

investigation. ComEd was then contacted to shut down power to the station.

On May 30, 2018, the Calumet trades were able to access the manhole where five (5) of the eight (8) power feeds to the station were found to be compromised. It was determined that emergency funding was necessary to replace the electrical feeds to the station, including 10,000 feet of 500 MCM electrical cable, connectors, and miscellaneous materials for the electrical distribution system. Calumet trades would be able to perform the work once the materials were received.

As the operation of the SEPA station is of vital importance to maintaining the level of dissolved oxygen above water quality standards and preventing the potential for deterioration of water quality in the Calumet Sag Channel, immediate repairs to the electrical system at SEPA 4 were deemed essential to the protection of public health and the environment.

On June 21, 2018, in accordance with Section 11.5 of the Purchasing Act, the Board of Commissioners declared an operational emergency affecting public health and safety and awarded Contract 18-800-01 for Emergency Repairs to SEPA Station No. 4 in the Village of Worth, IL to Paramount Electrical Supply in an amount not to exceed \$100,000.00.

Final completion of all work replacing the feeds was completed on July 24, 2018. The final cost of the material purchased under the emergency contract was \$64,411.72. The final cost for the labor performed by the Calumet trades was \$81,193.47. Therefore, the total cost to replace the feeders at SEPA Station No. 4 was \$145,605.19.

Requested, Thomas M. Conway, Acting Director of Maintenance and Operations, BAP:SO'C
Respectfully Submitted, David Walsh, Chairman Committee on Maintenance and Operations
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for September 6, 2018



Metropolitan Water Reclamation District of Greater Chicago

Errata Correction

100 East Erie Street
Chicago, IL 60611

File Number: 18-0899

File Key: 18-0899

Type: Agenda Item

Status: PC Increase
PO/Change Order

Version: 1

Reference:

Controlling Body: Procurement
Committee

File Created Date : 08/27/2018

File Name:

Final Action:

Title label: Authority to increase Contract 18-300-01 for an Emergency Forensic Cyber Audit of the District's Information Technology System to VedderPrice P.C., in an amount not to exceed \$100,000.00 from an amount of \$50,000.00, to an amount not to exceed \$150,000.00, Account 101-30000-612430, Purchase Order 3100999 (As Revised)

Notes: ERRATA CORRECTION:

In the 4th paragraph, a sentence is added after the first sentence to read, "...best business practices. VedderPrice P.C. may engage the services of RSM US LLP or other subcontractors to perform the necessary investigation and to assist in developing best business practices", and, the next sentence which begins, "VedderPrice P.C. was available to provide..." now becomes the 5th paragraph.

The 6th paragraph, second sentence, is revised to read, "Although funds encumbered under the emergency declaration remain, additional funds are necessary to continue to complete the work required."

In the 8th paragraph, a sentence is added at the end of the paragraph to read, "It is also requested that the General Counsel be given authority to execute all necessary documents required for the investigation."

Sponsors:

Enactment Date:

Attachments:

Enactment Number:

Contact:

Hearing Date:

Drafter:

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Board of Commissioners	09/06/2018					
1	Committee of the Whole	09/06/2018					

Text of Legislative File 18-0899

Authority to increase Contract 18-300-01 for an Emergency Forensic Cyber Audit of the District's Information Technology System to VedderPrice P.C., in an amount not to exceed \$100,000.00 from an amount of \$50,000.00, to an amount not to exceed \$150,000.00, Account 101-30000-612430, Purchase Order 3100999 (As Revised)

Dear Sir:

On August 9, 2018, the Acting Executive Director notified the Board of Commissioners ("Board") that an operational emergency was declared and the need to perform a forensic cyber audit of the District's Information Technology System was necessary.

In accordance with Section 11.5 of the Purchasing Act, on August 9, 2018, the General Counsel declared an operating emergency and awarded Contract 18-300-01 in an amount not to exceed \$50,000.00 to VedderPrice P.C.

Representatives from the Law and Finance Departments interviewed two attorneys who specialize in cyber security, Michael Waters of Polsinelli and Bryan Clark and Blaine Kimrey of VedderPrice P.C. Both firms were exceptionally qualified in this area and offered practical approaches to start investigating and determining solutions to the cyber incident. Both firms also agreed to offer a reduced government hourly rate to their standard fees; however, as VedderPrice P.C. offered a lower partner rate, such firm was retained. VedderPrice P.C. agree to work at an hourly rate of \$445 for partners and \$335-\$405 for associates. A waiver of the Board's policy establishing an hourly rate cap for outside legal services is hereby requested as the District was not able to retain the expertise needed for this matter at the established hourly cap amount of \$250.00 due to the highly specialized nature of the work.

VedderPrice P.C. will orchestrate a forensic cyber investigation and will make recommendations regarding legal requirements, whether further investigations of the District's IT systems are warranted and will then recommend best business practices. VedderPrice P.C. may engage the services of RSM US LLP or other subcontractors to perform the necessary investigation and to assist in developing best business practices.

VedderPrice P.C. was available to provide service immediately, and under this agreement, they began the process of reviewing relevant systems, analyzing liability under various applicable federal and state laws and working with appropriate subcontractors. The advice and counsel of attorneys specializing in cyber security matters is necessary to ensure that the District is meeting any of its statutory and other legal obligations relating to this incident.

VedderPrice P.C. has been performing this work for the District and billing the District on an hourly basis. Although funds encumbered under the emergency declaration remain, additional funds are necessary to continue to complete the work required. The estimated cost for the remaining work is an increase of \$100,000.00 over the awarded \$50,000.00 emergency authorization. The reason that the original estimate has shown to be inadequate is because of the extent of the necessary review of the IT Systems was not known at the time of the declaration of emergency.

This change order is in compliance with the Illinois Criminal Code since the change is germane to the original contract.

It is hereby recommended that the Board of Commissioners authorize the Director of Procurement and Materials Management to execute a change order to increase Contract 18-300-01, in an amount not to exceed \$100,000.00 from an amount not to exceed \$50,000.00 to an amount not to exceed

\$150,000.00. It is also requested that the General Counsel be given authority to execute all necessary documents required for the investigation.

Funds are available in Account 101-30000-612430.

It is requested that the Board fix the date on which the emergency is to terminate as December 31, 2018.

Requested, Susan Morakalis, General Counsel, BTK

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for September 6, 2018