

## **AGENDA**

### **INFORMATION TECHNOLOGY COMMITTEE**

Meeting Date: June 13, 2019

Time: 10:00 AM

Location: 125 Worth Street, Room 532

### **BOARD OF DIRECTORS**

### **CALL TO ORDER**

**MR. PAGÁN**

### **ADOPTION OF MINUTES**

*April 9, 2019*

### **CHIEF INFORMATION OFFICER REPORT**

**MR. LYNCH  
DR. MENDEZ  
DR. BOUTON**

### **INFORMATION ITEM #1 - CABLING**

**MR. LYNCH  
MR. LUTZ**

### **ACTION ITEM #1 – McAFEE**

**MR. LYNCH  
MR. LUTZ**

Authorizing the New York City Health and Hospitals Corporation (the “System”) to enter into an enterprise license agreement (an “ELA”) with Dyntek Services, Inc. (“Dyntek”) to provide McAfee IT security hardware, software, related maintenance and professional services for a three-year term for an amount not to exceed \$19,949,756.08.

### **ACTION ITEM #2 – MICROSOFT**

**MR. LYNCH  
MR. LUTZ**

Authorizing the New York City Health and Hospitals Corporation (the “System”) to enter into an enterprise license agreement (“ELA”) with Microsoft Corporation (“Microsoft”) to renew existing software licenses, and associated maintenance and support services for a three year term in an amount not to exceed \$41,554,873 including a 10% contingency.

### **OLD BUSINESS**

### **NEW BUSINESS**

### **ADJOURNMENT**

### **NEW YORK CITY HEALTH + HOSPITALS**

## **MINUTES**

**Meeting Date:** April 9, 2019

### **INFORMATION TECHNOLOGY COMMITTEE**

#### **ATTENDEES**

##### **COMMITTEE MEMBERS**

Jose Pagán , Chair

Scott French (representing Steven Banks in a voting capacity)

Barbara Lowe

Matt Siegler (representing Dr. Mitchell Katz in a voting capacity)

##### **NYC HEALTH + HOSPITALS CENTRAL OFFICE STAFF:**

Paul Albertson, Vice President, Supply Chain and Materials Management

Machelle Allen, MD, Senior Vice President, Chief Medical Officer

Donnie Bell, MD, MPA, Radiology, NYC Health + Hospitals/Kings County

Colicia Hercules, Chief of Staff, Office of the Chairperson

Kevin Lynch, Senior Vice President, Chief Information Officer

Kim Mendez, Senior Vice President, Chief Health Informatics Officer

Barry Schechter, Assistant Director, Information Technology

Brenda Schultz, Senior Assistant Vice President, Financial Planning

Mario Smith, Director, Communications and Marketing

## **INFORMATION TECHNOLOGY COMMITTEE**

**Tuesday, April 9, 2019**

Jose Pagán called the meeting to order at 10:00 AM. The minutes of the November 8, 2018 meeting were adopted.

Kevin Lynch thanked the Committee. He said there were no Action Items but we did not want to go too long without an update and that is what we are doing today. He then spoke to the meeting package.

Mr. Lynch started with Governance Update. He said one of his first actions when he joined NYC Health + Hospitals was to strengthen the governance model and prioritize the most important projects. He said we have developed a Health Information Technology Prioritization Committee with members from across the enterprise, including facilities and they are “the voice of the customer.”

Mr. Lynch said the Committee has set the following strategic directions: All Health Information Technology Projects will be Enterprise projects; all projects will be initiated and tracked in a consistent, standard process; and we will prioritize the need to get off of QuadraMed and onto the Epic electronic health record (H<sub>2</sub>O).

Mr. Lynch said members of the committee include appropriate facility-based and central office clinicians and IT resources. He said the charter prioritizes all projects that IT will dedicate resources to complete and the decision-making body aligned is to be in the strategic direction NYC Health + Hospitals.

Mr. Lynch said we are constantly evolving. We added the Chief Nursing Officer, Dr. Kim Mendez. Now, she is Chief Health Informatics Officer, in addition to our new Chief Medical Information Officer Dr. Michael Bouton.

Mr. Lynch then spoke to Inventory Resources. He said our number one resource is our people and that we are developing a path to greater self-sustainability. He said we have depended on contractors to get us through big projects but we want to build a path to self-sustainability in the future. He said the other resources were the landscape of all clinical and administrative locations; and our IT Systems, including Clinical, Financial, HR, centralized, federated, interfaced and stand alone. He mentioned that we have 200 projects and over 1000 IT systems, even as we actively work to consolidate.

Barbara Lowe asked how many of these systems are home-grown?

Mr. Lynch said many of them are but we are working on making everything enterprise-level.

Mr. Lynch added that our projects are resources. He said we ensure we capture all existing projects and develop structured method to onboard and prioritize all future requests/projects.

Mr. Lynch spoke to the slide NYC H+H Acute Facilities. He pointed out that there used to be 11 different QuadraMed systems for 11 acute care facilities. That is how silo'd we use to be. None of those facilities would have patient information from anywhere else. That is now changing with Epic.

Mr. Lynch spoke to the slide NYC H+H Acute Facilities + Post Acute Care. Some of them were using a combination of QuadraMed and paper. We are changing that to enterprise-wide systems. For NYC H+H Acute Facilities + Post Acute Care + Correctional Health Services, he said Correctional Health uses eClinical Works, which is being phased out and we are getting them onto a new platform.

Mr. Lynch then addressed the sites listed on NYC H+H Acute Facilities + Post Acute Care + Correctional Health Services + Gotham Health Major Facilities; NYC H+H Acute Facilities + Post Acute Care + Correctional Health Services + Gotham Health Major Facilities + Gotham Health Neighborhood Health Centers; and then For NYC H+H Acute Facilities + Post Acute Care + Correctional Health Services + Gotham Health Facilities (which lists everywhere we provide care, including all school-based clinics).

Mr. Lynch spoke to NYC H+H Current Electronic Medical Record Landscape. It showed which facilities have H<sub>2</sub>O and which are still on QuadraMed. Some of the QuadraMed sites share systems while some are on their own.

Ms. Lowe asked if Jacobi is using their own stand-alone system. They were like that for a long time.

Mr. Lynch said they have their own version of QuadraMed. They were going to be first to go live with Epic but we went with Queens and Elmhurst instead. That is how silo'd we used to be. But they were probably doing that for survival. That's why they built their own systems. Now, we want everything to be enterprise-wide.

Scott French said the Department of Social Services was exactly the same way. We went through a process saying they could not make their own systems.

On the slides labeled NYC H+H Current Electronic Medical Record + Revenue Cycle Landscape, Mr. Lynch talked about which sites have H<sub>2</sub>O and which are using Soarian and Unity. He said there are now six acute care sites and 44 Gotham clinics using Epic. That means patients in any of those places all have the same patient information.

For NYC H+H EMR future state, Mr. Lynch showed that all acute care and 61 Gotham clinics would be under H<sub>2</sub>O clinical and Revenue Cycle (financial). He said it is a tribute to our clinical leaders and IT partners. He said this is not an IT project. It is a clinical project. He said credit goes to Dr. Machel Allen who leads from the clinical level along with the IT level.

He then showed a slide called NYC H+H H<sub>2</sub>O & QuadraMed instances. It listed which sites were using which systems. He showed which sites have and which will have Epic in the future.

Mr. Lynch spoke to Health Information Prioritization Committee top projects. He started with H<sub>2</sub>O (Epic) + Cerner Lab enterprise implementation. He said when we go live with Epic, we also go live with Cerner financial. He then listed other top projects, including Enterprise Resource Planning (Finance, Supply Chain, HR, Payroll, Time Collection, Nurse Scheduling), Enterprise Radiology PACS Imaging, 340B Pharmacy Split billing, Enterprise Provation GI (which was put there because Olympus, our previous system, told us they would not be supporting any longer; it is now complete), Enterprise Cardiac Monitoring, Population Health (CRFP – Capital Restructuring Finance Project), Correctional Health Services EMR project, and Post Acute Care EMR project.

On the slide H<sub>2</sub>O Sequencing, Mr. Lynch gave an H<sub>2</sub>O deployment schedule for each facility. For the recent go-live last week, we have substantial at-the-elbow support at those sites (Bellevue, Gotham/Gouverneur, Harlem, and Gotham/Sydenham). This is going fairly well. Normal bumps with things like printing but nothing major. Our next go-live will be next summer which is 109 days from today. The one after that will be 201 days from today. He said Henry J. Carter will be the last one, which will be in spring 2020. There will be many projects for optimization in the future.

Ms. Lowe asked if anything came to light with regard to a given population.

Mr. Lynch said some sites treat burn victims while others do not. Bellevue does more in the OR, for example. We have daily checks twice a day to share the good, the bad, and the ugly. We share all issues. These are all standard for a go live of this magnitude. Our next go live will have four acute care and nine smaller centers and that will need a lot of support.

Mr. Lynch said we have a lot of contracted consultants working for us, which is necessary. But we hope to have more of our own people working in support roles as we move towards the summer rollouts. This is a challenge but we are getting a lot of help from people at sites who are already live. We hope to step that up quite a lot.

Ms. Lowe asked if there will be more nurses in informatics.

Kim Mendez said we have had quite a few interested in it.

Jose Pagán asked what is in place to get physician and others' feedback.

Mr. Lynch said this is an enterprise-wide process and we are leveraging clinical councils. All changes go through design, build, test, and implement. The cultural change helps a lot, as I saw in my experience in Miami and Los Angeles.

Mr. Lynch showed Enterprise Resource Planning (ERP) Project Timeline. He said this includes payroll, nurse scheduling (Clairvia), time & labor/absence management, and electronic time capture. We were supposed to go live with payroll going live in January 2019. Instead, we felt more comfortable going live at the beginning of the fiscal year on July 5. Electric time capture will go from paper sheets to online in the beginning of 2020. In addition, our nurse scheduling went live at the end of March at Kings County, Seaview, East New York and Coney Island. That was successful. We are going live with more through the end of this year. This is a significant milestone for ERP.

Mr. Lynch showed the final slide entitled Enterprise Radiology Integration Initiative Time Line. It showed each facility and the system it uses. There used to be 11 different systems. Now, enterprise-wide, we will go to McKesson PACS. Some sites went live with McKesson as we went live with Epic around the system. This is an example of prioritizing projects and getting them done.

Ms. Lowe said this is a lot of wonderful data. She said the nurse scheduling helps nurses tremendously. This will help fiscally and with outcomes. People are very happy with this.

Mr. Lynch thanked the committee for all their support.

Mr. Pagán said it is good to take full advantage of every feature of a system when we buy it. Are we doing that? Can we participate in conferences and learn from others who have implemented it?

Mr. Lynch said we brought in lots of non-IT into our processes. We follow industry best practices and get lessons from partners like Gartner. We check for full functionality. For instance, we thought we could use Epic for post-acute care. But we had to pivot once we realized this was not optimal. We might re-evaluate later. Our customers help by telling us what works best for them.

Ms. Lowe said the implementation of these systems is good for the organization, patients, and the community.

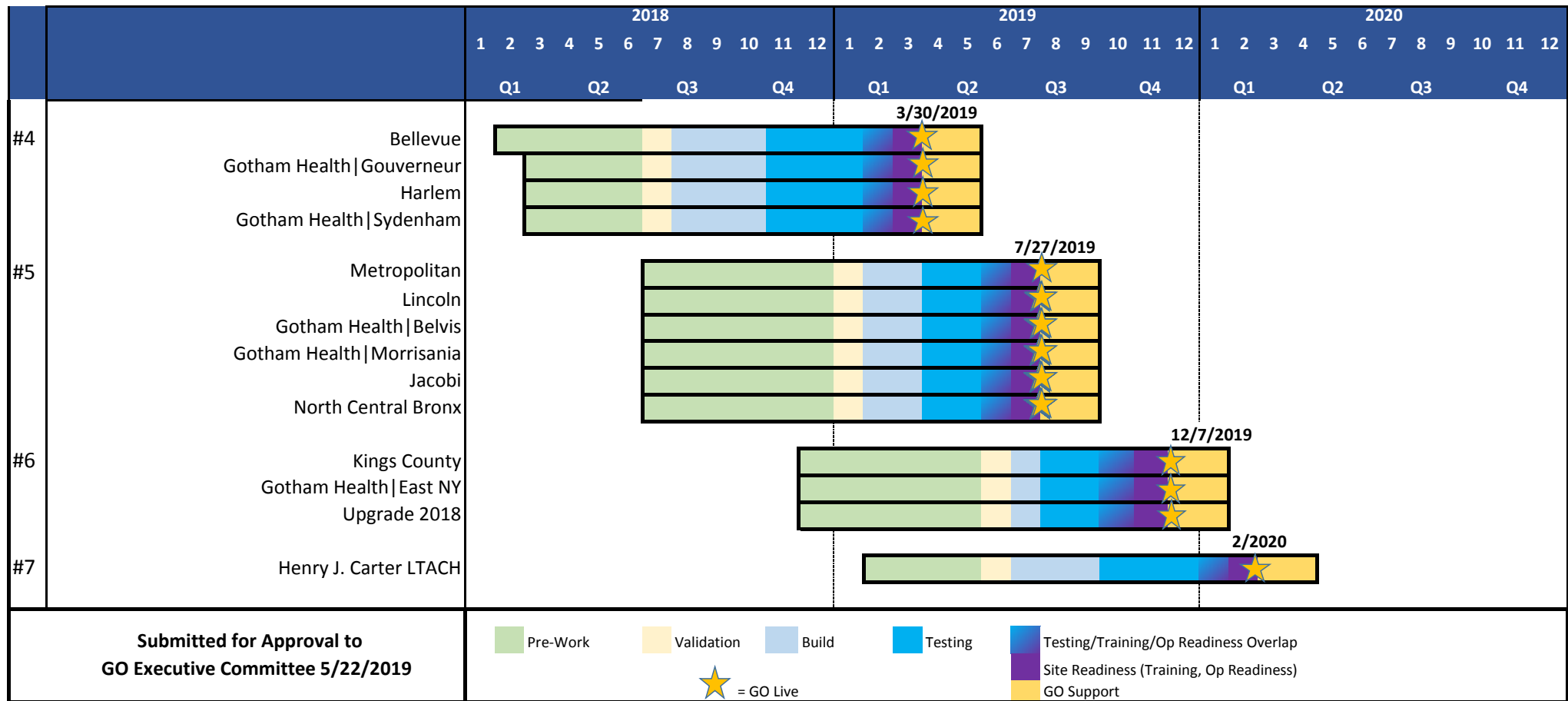
Mr. Lynch said he likes being able to help patients with the best technology.

There being no further business, the meeting was adjourned at 10:45 AM.

## Health Information Prioritization Committee top projects

- H<sub>2</sub>O (Epic) + Cerner Lab enterprise implementation
- Enterprise Resource Planning (ERP / Evolve)  
Finance, Supply Chain, HR, Payroll, Time  
Collection, Nurse Scheduling
- Enterprise Radiology PACS Imaging
- 340B Pharmacy Split billing
- Enterprise Cardiac Monitoring
- Capital Restructuring Financing Program (CRFP)
  - Population Health
  - Digital Healthcare Network
  - Contact Center
- Correctional Health Services EMR project
- Post Acute Care EMR project

## H2O Deployment Schedule Version 8.0 DRAFT



# ERP Update

## Clairvia – Nurse Scheduling

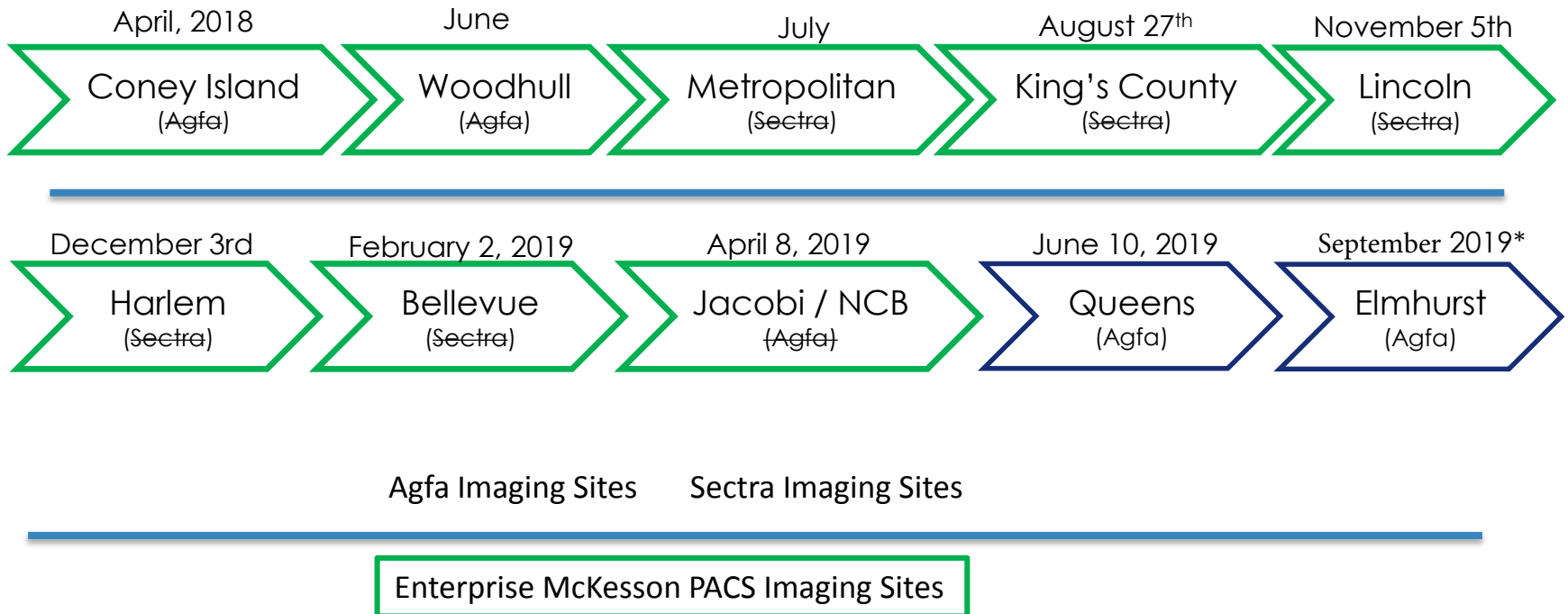
- LIVE – Kings County, East NY, SeaView, McKinney, Coney Island, Woodhull, Cumberland
- Elmhurst & Queens: Wave 1c - 6/23/19
- Bellevue, Sydenham & Gouverneur: Wave 1d 8/18/19
- Harlem, Coler & Carter: Wave 1e - 9/15/19
- Metropolitan, Lincoln & Morrisania: Wave 1f 10/13/19
- Jacobi, NCB, & Belvis: Wave 1g 11/10/19

## Payroll / eTime Capture

- Payroll is on track for July 5<sup>th</sup> Go Live
- eTime Capture – Spring 2020



# Enterprise Radiology Integration Initiative Time Line



## Post Acute Care EMR Update

- Gouverneur: Wave 1 Phases 1-3: Live Admissions, Finance, MDS, Clinical, Orders, Secure conversations & Practitioner Engagement; Phase 4 EMAR June 11
- McKinney and Seaview: Wave 2 – July thru mid August
- Carter & Coler: – Wave 3 - Fall 2019

## Correctional Healthcare Services EMR Update

- Live - Rose M. Singer Center (Women's Facility) April 30
- Live - Horizon Juvenile facility May 28
- Remaining sites (Men's facilities) on track for late July Go Live

## Information Item

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- H+H is undertaking a Network Refresh project to upgrade the network infrastructure across the enterprise, which is funded through City Capital in the amount of \$160M
- To date, \$80M has been encumbered for network equipment, cabling and services
- The remaining \$80M of capital funds will be used for equipment and services needed to continue the project in Kings County Hospital, Post Acute Care facilities, and Voice Over IP
- At this time, we are entering into a contract with G-Systems, Inc. in the amount of \$3,433,639.25 for cabling services at Metropolitan Hospital.
- The contract was procured through a Request for Proposals

### M/WBE Participation

- Received a proposal from 1 certified M/WBE vendor
- Proposed price was significantly higher than the selected vendor

## **RESOLUTION**

Authorizing the New York City Health and Hospitals Corporation (the “System”) to enter into an enterprise license agreement (an “ELA”) with Dyntek Services, Inc. (“Dyntek”) to provide McAfee IT security hardware, software, related maintenance and professional services for a three-year term for an amount not to exceed \$19,949,756.08.

**WHEREAS**, the System requires IT security solutions and services to safeguard mission critical business and clinical applications used for patient care and allow the System to prevent and respond to IT security incidents in an efficient and cost-effective manner; and

**WHEREAS**, the security technology procured through the proposed ELA will enable the System to protect its critical data including electronic Patient Health Information, comply with regulatory requirements, manage risks from cybercrimes, monitor and respond to IT security risks, and improve the operational efficiency of its security and risk management operations; and

**WHEREAS**, on March 22, 2019 the System issued a request for bids, advertised in the City Record, seeking a vendor to provide McAfee IT security hardware, software, related maintenance and professional services; and

**WHEREAS**, McAfee, like many IT vendors, has structured its business such that it does not sell IT equipment or services directly to customers but, instead, works through authorized resellers such as Dyntek which supply McAfee services and products to the public; and

**WHEREAS**, the System intends to pay for the cost of the proposed contract with \$3.5 M of City capital and \$16,449,756 of the System’s operating funds; and

**WHEREAS**, Dyntek met the requirements of the solicitation and offered the lowest price; and

**WHEREAS**, the Senior Vice President/Chief Information Officer will be responsible for the supervision, management and reporting of the proposed contract.

**NOW THEREFOR, IT IS RESOLVED** that New York City Health and Hospitals Corporation be and hereby is authorized to enter into an enterprise license agreement with Dyntek Services, Inc. to provide McAfee IT security hardware, software, related maintenance and professional services for a three-year term for an amount not to exceed \$19,949,756.08.

**EXECUTIVE SUMMARY**  
**LICENSE AGREEMENT WITH DYNTEK SERVICES, INC.**  
**FOR MCAFEE IT SECURITY SERVICES AND PRODUCTS**

**BACKGROUND:** The proposed resolution requests approval to enter into an EEnterprise license agreement (“ELA”) with Dyntek Services, Inc. (“Dyntek”) for McAfee hardware, software, related maintenance and professional services in an amount not to exceed \$19,949,756.08 for a three year contract term.

The proposed ELA will replace and upgrade the existing McAfee ELA which expires on June 30, 2019. McAfee security technology is utilized by the System to protect its critical data assets including electronic Patient Health Information, comply with regulatory requirements and improve the operational efficiency of its security and risk management operations while reducing its security expenditures.

**NEED:** The System faces the daunting task of dealing with complex security issues, targeted attacks, more stringent regulatory requirements (HIPAA/HITECH) and increased risk of data breaches. In addition, as the System continues with the consolidation of its data centers and the deployment of Epic, it is increasingly important that the correct security controls are in place at the hospitals as well as its data centers.

**PROPOSAL:** The ELA includes incident response solutions such as threat intelligence exchange, active response, advanced threat defense, cloud access security and mobile threat detection. These will improve our security posture through the avoidance of breaches or the reduction of their impact. The proposed ELA will also solidifying the System’s security controls for the Epic environment by implementing antivirus for VM environment; and deployment of Intrusion Protection Servers (IPS) to secure the Epic network infrastructure.

The ELA benefits include:

- Regulatory compliance & enhanced security posture
- HIPPA security compliance
- Reduce and/or prevent the risk of data breaches and hacking occurrences
- Information and transactions remain trustworthy
- Ability to securely enable new applications or infrastructure
- Proactively protect against cyber-attacks
- Manage risks from advancement in cybercrime

**FINANCING:** The System intends to pay for the cost of the proposed contract with \$3.5 M of City capital and \$16,449,756 of the System’s operating funds

**PROCUREMENT:** The System advertised in the City Record seeking a vendor to bid to provide McAfee security hardware, software, related maintenance and professional services. Dyntek Services, Inc., met the requirements of the solicitation and offered the lowest price and established itself as a responsible bidder.

**MWBE STATUS:** The vendor will seek a waiver on the basis that there are no certified MWBE competitors to McAfee and the certified MWBE McAfee resellers did not respond to the solicitation



## **Information Security & Risk Management**

**Application to  
Enter into Contract for  
McAfee Enterprise Licensing Agreement  
with Dyntek Services, Inc.**

**IT Committee  
June 13, 2019**

**Soma Bhaduri  
Senior Director**

# Overview / Background / Current State

## ➤ Current Industry Threat Landscape

- In 2018, OCR (Office of Civil Rights) achieved \$16M settlement with Anthem, Inc for HIPAA violations
  - In 2018, Texas MD Anderson Cancer paid \$4.3M civil money penalties for HIPAA violations
  - Stolen medical records in the United States can be around \$217 a piece in the black market
  - \$408 per capita cost for a breached medical record (Ponemon 2018 Cost of a Data Breach Study: Global overview)\*
  - Average cost of a breach in US- \$7.91M (Ponemon 2018 Cost of a Data Breach Study: Global overview)
  - Average Cost of data breach involving one million compromised records is \$39.49M (Ponemon 2018 Cost of a Data Breach Study: Global overview)\*
  - Security automation decreases the cost of breach by \$2.88M (Ponemon 2018 Cost of a Data Breach Study: Global overview)\*
  - 62% of the records breached in 2016 belonged to healthcare organizations (IDT911 Data Breaches Report 2016)
  - According to Cryptonite, healthcare organizations saw an 89% year-over-year increase in ransomware attacks.  
Source: [Cryptonite](#)
  - By the end of 2016, ransomware delivered via phishing emails had grown by over 97 percent. Source: [PhishMe](#)
  - Post breach preventative action taken by victims (Ponemon: 2014: A Year of Mega Breaches)\*\*
    - **11%** companies implemented Data Loss Prevention
    - **38%** expanded the use of encryption, tokenization and other cryptographic techniques
    - **44%** companies strengthened their perimeter controls (Intrusion Prevention Systems)
    - **48%** companies implemented endpoint security solutions
- \* **Note:** Study amongst approx. 477 companies across 7 sectors including healthcare
- \*\* **Note:** Study amongst approx. 735 companies across 19 sectors including healthcare



# Overview / Background / Current State

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- Justification / Explanation of need for services
  - Proactively Protect against cyber-attacks and data breaches
  - Significantly reduce and/or prevent hacking occurrences
  - Avoid and quickly mitigate a virus outbreak
  - HIPAA security compliance
  - Reduce overall security expenditure
  - Requirement for skilled security personnel
  - Improve security processes
  - Improve security posture
  - High Performing Vendor Support
  - Deploy security automation
  - Confidentiality, Integrity and Availability of Electronic Personal Health Information (ePHI)
- Who is existing Vendor and how contract was procured?  
McAfee, Bid
- When do contracts expire, what is contract term?  
June 30 2019, July 1 2016 through June 30 2019
- Current/historical spend, cost structure, ancillary costs (e.g. interfaces, internal resources)?  
\$17.14M for current ELA for products, support and services

# Overview / Background / Current State

## ➤ History of Services: Layered Defense

### ■ Network Security

- Network Intrusion Prevention Devices (IPS) for all Health and Hospitals facilities
- **Intrusion Prevention System network refresh for all Health and Hospitals facilities for EPIC (new)**
- Network Data Loss Prevention Devices
- Active Response
- Advanced Threat Defense
- **Cloud Access Security Broker (new)**

### ■ Endpoint Protection

- Advanced Anti-Malware Technologies
- Application Control
- Hardware Assisted Security Technologies
- Advanced Remote Desktop Management
- Endpoint Security for Virtual Environments
- Real-time collection of Endpoint data
- Advanced Root-kit detection
- Threat Intelligence Exchange
- Antivirus for Virtual environment (Including Epic)
- **Zimperium -Mobile Threat Detection- (new)**

## Existing & **New** Capabilities

### Data Protection

- Sharepoint Security
- Virtual Server Security
- Endpoint Encryption
- Host Data Loss Prevention

### Risk & Compliance

- Asset Discovery and monitoring
- Database monitoring and protection
- Network Policy and Configuration Auditing
- Risk Advisory Services

### Services from ELA:

- Highest Level Premium support
- On-site Professional Services

## Overview of Procurement

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- Procured through an open-market Request for Bid
- OP 100-05 basis
- NYC Health + Hospitals seeks to enter into contract with Dyntek Services, Inc to provide McAfee Enterprise Licensing Agreement at:
  - Corporate Offices
  - 11 acute care hospitals and all associated clinics
  - 5 Diagnostic and Treatment centers and associated clinics
  - 5 Long Term Care centers and associated clinics
- Contract benefits include:
  - Improved security automation through behavioral analytics tools to prevent and contain malicious campaigns, including Ransomware
  - Reduce overall security expenditure
  - Skilled security personnel to augment employees in security department
  - High Performing Vendor Support
- M/WBE
  - The solicitation was posted in the City Record and sent to 8 certified McAfee re-sellers, including 3 M/WBE vendors
  - 1 M/WBE vendor submitted a “No Bid” response; we did not receive a response from the other 2 M/WBE vendors

# Procurement

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## ➤ Solicitation

- An Open Market Bid was released on March 22, 2019 to McAfee re-sellers and posted in the City Record

## ➤ Bid Process

- Received 4 responses:

Vendor	Bid
Dyntek	\$19.9M
Cipher Techs	\$23M
SHI	No Bid
PCMG	Non-Responsive

## ➤ Selection

- Dyntek was determined to be the winner based on the quote and pricing received. The pricing received by Dyntek for the McAfee ELA is less than the pricing made available on the Dyntek GSA Contract - GSA-35F-0025N. Therefore, the pricing is deemed to be fair and reasonable.

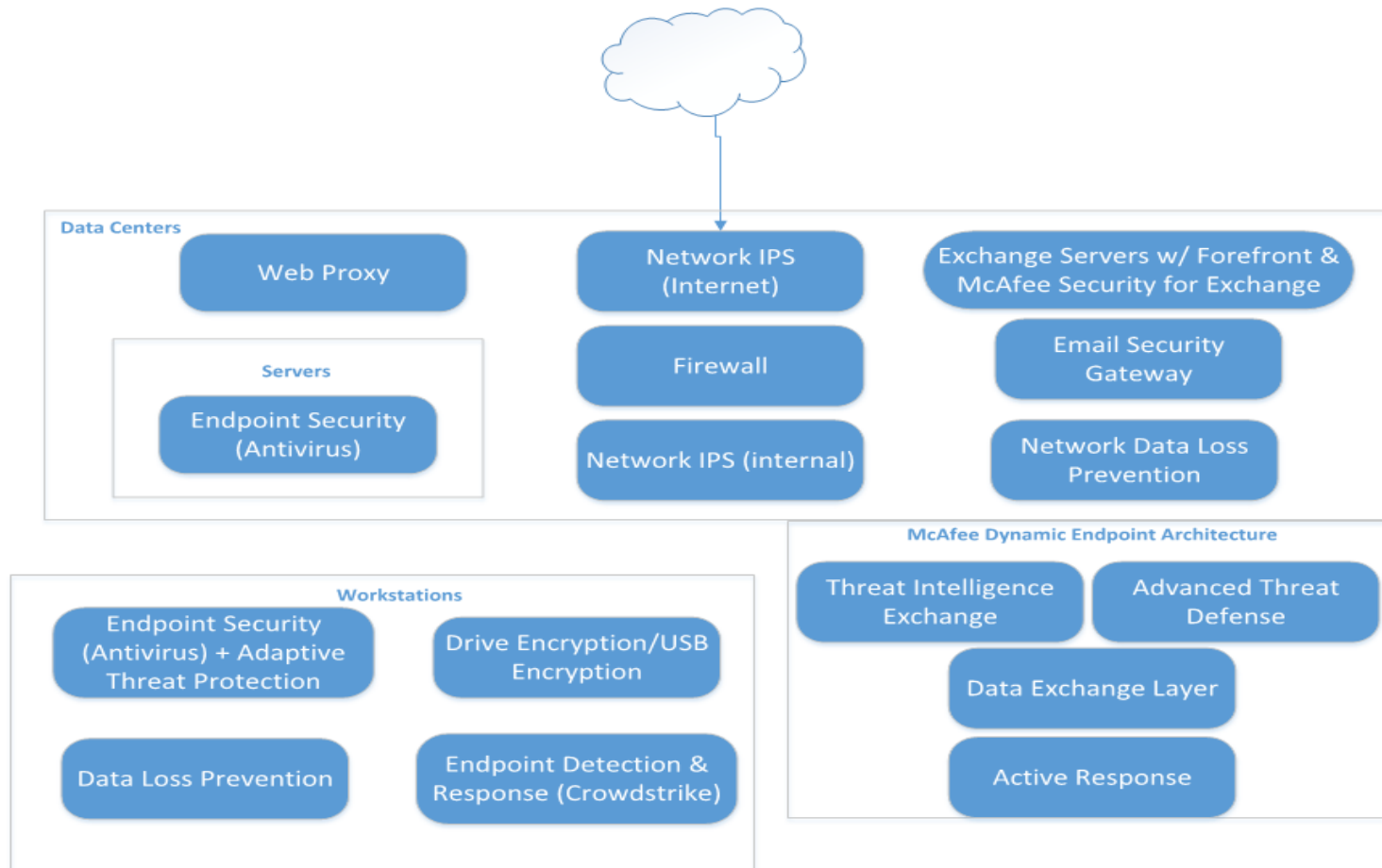
# IT Committee Approval Request

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- We are seeking approval to enter into contract with McAfee via Dyntek for McAfee Enterprise License Agreement:
  - For three years starting July 1, 2019 through June 30, 2022
  - Total cost with ELA to include support, new products and services is \$19.95M
  - Increase is due to \$3.5M (funded through City capital) for Intrusion Prevention System hardware required to support EPIC and the Network Refresh project
  - Due to advancements in security technology, purchase of IPS hardware reduces our footprint from 74 IPS to 38 throughout the entire enterprise over the next 3 years.
  - The operating maintenance costs of \$16M for renewal of products, services and support, is not an increased cost when compared to the prior ELA
- Benefits include:
  - Utilizing the latest security behavioral analytics tools, NYC H+H can Manage risks from advancement in cybercrime, including Ransomware
  - McAfee is used in NYC agencies as part of a layered defense approach including: DOITT and FDNY as well as the Washington DC federal government agencies
  - McAfee is also a competitive cybersecurity company used in other healthcare systems including : Community Health Systems, Trinity Health, Children's Hospital Of Philadelphia, Boston Medical Center
  - Unlike other cybersecurity companies, McAfee products allows us to integrate all of the tools already implemented to one reporting platform to properly analyze and automate in a customized fashion. This allows for reductions in infrastructure interruptions critical for patient care.
  - Regulatory compliance & enhanced security posture while reducing security expenditures.
  - Protection of sensitive corporate information, including ePHI

# APPENDIX

# Layered defense controls in place



## Threat Landscape

	<b>Viruses Blocked</b>	~1K viruses blocked/week
	<b>Web Exploits</b>	~40M blocked requests to malicious websites/week
	<b>ePHI Protected</b>	~1TB data/week ~3.5M ePHI protected/week
	<b>Internet Threats</b>	~120K DoS attempts/week
	<b>Ransomware</b>	5 Ransomware incidents contained
	<b>Phishing Attempts</b>	>2M SPAM messages blocked/week
	<b>Outside Threats</b>	43 security incidents raised last month
	<b>Malicious Macros Blocked</b>	141 Malicious Macros blocked/month



## **RESOLUTION**

Authorizing the New York City Health and Hospitals Corporation (the “System”) to enter into an enterprise license agreement (“ELA”) with Microsoft Corporation (“Microsoft”) to renew existing software licenses, and associated maintenance and support services for a three year term in an amount not to exceed \$41,554,873 including a 10% contingency.

**WHEREAS**, the System uses a wide array of Microsoft software products that require licenses, maintenance and support; and

**WHEREAS**, the ELA with Microsoft expired on March 31, 2019, and therefore renewals are required for the licenses, maintenance and support agreements to cover the Microsoft products currently in use across the System; and

**WHEREAS**, this is a sole source procurement as the licenses are for Microsoft proprietary software; and

**WHEREAS**, the proposed ELA will be financed entirely through the System’s operating budget; and

**WHEREAS**, the Senior Vice President/Chief Information Officer will be responsible for the supervision, management and reporting of the proposed ELA.

**NOW THEREFOR, IT IS RESOLVED** that New York City Health and Hospitals Corporation be and hereby is authorized to enter into an enterprise license agreement with Microsoft Corporation to renew existing software licenses, maintenance and support services for a three year term in an amount not to exceed \$41,554,873, including a 10% contingency.

**EXECUTIVE SUMMARY**  
**PROPOSED RENEWAL OF MICROSOFT SOFTWARE LICENSES,**  
**SERVICES AND MAINTENANCE AGREEMENT**

- OVERVIEW:** The System uses Microsoft software and services extensively. The System's most current agreement to license Microsoft software and obtain Microsoft support and maintenance services expired March 31, 2019, and thus a renewal is required.
- NEED:** The System currently has licensed the basic Microsoft package of software such as Microsoft Office, Windows, SharePoint, System Center, Exchange and SQL-Server. Because of the ubiquity of Microsoft software, it is virtually impossible to do business without Microsoft products; this renewal agreement will provide licensing rights and support for the Microsoft products currently in use across the enterprise.
- PROPOSAL:** Over the past 3 years, Microsoft has been steeply raising its rates by upwards of 10% to 33%, across all industries. The initial proposal received for the renewal from Microsoft was an average of 22.3% higher than the prior agreement, increasing the three-year price by \$8.4M, to a total cost of \$46,179,199.
- After negotiations and by shifting the license model from device based to user based, the System obtained a proposal from Microsoft to renew the contract for a three year period without an increase in cost compared to the previous agreement. Changing the license model to user based, avoided a 22% pricing increase and will support the transition to a cloud based model enabling a cloud ready workforce.
- The new license model increases functionality, including cloud, flexibility of deployment including mobile and option to seamlessly integrate with the future office application. The Agreement offers more availability of home user rights, allowing each named user to use the same license for up to 5 additional devices, mobile phones, IPads, and laptops for example. Reconfiguring the license model kept the renewal cost the same as the contract spend under the prior agreement.
- PROCUREMENT:** The proposed contract is procured as a sole source. There is no practical alternative to contracting with Microsoft.
- FINANCING:** The System will pay the entire cost of the proposed contract from its operating funds.
- MWBE STATUS:** Microsoft is not an MWBE firm. Because of the sole source nature of the procurement, the MWBE targets are waived for the proposed agreement.

# **Microsoft Contract**

## **Application to Renew Maintenance and License Contract**

**IT Committee**  
**June 13, 2019**

**Jeff Lutz**  
**AVP, EITS**

# Microsoft Proposal Overview

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- Like most large organizations, NYC Health + Hospitals relies on a suite of Microsoft software products.
  - Office, Windows, Windows Server, Exchange (email), Microsoft SQL Server, and others
- The current contract has expired and we seek approval to renew the Microsoft agreement for a period of three years
- Following negotiations, and despite Microsoft generally increasing pricing 10%-33%, we have obtained a proposal from Microsoft to renew the contract for a three year period without any increase in costs.

# Licensing Models

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- Microsoft plans to stop supporting most device based software.
- The current model for Microsoft licensing ties the license to the device and the software is on the device itself.
- The future state of the industry ties the license to the user and the software is hosted in the cloud.
- The following organizations are currently using cloud based Microsoft solutions:
  - New York State – 120,000 State Employees
  - DoITT – 30,000 Users
  - MetroPlus – 1,300 Users
- NYC Health + Hospitals needs to prepare to transition to a cloud based model and the proposed agreement will be a bridge to the cloud based model.

# Proposed Microsoft Renewal

- The proposed agreement ties the licenses to the users, not the device. The software, however, remains hosted on the device.
- Shifting our license types to user based, rather than device based, prepares us for the transition to cloud based licensing.
- By changing our licensing to this in-between “bridge model” we were able to avoid a 22% pricing increase.

Prior 3-year agreement cost	Old model proposed cost	Bridge model proposed cost
\$ 37,757,516	\$46,179,199	\$37,777,515

- EITS will work with Compliance and Legal on plan to migrate to the cloud solution
  - Areas of concern include:
  - Amount of archived data – 155 terabytes
  - Email storage policy archiving 25 years of emails

## Other Benefits of Bridge Model

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- Allows users to have access to Microsoft product on up to 5 devices, including at home.
- Allows for no interest installment payments, a cost avoidance of ~\$500,000
- After three years, NYC Health + Hospitals would be able to evaluate other vendor options for email and office services (example Google) as these become more mature and more viable competitors enter the market.
- After three years, Microsoft will continue to mature their licensing options which will also allow NYC Health + Hospitals to explore other licensing options to reduce cost while providing the same service that our end users require.

# IT Committee Approval Request

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➤ We are seeking approval to enter into contract with Microsoft for enterprise-wide software licensing agreement:

- 3 Year term
- \$0 financing agreement
- 10% contingency of \$3,777,715
- Total cost \$41,554,873