulting team is comprised of seasoned professionals with solid backgrounds in IT management, operations assessments, information systems evaluations, information security, strategic planning, and project management and quality assurance.

On consulting engagements of this type, continuity of staffing is very important. Moss Adams provides staff continuity by balancing workloads and ensuring there is sufficient coverage for each member of our project team. This is accomplished through the following practices:

- We carefully manage and monitor our schedules and client commitments. The Moss Adams IT consulting team meets weekly to coordinate resource levels, and uses a forecast management tool to ensure resources are assigned to specific client project(s) and manage vacation, holidays, etc. We have proposed a project schedule and work plan that we can accomplish with the proposed team.
- Moss Adams assigns multiple key staff to tasks, which can support and provide backup throughout the course of a project.
- Each Moss Adams consultant possesses specific skills and experience. The firm emphasizes cross training and the sharing of intellectual capital.

An overview of our project team's qualifications and proposed levels of involvement has been provided below. Brief narratives with each team member's relevant experience and project role have been provided on the pages that follow.

Staff Name	Qualifications	Project Involvement	Portion of Contract Work
Kevin Villanueva, Senior Manager	CISM, CISA, CISSP, MCP, PCI QSA	Project Manager	25%
Chris Kradjan, Partner	CPA, CITP, CRISC	Quality Assurance	5%
Troy Hawes, Manager	CISM, CISA, CISSP, MCSA, MCSE, PCI ASV, PCIP, PCI QSA	IT Operations Analyst	35%
Dave Lonack, Senior Consultant	CISSP, PCI ASV, Q/EH, RHCSA, RHCT	Infrastructure Analyst	35%

# MOSS ADAMS<sub>LLP</sub>

Kevin Villanueva, Senior Manager	
<b>Brief Resume</b>	Kevin is a senior manager with Moss Adams and leads the firm's IT Security and Infrastructure Practice. Kevin has been working in information technology since 1998, and has been providing consulting services through Moss Adams since 2002. He focuses on government, higher education, not-for-profit, healthcare, and private business clients. His areas of practice include information technology audits, system security assessments, penetration testing, PCI DSS compliance, disaster recovery risk assessment and planning, needs analysis and strategic technology planning, alternatives analysis, system selections, procedures and documentation development, and project management.
<b>Relevant Experience</b>	Kevin has led IT auditing and assessment engagements for dozens of local government and non-profit entities throughout the Western US. Representative clients include the City of Bend, City of Roseville, Washington State Employment Security Department, and Washington State Department of Licensing.
<b>Project Role</b>	Kevin will serve as the project manager for the engagement and will serve as the primary point of contact for the City of Wasilla.

Chris Kradjan, Partner	
<b>Brief Resume</b>	Chris is a partner with Moss Adams and the Practice Leader of our IT Auditing and Consulting practice. Chris has over 18 years of experience in strategic technology planning, IT internal audit, IT co-sourcing, HIPAA security and privacy auditing, security auditing, HITRUST audits, system selection and implementation, IT governance, policies and procedures development, internal controls analyses, and organizational and performance measurement assessments. His consulting engagements involve the latest technologies standards based on COBIT, ITIL, HIPAA, and PCI DSS.
<b>Relevant Experience</b>	Chris is responsible for quality assurance involving all technology audits performed by Moss Adams. In addition, he has developed and continues to maintain oversight of the firm's technology review compliance practice.
<b>Project Role</b>	Chris will provide Quality Assurance services for the City of Wasilla.

Troy Hawes, Manager	
<b>Brief Resume</b>	Troy is a manager with the IT Auditing and Consulting practice at Moss Adams. Troy has been employed in the information technology field since 1991, and frequently works with a variety of business types, including local, tribal, and state governments, as well as private enterprises. Troy has experience managing and leading IT internal audits, network design and implementation projects, IT co-sourcing, HIPAA security and privacy audits, penetration testing, Sarbanes-Oxley 404 compliance audits, SSAE 16 audits, PCI DSS audits, security reviews, and disaster recovery planning. He leverages his IT security expertise to determine areas of potential security weakness and infrastructure needs. Troy's engagements are based on the NIST, IIA, ISO 27001/2, and COBIT frameworks.



## MOSS ADAMS<sup>LLP</sup>

Troy Hawes, Manager	
<b>Relevant Experience</b>	Troy has worked with a number of clients in order to assess their current IT security posture as well as evaluate and recommend technology to meet clients' needs. Representative clients include City of Issaquah, City of Portland, Port of Seattle, Washington State Housing Finance Commission, King County Wastewater Treatment Division, State of New Mexico Taxation and Revenue Division, and United Way of King County.
<b>Project Role</b>	Troy will conduct analysis of the City's technology operations environment.

Dave Lonack, Senior Consultant	
<b>Brief Resume</b>	Dave is a senior consultant with the IT Auditing and Consulting practice at Moss Adams. He has extensive knowledge of information security and assurance processes and policies, and has evaluated and managed software and system implementations in a variety of technical environments. Prior to joining Moss Adams, Dave held a number of network operations and technical communication specialist roles for the United States Air Force over the course of nine years. He specializes in IT strategic planning and analyzing security, data integrity, online applications, and infrastructure.
<b>Relevant Experience</b>	Dave has recently worked on similar engagements for King County, Washington State Employment Security Department, Greater Lakes Mental Health, Washington Department of Transportation, Eastern Band of Cherokee Indians, and Bank of the Sierra.
<b>Project Role</b>	Dave will provide assistance throughout the engagement by analyzing the City's technology infrastructure and assessing the City's IT inventory.

### About Moss Adams

Moss Adams LLP provides accounting, tax, and consulting services to public and private middle-market enterprises in many different industries. Founded in 1913 and headquartered in Seattle, Moss Adams has 22 locations in Washington, Oregon, California, Arizona, New Mexico, and Kansas. We provide assurance, tax, and consulting and advisory services for mergers and acquisitions, corporate finance, valuations, business owner succession, business planning, litigation and forensic accounting, information technology integration and reviews, and compensation.

### About the Moss Adams IT Auditing and Consulting Practice

The Information Technology Auditing and Consulting practice represents a core component of our firm's full service consulting practice. Our experienced staff members have guided numerous entities through successful technology security audits, system reviews, strategic plan development, organization assessments, disaster recovery planning projects, system selection studies, operational and financial reviews, staffing capacity analyses, workflow reengineering projects, contract negotiations, and system implementations. We appreciate and understand the benefits that can be gained through utilization of technology-driven business processes. To support our efforts, we bring over 25 professional technology auditors and consultants to the team with many concentrating on local government clients. Our team is comfortable with the unique requirements of local governments, and we have earned recognition and an outstanding reputation for our services based upon a solid track record and discriminating analysis.

# MOSS ADAMS<sub>LLP</sub>

## 2. RELEVANT PROJECTS AND REFERENCES

Moss Adams regularly performs IT consulting services for clients in a variety of industries. The following are projects that have recently been completed by and under the direction of Kevin Villanueva, the proposed project manager.

IT Assessment	IT Security Assessment
Centered Networks	City of Roseville
Centexnet	Colorado Community College System
CrowdFlower	Columbia Valley Community Health
C-TRAN	Craft 3 (formerly known as Enterprise Cascadia)
Eastern Band of Cherokee Indians	Cubic Transportation Systems
Healthcare Management Administrators	Greater Lakes Mental Health Care
Kershaw Companies	Greenbrier Companies
McKinley Irvin	Industrial Finishes
VECA Electric & Communications	JELD-WEN
IT Strategic Planning	King County
Clark College	MedicAlert Foundation
City of Bend	Middletown Rancheria Tribal Gaming Agency
City of Roseville	Northwest Medical Specialties
Penetration Testing	Oregon Episcopal School
County of Fresno	Poarch Creek Indian Tribal Gaming Commission
Direct Marketing Solutions	Salinas Valley Medical Center
Jicarilla Apache Nation	Sound Transit
King County	Telvent
Oregon Student Access Commission	Townsend Security
Pacific Northwest University	TRUEbenefits
Retirement Housing Foundation	Washington Department of Licensing
	Wyandotte Tribe of Oklahoma

In addition to the referenced projects above, Moss Adams would like to highlight a number of additional client relationships that demonstrate the depth and capability of our firm consulting practice in this area. We have performed a wide variety of engagements for our municipal clients including IT infrastructure assessments, reviews of IT governance, system selections, cost/benefit studies, ROI analysis, project management, system implementations, security reviews, and internal controls reviews.

Representative Municipal Clients		
City of Albuquerque	City of Poulsbo	Grays Harbor County
City of Astoria	City of Redmond	Lane County
City of Bellevue	City of Riverside	Los Alamos County
City of Everett	City of San Diego	Lyon County
City of Kent	City/County of San Francisco	Maricopa County

# MOSS-ADAMS<sub>LLP</sub>

Representative Municipal Clients		
City of Lakewood	City of Seattle	Marion County
City of Los Angeles	City of Tacoma	Multnomah County
City of Lynnwood	City of West Richland	Pierce County
City of Modesto	Clark County	Seattle Public Schools
City of Mount Vernon	Clatsop County	Snohomish County
City of Normandy Park	Community Transit	Tacoma Public Utilities
City of Phoenix	Deschutes County	Thurston County
City of Portland	Grant County	Washington County

## Client References

The Moss Adams consulting team has significant experience performing IT audits and assessments. We have provided contact information for related projects below that are similar to the services the City is requesting. We encourage the City to contact these references to learn more about our experience performing the services you are requesting.

Client Name	Contact Name	Contact Information
City of Roseville	Hong Sae, Chief Information Officer	916-775-5152 <a href="mailto:hvae@roseville.ca.us">hvae@roseville.ca.us</a>
<i>Moss Adams coordinated, planned for, and led a multi-faceted IT security risk assessment for the City, which entailed identifying the various federal, state, and industry data security regulations and benchmarking the City's IT security posture against the FIPS-200 best practice framework. The security regulations applied included PCI DSS, HIPAA, NERC CIP, FTC Red Flags, and various state Senate Bills.</i>		
C-TRAN	Bob McMahan, Senior Technology Manager	360-696-4494 <a href="mailto:bobmc@c-tran.org">bobmc@c-tran.org</a>
<i>Moss Adams conducted a review of C-TRAN's network infrastructure, including topology, routing, security, redundancy, and load balancing with attention to their new implementation's ability to manage performance needs. Remediations were suggested to improve the network infrastructure at C-TRAN through a phased approach. A suggested network infrastructure diagram was also provided to assist C-TRAN in their efforts.</i>		
JELD-WEN	Lynn Ballard, IS Assurance Manager	541-880-7214 <a href="mailto:lynnb@jeld-wen.com">lynnb@jeld-wen.com</a>
<i>Moss Adams evaluated the security controls within JELD WEN's technology environment, defined risk levels, and made recommendations to mitigate risk. In addition, Moss Adams conducted internal and external vulnerability and penetration testing. Findings were presented based on the 12 functional areas of the ISO 27002 best practice standard. Recommendations were made, primarily in the areas of redefinition and stricter enforcement of IT policies. Additionally, recommendations were made regarding improving communication and training about security.</i>		

# MOSS ADAMS<sub>LLP</sub>

## 3. PROJECT UNDERSTANDING AND WORK PLAN

The Independent Audit/Assessment of Information Technology project (“audit”) will consist of four phases. These include (1) Project Initiation and Management Activities, (2) Fact Finding and Data Gathering, (3) Analysis and Assessment, and (4) Reporting. Through the audit we will gain a better understanding of the existing environment, identify opportunities for improvement, and provide practical recommendations that are aligned with industry best practices. Moss Adams will draw upon the collective experience of the team, what we’ve seen successfully implemented and in use at similar organizations, as well as industry best practice frameworks, such as ISO 27001, NIST SP 800-53a, PCI DSS, HIPAA, etc. Recommendations will consider alternatives based upon the priorities of the City and overall best business practices.

Moss Adams is prepared to commence this project in July 2013, assuming City personnel are readily available to meet and work with our team members. For initial planning purposes, a period of one to three months (July through September 2013) has been specified to conduct interviews, perform network and systems walkthroughs, perform hardware and software inventories, review supplemental information, assess current IT security posture, determine recommendations and associated costs, and develop draft and final reports.

Phases and Tasks	Schedule (July-September)		
	July	Aug	Sept
<b>Phase 1 – Project Initiation and Management Activities</b>			
1.1 Conduct Kick-Off Meeting	—		
1.2 Conduct Regular Status Reporting	—————	—————	—————
1.3 Perform Quality Assurance Reviews	—————	—————	—————
1.4 Develop and Distribute Documentation Request List	—		
1.5 Review Relevant Documentation	—		
<b>Deliverables:</b>			
<ul style="list-style-type: none"> <li>Approved project plan; schedule for fieldwork; document request list; list of potential interviewees and interview schedule; ongoing project status reports</li> </ul>			
<b>Phase 2 – Fact Finding and Data Gathering</b>			
2.1 Conduct Interviews with City IT Staff	—		
2.2 Conduct Interviews with City Department Managers and Staff	—		
2.3 Perform a Walkthrough of Technology Environment	—		
2.4 Conduct an Inventory of Existing Hardware and Software	—		
2.5 Identify Areas of Inefficiency in the Technology Environment, Misalignment with Best Practices, and Inadequate Technologies	—		

MOSS ADAMS<sup>LLP</sup>

## C. COST PROPOSAL AND FEE SCHEDULE

### 1. COST ESTIMATE

Our fees are based upon the hourly rates of individuals assigned to the project, plus direct out-of-pocket expenses. The professional fees for the project are expected to be \$37,922, including out-of-pocket expenses. The out-of-pocket expenses include such items as word processing, photocopying, telephone, postage, travel, airfare, mileage, accommodations, rental cars, meals, etc.

We can jointly manage the budget for this engagement at project initiation through discussions regarding project scope, resource availability, assignment of duties between the City and Moss Adams team members, the anticipated level of effort, and overall project timing. If our time is less than anticipated, we will bill the lesser amount. If our time is more than anticipated, we will discuss this with you before proceeding further.

### 2. SERVICE STATEMENT AND FEE SCHEDULE

The Independent Audit/Assessment of Information Technology project ("audit") will consist of four phases. These include (1) Project Initiation and Management Activities, (2) Fact Finding and Data Gathering, (3) Analysis and Assessment, and (4) Reporting. Through the audit we will gain a better understanding of the existing environment, identify opportunities for improvement, and provide practical recommendations that are aligned with industry best practices. Moss Adams will draw upon the collective experience of the team, what we've seen successfully implemented and in use at similar organizations, as well as industry best practice frameworks, such as ISO 27001, NIST SP 800-53a, PCI DSS, HIPAA, etc. Recommendations will consider alternatives based upon the priorities of the City and overall best business practices.

You may request that we perform additional services not contemplated by this proposal. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. It is our practice to issue addenda to agreements covering additional related services. Fees will be billed monthly as incurred on a time and materials basis.

This proposal is contingent upon completion of our new client acceptance process and negotiation of a mutually acceptable contract. With regard to the sample contract included in the RFP, Moss Adams anticipates suggesting certain changes consistent with Moss Adams' standard terms and conditions for services of this nature. We have successfully signed professional services agreements with thousands of clients, including many cities and other public entities, and we commit to working in good faith to successfully negotiate a mutually agreeable contract on a timely basis should we be awarded this contract.