



ROCKY MOUNT, NC
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ROCKY MOUNT CITY COUNCIL

COMMITTEE OF THE WHOLE MEETING

MONDAY, OCTOBER 12, 2020

**CITY COUNCIL
COMMITTEE OF THE WHOLE**

MONDAY, OCTOBER 12, 2020

5:00 PM

AGENDA

1. Minority & Women-Owned Business Enterprise Program Amy Staton/
Candice Kirtz
2. Conti Network Disruption Update Greg Cotten
3. Discussion on Council Members Requests for Information
to the City Manager and Staff
4. Closed Session
Attorney/Client Privilege

MEMORANDUM

Committee of the Whole



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CITY MANAGER'S OFFICE
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To: Rochelle D. Small-Toney, City Manager

Cc:

From: Amy Staton, Director of Finance

Date: 10/12/2020

Re: Minority Women Business Enterprise Program

Efforts are underway to enhance the city's Minority and Women Business Enterprise (MWBE) program. Candice Kirtz will provide an overview including general information about the program, goals, results, and the status of our plan milestones that are completed, ongoing, in progress, recommended, and pending. I am excited about the positive progression of the program and look forward to the opportunities we have for continued enhancement.



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MWBE Program Overview

Purchasing Division

10/12/20, Candice Kirtz





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Discussion Topics

Topics

- Minority and Women Owned Business (MWBE) Defined
- Historically Underutilized Businesses (HUB) Defined
- Mission & Vision
- Functions
- Goals
- Certification
- Vendor Expectations
- MWBE Community
- Participation
- Reporting
- Milestones



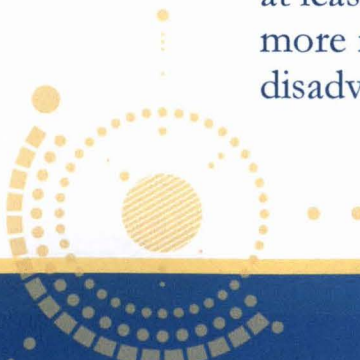


Minority and Women Business Enterprise (MWBE)

- North Carolina General Statute 143-128.2 defines a minority business as a business that is:
 - at least 51% owned and controlled by one or more minority persons or socially and economically disadvantaged individuals
 - at least 51% of stock is owned by one or more minority or socially and economically disadvantaged individuals (corporations).

Historically Underutilized Business (HUB)

- The HUB Office is an organization within the Department of Administration that advocates actions which increase opportunities for historically underutilized businesses and promotes diversity and inclusion in state government procurement and contracting.





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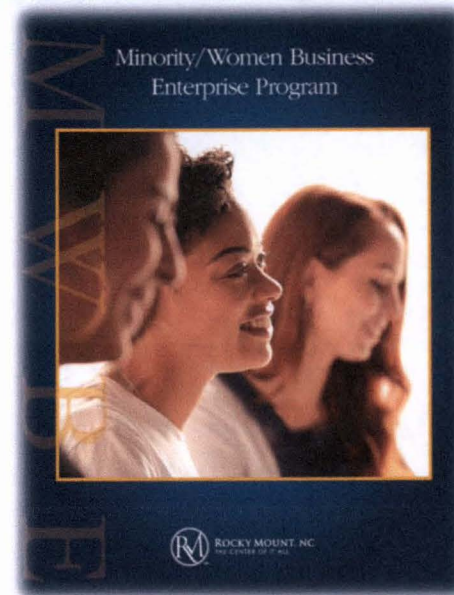
MWBE Program

Mission

To promote economic opportunities for minority and women owned businesses in the City of Rocky Mount procurement and contracting that will foster their potential for growth and profitability.

Vision

The Purchasing Division promotes actions which increase opportunities for minority and women owned businesses and promotes diversity and inclusion in the City of Rocky Mount procurement and contracting.



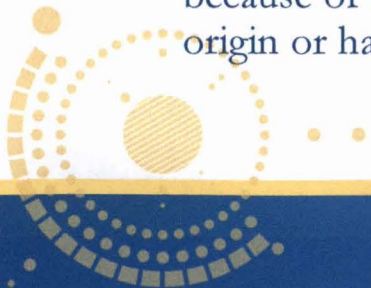


Program Roles

- Provide equal opportunity to participate in the bidding process
- Provide workshops and training sessions
- Provide one-on-one sessions as requested on opportunities of interest
- Prohibit discrimination against a business because of race, creed, color, religion, national origin or handicap

Program Functions

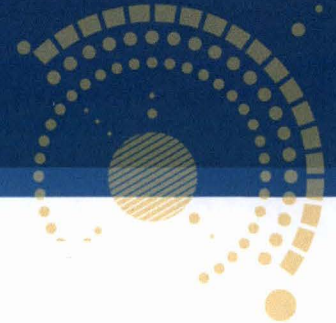
- Liaison between City of Rocky Mount and MWBE Community
- Develop alliances to increase participation and utilization
- Monitor and report MWBE participation





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MWBE Program Goals



Building Construction

- 10% goal over \$100,000.00 for State funded (N.C.G.S. 143-128.2)*
- 5% goal over \$100,000.00 for local funded per City MWBE Resolution
- Example: A GC awarded \$100,000.00 project that subcontracts \$10,000.00 to a MWBE subcontractor. The 10% goal is met.

*Certified businesses count towards the goal





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MWBE Certification

NC HUB Certification

- Historically Underutilized Businesses Certified (HUB)
- Only businesses certified in accordance with this section shall be considered by ... political subdivisions of the State as historically underutilized businesses for minority business participation purposes under this Chapter. N.C.G.S. 143-48.4

NC DOT Certification

- Disadvantaged Business Enterprise (DBE)
- DBE certification, you must meet the social and economic disadvantaged criteria of Federal Regulations 49 Part 26.





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Local Participation

Factors Contributing to Low Participation

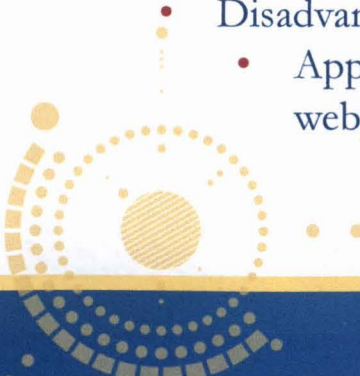
- Certification: HUB
 - Approach: Encourage qualified businesses to obtain their HUB certification.
- Costs: Insurance, Bid Deposits, Bonds
 - Approach: Provide clear insurance expectations. Limit bond requirements to statute limits or what's necessary for high risk projects.
- License: Building, Residential, Highway, Public Utilities, Specialty
 - Approach: Encourage local contractors to obtain their general contractor license. General contractor license required for bidding on all projects \$30,000.00 or more.





Factors Contributing to Low Participation Continued

- Lack of Public Contract Knowledge
 - Approach: Provide quarterly training that will help vendors understand public contracts and bidding.
- Vendor Contact Information & Communication
 - Approach: Inform vendors of the importance of keeping their vendor file updated. Encourage them to check their emails and voice messages to improve communication.
- Bid Submittal
 - Approach: Encourage vendors to compete in the bid process.
- Disadvantaged-Computer Skills
 - Approach: Provide training on basic computer skills, navigating the city purchasing webpage and reviewing bid PDFs.





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Expectations



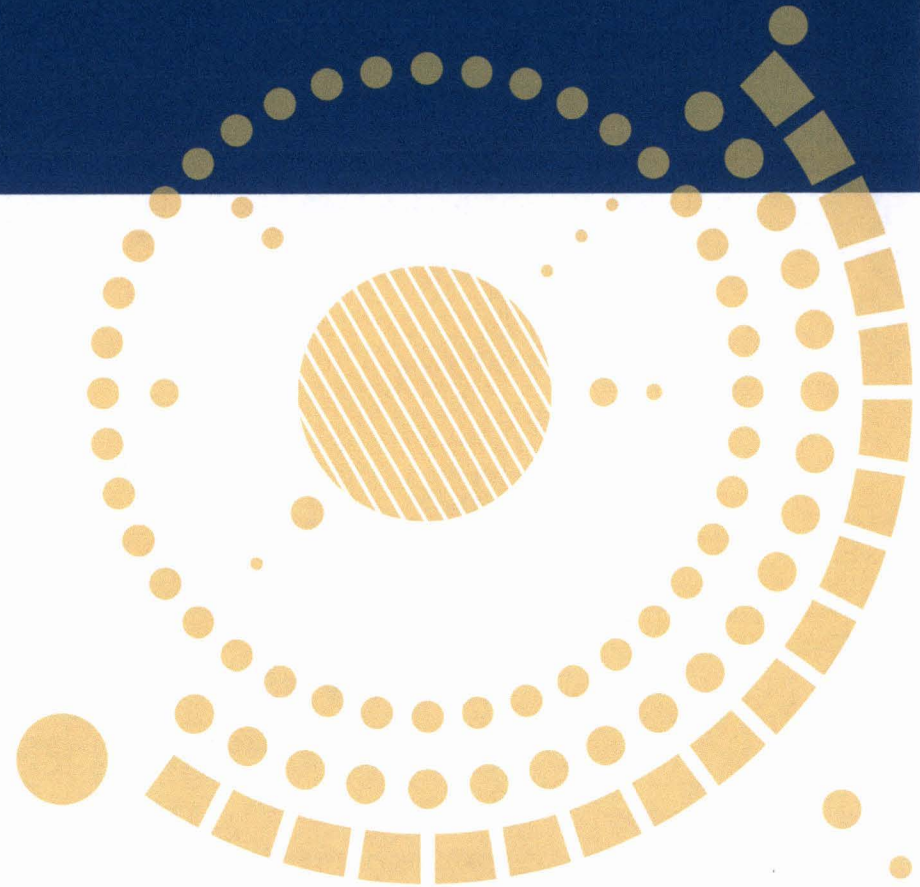
Vendor Expectations

- Communicate vendor information changes to Purchasing
- Provide capability statement (new vendors)
- Meet insurance requirements
- Meet bonding requirements
- Become HUB certified
- Compete in the bid process (understand public bidding requirements)
- Win bids (lowest responsive responsible bidder)



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Where Are We Now





Local Certified (NC HUB Directory)

1. Morgan's Termite and Pest Control
2. TelTal
3. Bob Ray's Transport, LLC
4. Cleen Sweep
5. Cre8ive Coordinates, LLC
6. DNN Advisory Services LLC
7. Indus PowerTech Inc.
8. Key Insurance and Realty Solutions LLC
9. Wilkins Janitorial Service, Inc.
10. B&M Roofing Contractors
11. Core Master
12. RM Contractors LLC
13. Three in One Family Center

All MWBEs (City Vendor File)

	FY19	FY20	FY21
All	>30	84	101

Categorized

- Minority (MBE)
 - Black, Hispanic, Asian-American, American-Indian
- Woman (WBE)
 - Female (non-minority)

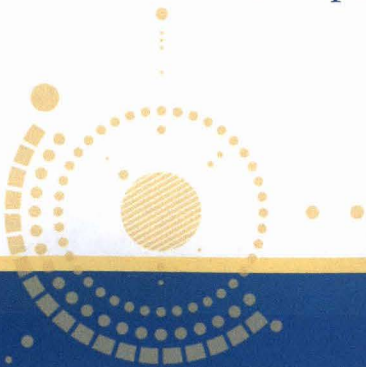


State HUB Reporting (current)

- Required for reporting building construction & repair projects, wastewater treatment systems, wastewater collection systems, water supply systems and water conservation projects.
- Projects are only reported in the quarter completed.
- HUB projects awards are compared to total awarded projects to calculate the percentage.

Local MWBE Reporting

- Will track all awarded projects valued at \$30,000.00 or more regardless of contract type.
- Projects are only reported in the quarter awarded.
- MWBE project awards are compared to total awarded projects to calculate percentage of bid opportunities.
- Progress reports shall indicate awarded contract type and include the following:
 - Number and dollar value of total awarded contracts by contract type
 - Number and dollar value of all contracts awarded to MWBEs by contract type
 - Number of MWBE firms that bid on the contract type





FY20 Awards

- Awarded \$15,097,678.40
- Tier 1 MWBE Awards \$2,177,529.58
- Tier 2 MWBE Awards \$109,872.00
- 15% percentage of Purchasing Division awarded solicitations (all contract types)

FY19 & 20 City Spend

Vendor Payments	FY19	FY20
All	\$146,112,887.47	\$126,247,989.32
MWBE	\$1,341,509.71	\$3,090,642.91
%	.9%	2.4%

FY19 NC Spend

Spending	FY19
All	\$7.5 billion
HUB	\$468 million
HUB - B	\$80.4 million
HUB - B%	1%





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MWBE Opportunity



19/20 PROJECT	MWBE	AWARD
HWY 97 Lift Station Screw Pump	Stepp Construction	\$624,000.00
Basketball Court	Laser Sitework	\$50,500.00
Manhole Rehabilitation	North Star Water & Sewer	\$74,517.00
Urgent Home Repair	RM Contractors	\$35,725.00
Transmission Installation	River City Construction	\$104,176.00
Scattered Sites Projects	Squared Corners Constructions	\$114,300.00
Roof Repairs	B&M Roofing Contractors	\$236,821.00

19/20 PROJECT	CONTRACTOR	MWBE AWARD
Sodium Hypochlorite Conversion	English Construction	\$110,500.00
City Hall Elevator	HM Kern	\$90,200.00
TRT Bus Station Renovation	Calvin Davenport, Inc	\$9,900.00

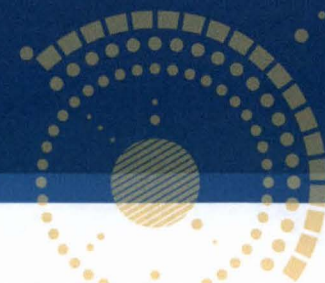
18/19 Project	MWBE	AWARD
Theatre Flood Damage	Burney & Burney	\$66,000.00
BSC Renovations	Bridgeview	\$31,000.00
Douglas Block Upfit Project	Bridgeview	\$121,500.03
Senior Center Roof Replacement	B&M Roofing	\$409,824.00
Wayfinding	Rite Lite Signs	\$218,695.00

18/19 Project	CONTRACTOR	MWBE AWARD
5 th Floor Remodeling	D.J. Rose & Son	22,650.00
Street Resurfacing	ATCO Transport	2,475.00
Mainline Utilities Relocation	Fosters Hauling	2,600.00



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MWBE FY20 Milestones



Completed/Ongoing

Advertise: HUB website
Attend: MWBE oriented events
Build alliances
Conduct: Meet & Greets
Conduct: One-on-One Meetings
Conduct: Workshops
Develop Program Guide
Develop Program Mission and Vision
Develop Training: How to Do Business with the City
Develop Training: Insurance Expectations
HUB Reporting
Identify Community Resource Opportunities
Increase Certified MWBE Vendors
Network with MWBE and Diversity Professionals
Update Purchasing MWBE Webpage

In Progress

Conduct: Basic Computer Skills Training
Develop Training: Invoice Expectations
Develop: Budget
Develop: Outreach Plan
Develop: MWBE Directory
Develop Training: MWBE Bid Documentation
Identify acceptable certifications
Identify Best Practices for Pre-Bid
Implement Commodity Codes
Marketing
Reporting
Update HUB Affidavit B
MWBE Coordinator (10/19)

Recommend

Determine goals: building construction
Determine goals: other

Pending

Determine Eligible Dollars
Develop Training: City Departments
Develop Training: Purchasing Division
Develop: New MWBE Bid Guidelines
Reporting Development

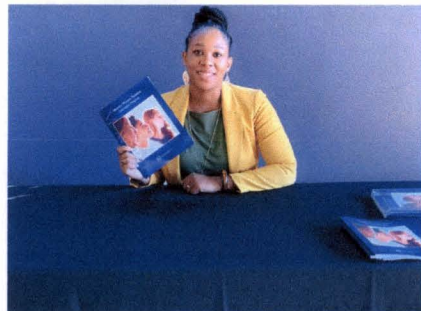
Future

Sub-contract Management (MWBE subs)
Listening Sessions
Revolving Loan
Entrepreneurial Center
Televised Training
Disparity Study (pathway)



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Questions



**Committee of the Whole****To:** Rochelle D. Small-Toney, City Manager**Cc:****From:** Wm. Gregory Cotten, Chief Technology Officer *WGC***Date:** October 12, 2020**Re:** Post CONTI

Purpose:

The City's network disruption was first detected on August 14, 2020. City staff and city technology partners were immediately engaged in incident response and recovery efforts. Once systems were protected and restored, efforts began on strategically aligning the City for further success in securing the technology environment and mitigating the risk from any possible future network disruption.

Technology Services Actions/Responses:

The City of Rocky Mount Technology Services Department quickly disabled all network traffic from incoming sources such as messaging (email), MicroSoft Teams and other sources using the domain controllers. This was needed as a form of containment, eradication and recovery to keep the malware/ransomware from spreading.

Containment includes stopping malicious processes, removing files, or closing the vulnerabilities discovered in the rapid response triage analysis.

Eradication of activities may include resetting passwords, removing malware and backdoors onto the network, or closing ports. This also includes removing all the malicious elements from affected network.

After the incident has been successfully contained and threats were removed from the City's network, we started the recovery process. Recovering from this ransomware attack included restoring off-site backups (data centers) using vSphere or exploring other options inclusive of adding network analyzers other than firewalls such a Rulegate blocker (Sentinel 1) massive spam and phishing

waves without losing network performance and taking the guess work out of the end-users hands in terms of a malicious exposures.

Recommendations:

There are multiple opportunities for changes and are provided at a high level to include the network fabric, technology policies and procedure, end-user (City staff) cyber security training and awareness on an ongoing basis and Technology Services human capital. Recommended changes are in various states – complete, underway, or recommended to be done. Update the Acceptable Use Policy (Administrative Policy III.1 and III.12). The policy should incorporate use of electronic mail (email), use for mobility devices (smart phones, iPads and MS Surfaces as well as laptops) prohibit personal devices on the network, controls for remote desktop access, software installation approval process and expanded requirement approval process for privileged accounts.

Create password policies inclusive of special characters required as a standard for hardening, change passwords every 90days and prohibit the sharing of passwords. Generate the multi factor authentication (MFA) virtual private network (VPN) policy. This policy will outline the requirements for use and the approval process. (This is currently in draft format). Resources are needed to fill critical roles. The CTO should evaluate resources and recommend a sourcing strategy. The roles recommended. Business Systems Analyst (reprogramming from the Applications/Project Manager) this resource would analyze all system and create data analytics templates from all systems, create and present reports to the Executive Leadership Team. Project Manager who would manage projects in conjunction with Business Systems Analyst. Many projects take longer than expected or get off track when other unexpected projects are introduced. The Project Manager will also help bring the correct stake holders together with an actionable plan for the best chance of a successful technology project completion.

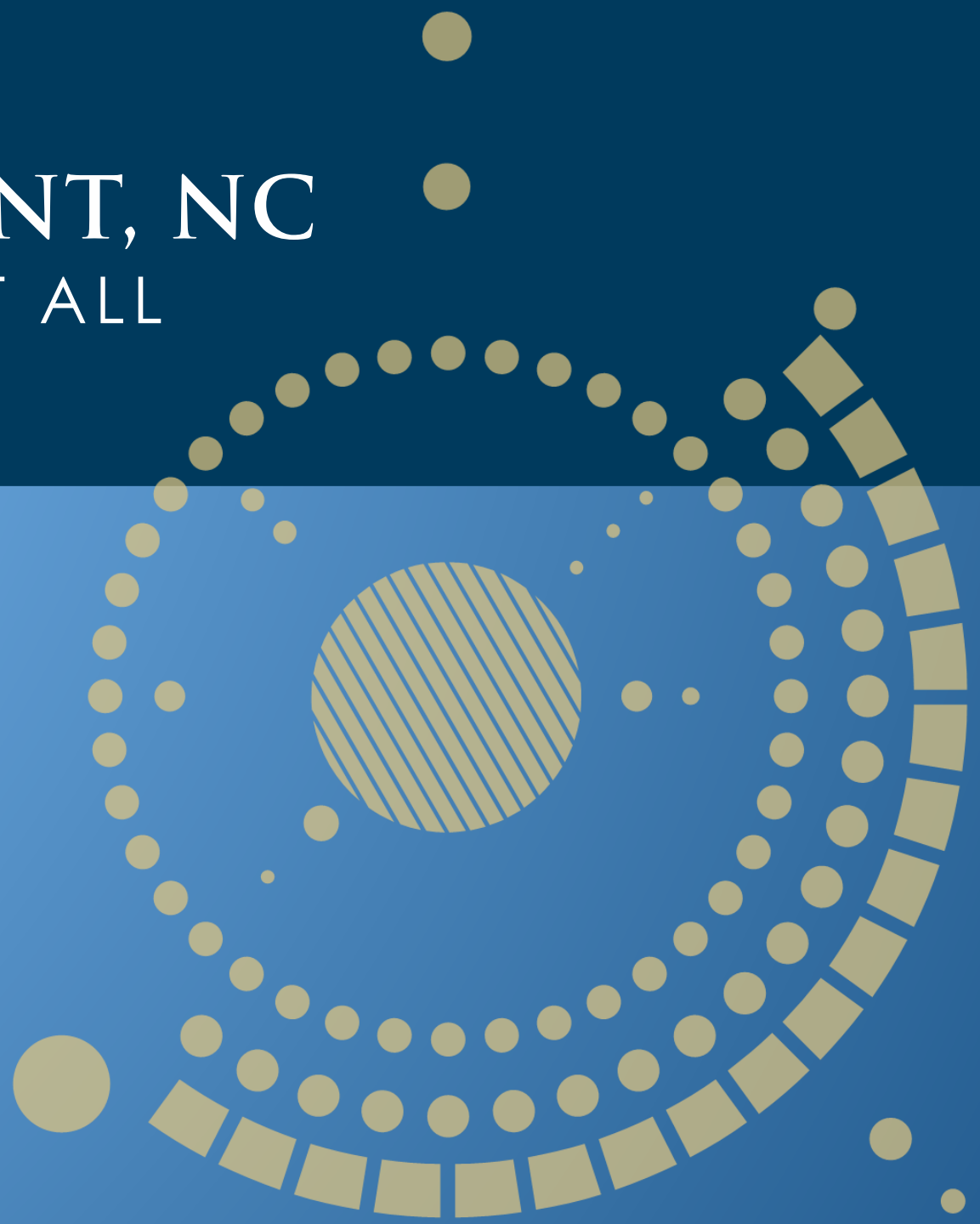


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Technology Update

10/12/2020

Wm. Gregory Cotten, Chief Technology Officer





The City of Rocky Mount, NC encountered a serious ransomware (CONTI) attack on August 14, 2020. This attack led to a city-wide network outage on citizen-centric applications used, messaging, and infrastructure services on the telecommunications level. Our users (Rocky Mount employees) were shown instructions on how to pay a fee to get the decryption key required to release the ransom. The costs ranged from \$250 to \$500 hundred thousand dollars, payable to the cybercriminals in Bitcoin. City staff and city technology partners were immediately engaged in incident response and recovery efforts. Once systems were protected and restored, efforts began on strategically aligning the City for further success in securing the technology environment and mitigating the risk from any possible future network disruption.





- The City of Rocky Mount Technology Services Department quickly disabled all network traffic from incoming sources such as messaging (email), MicroSoft Teams and other sources using the domain controllers. This was needed as a form of *containment*, *eradication* and *recovery* to keep the malware/ransomware from spreading.
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Recommendations

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Recommendations cont.:

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1. Preparation

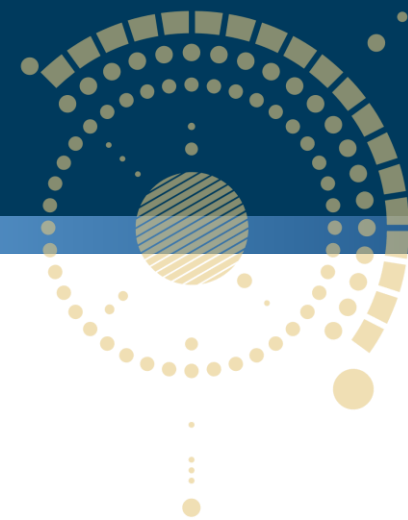
- ☐ Many organizations find themselves as victims of ransomware attacks because they fail to take proactive cyber security measures. Response time is critical when your data has been compromised and being prepared ahead of time with an incident response plan increases the success and speed of recovering from an attack.

2. Detection and Analysis

- ☐ The second step following a ransomware attack is to detect and analyze malware, backdoors, or other active threats on your network. Some of the methods used to detect and analyze a ransomware attack include:
 - ☐ Endpoint Detection and Response (EDR)
 - ☐ Rapid Response Triage Investigation
 - ☐ Deep Dive Investigation

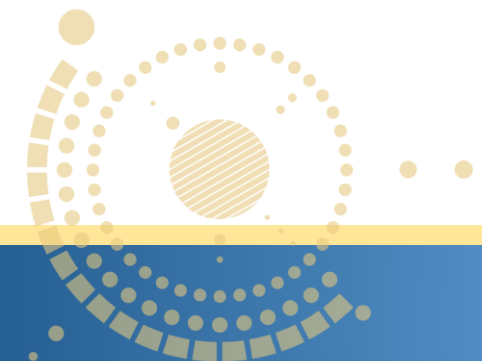
3. Post- Incident Activity

- ☐ Following the NIST framework, the next step to securing your network after a ransomware attack is implementing measures to decrease our risk of a repeat ransomware attack.



Challenges....

1. Funding
2. Resources – TS and SME
3. Training
4. Technology Policies





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Questions?

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