



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Information Services Dept.

Subject: Approve lease agreement for upgraded Palo Alto Networks cybersecurity infrastructure

Meeting Date: January 28, 2025

Formal Title: Approve agreement with Abaxent Leasing LLC, in the amount of \$604,590, for upgraded Palo Alto Networks cybersecurity infrastructure, and take related actions

Recommended Actions

1. Approve lease agreement with Abaxent Leasing LLC in the amount of \$604,590 for Palo Alto Networks upgrade; and
2. Authorize the Director of Information Services or designee to sign the agreement; and
3. Authorize the Director of Information Services or designee to sign the certificate of incumbency.

Executive Summary

The County's current network security infrastructure is nearing the end of its lifecycle. This proposal outlines the upgrade of existing Palo Alto Networks hardware to ensure continued robust cybersecurity, operational efficiency, and cost savings over time. The upgrade will future-proof our network security infrastructure through enhanced features and higher performance, while also maintaining compliance with evolving regulatory requirements.

Discussion

The County's current Palo Alto Networks firewalls are approaching the end of their lifecycle and will require replacement within the next three years. By approving this upgrade now, the County can take advantage of the trade-in value of its existing units, which will help offset costs. Upgraded hardware will provide significant performance improvements, including double the compute power and throughput capability for general operations and nearly five times the throughput for the State firewall. These enhancements will ensure seamless performance for critical applications and operations.

In addition to increased capacity, the new hardware introduces advanced features such as SD-WAN, which will streamline network management across multiple sites, and Advanced DNS filtering, which enhances cybersecurity by preventing access to malicious domains. These features are vital to keeping the County's systems secure and efficient in an evolving threat landscape. Furthermore, this upgrade will save the County \$50,000 over the next five years compared to the costs associated with maintaining and upgrading the current hardware on an incremental basis. With the new equipment, the County's network security infrastructure will remain viable and effective until at least 2030, ensuring a strong return on investment.

The upgrade also includes vendor support to update the Palo Alto operating system

(PANOS) from version 10.1.x to 11.1. This update will unlock access to the latest security features and operational optimizations, further future-proofing the County's cybersecurity infrastructure. Taken together, these benefits make the proposed upgrade a critical and cost-effective investment for the County's continued operational success.

Financial Impact

The total cost of this agreement is \$604,590 (with installments in the amount of \$120,918 paid annually for five years). Sufficient appropriations are included in Information Services Department FY 2024-25 Adopted Budget under account 424200/62225 (Info Services-Data Processing/Non-PC Software), and will be included in Proposed Budgets for FY 2025-26, 2026-27, 2027-28, and 2028-29. This cost is supported by internal service fund charges that are assessed evenly across all County departments. No new County General Funds are needed nor requested.

Strategic Initiatives

Equity Framework - County Facilities & Infrastructure
Operational Plan - Operational Excellence

Submitted By:

Tammie Weigl

Recommended By:

Carlos J. Palacios, County Administrative Officer

Artificial Intelligence Acknowledgment:

OpenAI ChatGPT 4o, an Artificial Intelligence (AI) large language model tool, significantly contributed to the development of this agenda item, including Staff Report, in compliance with the County of Santa Cruz AI Appropriate Use Policy.