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AGENDA ITEM No.8

EAST RENFREWSHIRE COUNCIL

<u>CABINET</u>

<u>6 March 2025</u>

Report by Director of Business Operations and Partnerships

REQUEST FOR APPROVAL TO VARY A CONTRACT QUORUM CYBER SECURITY LTD

PURPOSE OF REPORT

1. The purpose of this report is to seek approval to modify an existing contract with Quorum Cyber Security Limited for the provision of Cyber Security Operations Centre (CSOC) services across the East Renfrewshire Council corporate ICT network. The modification would seek to extend the current arrangements for a period of up to 24 months at further cost to the Council of up to £120,000.

RECOMMENDATIONS

- 2. Cabinet is asked to approve:
 - i. modification of the existing contract with Quorum Cyber Security Limited to extend the same for a period of up to 24 months; and
 - ii. variation of the contract value in the sum of up to £120,000.

BACKGROUND

3. Quorum Cyber Security Limited provide CSOC Services to East Renfrewshire Council for the corporate network. A CSOC monitors the network to protect it against external cyber threats from malicious actors (hackers, terrorist groups, rogue states). The CSOC monitors our network 24/7 and uses sophisticated and evolving technology to detect, investigate and respond to threats as they happen. Our CSOC is a critical cyber asset in protecting ERC's data and residents.

4. The contract was awarded to Quorum Cyber Security Limited in March 2020 for a period of 5 years after a competitive procurement exercise under Lot 3 of Public Contracts Scotland's Dynamic Purchasing System for Digital Technology. At that time, there were only a small number of suppliers on this framework.

REPORT

5. In 2025 East Renfrewshire Council will go through significant change and redesign of our ICT infrastructure with the implementation of new firewalls in March 2025, the migration of our

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network services to SWAN2 (Scottish Wide Area Network 2) in summer 2025 and the replacement of our current antivirus solution in March 2025.

- 6. Changing CSOC service provider at this time of such fundamental change presents a number of risks, both cyber-security & operational:
 - With the pace of the ongoing and planned changes to the Council ICT Infrastructure & Network over the next 12 months, a new CSOC provider would lack critical familiarity with our IT environment and security policies. This will increase the risk of cyber security misconfiguration, as these changes would occur while the new supplier is learning our infrastructure.
 - A transition to a new CSOC supplier will lead to knowledge loss, leaving gaps in monitoring and response. This could result in slower threat detection and incident response from the new supplier while they are still understanding our Infrastructure environment.
 - The current CSOC service provider has tailored their threat intelligence and incident response strategies for our infrastructure. These will not be immediately transferrable to a new provider.

7. Since the original contract was awarded to our current supplier, the number of suppliers associated with the procurement framework has exceeded 100.

8. Scotland Excel have been developing a new Framework to simplify Cyber Security procurements. This new framework was expected to be available however, this has taken longer than anticipated and is not a current procurement option. Furthermore, changes to financial thresholds on G-Cloud 14 has excluded a number of smaller suppliers (including our current provider) from this procurement route, so use of this would force a change in our current CSOC supplier.

9. Given the timing of the planned essential ICT infrastructure developments and the inherent risk of changing CSOC supplier at this time, the most appropriate mechanism to maintain a reliable and effective cyber security provision is to extend the current contractual arrangements with Quorum Cyber Security Limited by modifying the current contract. The anticipated spend over the next 24 months is approximately £60,000 per annum.

10. The extension period of up to 24 months will allow the Council to conduct a full procurement options appraisal once the ICT programme of change has completed. This will consider the proposed Scotland Excel Framework, the use of the BT SWAN2 Call off service or the current Dynamic Procurement System as a route to procurement of future CSOC services. Furthermore, the extension period will allow services to transition safely with a period of parallel running to ensure no interruption to the CSOC service that protects East Renfrewshire Council's network, data and residents.

FINANCE AND EFFICIENCY

11. Funding will be met from the existing ICT Cyber Security revenue budget.

CONSULTATION

12. The Chief Officer Legal and Procurement and the Chief Procurement Officer have been consulted on this proposal and have approved it in terms of paragraphs 21.5.3 and 22.2 of East Renfrewshire Council's Standing Orders Relating to Contracts.

IMPLICATIONS OF THE PROPOSALS

12. There are no further staffing, IT, legal, sustainability or other specific implications associated with this report.

CONCLUSION

13. Given the pace of technological change that the Council's ICT network infrastructure will undergo in the next 12-24 months and the inherent risks that a change in CSOC provider will bring, a direct award to Quorum Cyber Security Limited is deemed appropriate.

RECOMMENDATION

- 14. Cabinet is asked to approve:
 - i. modification of the existing contract with Quorum Cyber Security Limited to extend the same for a period of up to 24 months; and
 - li. variation of the contract value in the sum of up to £120,000

Director of Business Operations and Partnerships February 2025

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