

Resolution 2024-R-14

A Resolution authorizing the City of Irondale to enter into an Agreement with Warren Averett

THEREFORE BE IT RESOLVED that Mayor James D. Stewart, Jr. or his designee, is authorized to execute an agreement with Warren Averett for penetration testing (in substantially the form attached hereto as **Exhibit A**) in an amount not to exceed Eight Thousand and 00/100 Dollars (\$8,000.00), as well as any other documents necessary to accomplish such agreement.

ADOPTED AND APPROVED: This 23rd day of January, 2024.



David Spivey, City Council President

APPROVED:



James D. Stewart, Jr., Mayor

ATTESTED:



Leigh Ann Allison, City Clerk

CERTIFICATION

I, Leigh Ann Allison, the City Clerk of the City of Irondale, Alabama, hereby certify the above to be a true and correct copy of a resolution adopted by the City Council of the City of Irondale at its regular meeting held on January 23, 2024, as the same appears in the minutes of record of said meeting.



Leigh Ann Allison, City Clerk

EXHIBIT A



PROPOSAL TO SERVE

CITY OF IRONDALE

PENETRATION TESTING

Proposer:

Warren Averett, LLC
2500 Acton Road,
Birmingham, AL 35243

Submitted by:

Amy M. Williams
Senior Business Consultant -
Security Risk and Controls
Email: Amy.Williams@warrenaverett.com
Direct: 205.460.3983

Submitted: May 19, 2023

LET'S THRIVE TOGETHER

TABLE OF CONTENTS

Firm Overview	1
Confidentiality	2
Non-Compete Statement	2
Email Testing and Training	3
Vulnerability Scanning	4
Reporting.....	4
Penetration Testing	4
Purpose	4
Assumptions and Limitations	4
Risks.....	5
Tools.....	5
Terms of Engagement, Conditions, Warranties & Limitations.....	6
Proposal Approval	9

FIRM OVERVIEW

Warren Averett is a leader for the accounting industry in the Southeast and is also a nationally recognized firm. Whether you are a Fortune 100 company or a local nonprofit, we have the experience for your engagement. When you work with Warren Averett, you're working with more than just the team on your current project. You are a Client of the entire Firm and have access to a broad range of expertise and guidance in a variety of areas relative to your organization. Warren Averett can provide insight for business improvement and make connections where they count.

Warren Averett has over 800 employees, including 311 CPAs and 140 Members throughout 15 offices in Alabama, Florida and Georgia, with affiliate offices in Texas and the Cayman Islands. From audit compliance and tax planning to technology consulting and human resources solutions, we listen to your needs and offer solutions. We have the resources to solve your accounting challenges. Whatever you need, you can find the right Warren Averett team member at the right time. In the end, we are a resource to help you take care of important things in your business and your life.

Relative to security, Warren Averett, LLC's Risk and Controls Group (the Group) performs more than 150 information technology and security related projects (reviews, risk assessments, audits, etc.) on an annual basis. These engagements offer insight into the industry trends for security best practices and allow companies to make proactive decisions about how to mitigate their organization's risk.

During these projects, our Certified Public Accountants and certified information security professionals (CISA, CISSP, CISM) perform testing and documentation of the controls and provide best practice recommendations for improving the overall risk landscape and the IT control environment of the organization. The group is constantly educating organizations about the need for continued review and risk assessment of the systems and related application security.

Warren Averett, LLC's Risk and Controls Group regularly attend (and lead) certification and education forums to stay abreast of current trends, standards and in order to offer best practices recommendations to the Clients.

We have extra support from the BDO Alliance USA. Warren Averett is the largest member of the BDO Alliance USA, a nationwide association of accounting, consulting and service firms, and a subsidiary of BDO USA, LLP, the fifth-largest accounting firm in the country.

Let's thrive together.

CONFIDENTIALITY

Each party acknowledges that it and its employee may acquire information that is proprietary or confidential to the other party. Each party shall hold such information in strict confidence and shall not disclose any such information to any third party without prior written approval.

NON-COMPETE STATEMENT

The experience and knowledge of Warren Averett, LLC's professional staff is maintained at considerable expense. In consideration thereof, during the term of this engagement and for a period of one-hundred eighty (180) days following, the Client agrees not to, directly or indirectly, solicit, hire or engage employees of Warren Averett, LLC that are involved in the delivery of services covered by this Agreement. In the event that the Client violates this clause, the Client agrees to pay Warren Averett, LLC, as reasonable liquidated damages, an amount equal to 25% of the employee's annual salary.

EXECUTIVE SUMMARY

Warren Averett, LLC would like to thank the City of Irondale for allowing our team to propose to provide proactive **Information Technology Security Services** on behalf of your organization.

On an annual basis, Warren Averett, LLC's Risk and Controls Group (the Group) within our Firm performs over 150 information technology and security related projects (reviews, risk assessments, audits, etc.). These engagements offer insight into the industry trends for security best practices and allow companies to make proactive decisions about how to mitigate their organization's risk.

During these projects, our Certified Public Accountants and certified information security professionals (CISA, CISSP, CISM) perform testing and documentation of the controls and provide best practice recommendations for improving the overall risk landscape and the IT control environment of the organization. The group is constantly educating organizations about the need for continued review and risk assessment of the systems and related application security. Warren Averett, LLC's Risk and Controls Group regularly attend (and lead) certification and education forums to stay abreast of current trends, standards and in order to offer best practices recommendations to the Clients.

EMAIL TESTING AND TRAINING SERVICES

According to Verizon's Data Breach Investigations Reports, 95% of all espionage attacks and nearly 80% of all malware attacks involve phishing. City of Irondale's internal users are the largest and most vulnerable point of entry. Email security training will periodically and randomly send a training email to City of Irondale provided email addresses. These email messages are specially crafted based on actual recent and recurring phishing attack emails. However, instead of being dangerous, each training email is a learning experience with tags to track how the recipient deals with it.

A user mistake will result in their being directed to a website providing a "teaching moment" to help them recognize and avoid future dangerous email. Email security training tracks how well each user is doing and sends a "report card" to them weekly. A domain summary report will also be sent to the designated management point of contact for City of Irondale on a weekly basis.

VULNERABILITY SCANNING SERVICES

Warren Averett, LLC can proactively identify security vulnerabilities in the City of Irondale's (the Client) network by performing Vulnerability Scanning. While public servers are important for communication and data transfer over the Internet, they open the door to potential security breaches by threat agents. This security measure will determine if and where the Client's system can be exploited and/or threatened.

Vulnerability scanning will be performed onsite against targeted subnets from City of Irondale's primary network location. These services are performed using a commercial vulnerability scanner containing an industry leading software package. The vulnerability scanner is updated prior to each scanning engagement. This ensures it is running a current copy of the vulnerability database, that all software on the scanner is fully patched, virus scanned, and arrives on premise with a clean bill of health.

PURPOSE

The updated scanner will be attached to the Client's network and, essentially, it will crawl the network, taking inventory of all devices that might affect the overall security of the organization. This information will help the Client understand what the potential security risks and threats might be based on this exercise by, for example, pinpointing end-of-life devices that may have been forgotten about, expose unsuccessful security patching or expired security subscriptions (such as antivirus), and give a detailed list of known flaws that are present on the network based on the scan.

Vulnerability scanning usually runs transparently, but in very rare instances, because vulnerability scanning generates a great deal of traffic, a component weakness may be uncovered, requiring a switch or server reboot.

Upon successful completion of the exercise, the device will be removed from the Client network and scans will be subsequently assessed and compiled into a formal report at Warren Averett's facilities.

REPORTING

Delivery of a final report will occur within 30 business days of completion of all testing and scanning unless otherwise discussed. Critical vulnerabilities will be communicated as soon as discovered. The Vulnerability Scanning report will contain an executive summary of Warren Averett, LLC's findings and a detailed report to identify specific IP Addresses\Host Names with vulnerabilities. This detailed report will also include remediation recommendations along with the raw data from all testing will be included as part of the reporting. Electronic report distribution occurs utilizing secure transmission methods.

PENETRATION TESTING SERVICES

Warren Averett, LLC's network penetration testing services, conducted with a formalized methodology, will provide reporting on the ability of malicious hackers to gain access to City of Irondale's (the Client) network. Our network penetration testing services include the following activities: develop a testing plan and schedule, validate and test all external IP ranges, perform tests as vulnerabilities are discovered, document testing and exploitation (if any), analyze results, and provide reports and a remediation plan.

PURPOSE

The purpose of this document is to define the boundaries and constraints that Warren Averett, LLC must abide by during penetration testing activities, if the Client engages services. It is necessary to define a set of rules of what is and is not acceptable during testing activities. Penetration testing will occur in accordance with rules and restrictions set forth in the scope section of this document. Penetration testing will follow methodologies outlined in National Institute of Standards and Technology special publication 800-115.

ASSUMPTIONS AND LIMITATIONS

Warren Averett, LLC assumes the Client's named systems are stable and available for testing at any time unless otherwise specified by the Client. Penetration testing will be conducted in a manner as to not expose company data to the Internet and will be conducted from a secure facility.

RISKS

With any type of intrusive testing or scanning there are inherent risks; server downtime, data corruption, or even loss of data is possibilities during testing of this nature. Warren Averett, LLC will take precautions to reduce or eliminate risk of downtime or data loss. *The Client should ensure that all named servers have adequate backups and personnel should have knowledge of techniques to restore the applications to full functionality in case of data loss or server downtime.*

TOOLS

The following applications represent some of the software utilized during this engagement. Warren Averett, LLC also utilizes various other open source and proprietary scripts:

- Nessus
- Metasploit
- Acunetix
- Canvas
- Nmap

TERMS OF ENGAGEMENT, CONDITIONS, WARRANTIES & LIMITATIONS

- 1. ENGAGEMENT:** Warren Averett, LLC (Warren Averett), is pleased to confirm our understanding of the services we are to provide for The Client and any of its affiliated entities. This agreement confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.
- 2. SERVICES PROVIDED:** Warren Averett will provide a **proactive IT Security Services** to City of Irondale as requested by an authorized representative of the organization.
- 3. DETECTION:** This engagement will not include any procedures designed to detect fraud, theft, or illegal acts, and The Client agrees that we will have no responsibility to do so.
- 4. SCOPE & FEES:** Warren Averett, LLC proposes to provide City of Irondale with **Proactive IT Security Services**, through our subsidiary group, Warren Averett Technology Group. Fees are based on the Client's elections below:

- **Email Testing and Training Services*** Total Address Count _____ Initial if Accept 28
 Initial to Decline _____
 _____ 0-49 users - \$21.60 / per user / per year
 _____ 50-100 users - \$19.20 / per user / per year

*includes phishing emails and training content

- **Penetration Testing:**
 First IP Address: \$2,000
 Each Additional IP Address: \$1,200 Total Address Count: 6 Initial if Accepted 25
 Initial to Decline _____

Please list the IPs to be tested:

- email.cityofirondaleal.gov 75.114.47.215
- cityofirondaleal.gov 50.116.26.83
- [ftp.cityofirondaleal.gov](ftp://ftp.cityofirondaleal.gov) 66.199.31.160
- www.cityofirondaleal.gov 50.116.26.83
755.114.47.214
75114.47.211

- **Web Application Scanning** Address Count _____ Initial if Accepted 28
 \$2,500 per Web Application* Initial to Decline _____

Please list the Web Applications to be tested:

*After the initial web application testing, if the Client would like Warren Averett, LLC to provide a discounted solution for ongoing testing of the web applications, an established quarterly testing schedule can be initiated. This service will provide ongoing quarterly testing of the web applications as well as reporting on the findings. A separate proposal can be provided at the Client's request.

- **Additional Credentials** Address Count _____ Initial if Accepted 28
 \$1,000.00 per Web Application Initial to Decline _____

This references credentials that might expose new layers of the application and may affect the Client's security health and well-being. Testing of the additional credentials ensures that a privilege escalation cannot occur. Example: Normal user can directly access an admin page if they know what the page is.

If requested, remediation services for issues determined during review and testing will be defined in a separate project engagement proposal. Any additional support or installation services provided outside of the scope of this agreement will be billed separately at normal hourly rates ranging from \$ 150 – \$ 250 per hour depending upon the level of expertise required.

Should travel be necessary, travel time and out of pocket expenses are not included in the fees referenced above. Mileage expenses will be computed at the current IRS rate to/from our premises to your physical location(s) and will be invoiced separately. Travel is billable at half the employee's standard rate.

5. **BILLING:** Invoices are due upon receipt. In the event that payment is not received within 30 days of the due date, the Client will be assessed interest charges of one percent per month on the unpaid balance. We reserve the right to suspend or terminate our work due to nonpayment. In the event that our work is suspended or terminated as a result of nonpayment, the Client agrees that we will not be responsible for the Client's failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against the Client resulting from The Client's failure to meet such deadlines.

6. **EMPLOYMENT:** In the event you desire to employ a current employee of Warren Averett, LLC or a previous employee of Warren Averett, LLC whose termination date is within 6 months of the date services were provided to you by us, you agree to consult with us concerning such employment. In addition, if you employ such employee, you agree Warren Averett, LLC has the option to receive a reasonable placement fee from you, in an amount determined by us not exceeding 25% of employee's annual compensation at the time of termination.

7. **LEGAL FEES:** In addition to the fees for services described in this agreement, the Client agrees to pay legal fees incurred in connection with any suit to recover fees due from you on this engagement, legal fees incurred by Warren Averett, LLC in responding to any third-party request for production and/or subpoenas related to your records and our work done for you in connection with an engagement thereon.

8. **LIABILITY:** Warren Averett, LLC's maximum liability to the Client for any reason shall be limited to the fees paid by The Client for the services or work product giving rise to the liability except and to the extent finally determined to have resulted from our gross negligence or our willful misconduct.

9. **INDEMNITY:** The Client agrees to release, defend, indemnify and hold Warren Averett, LLC and its members, managers, officers and employees and the respective heirs, executors, personal representatives, successors, and assigns of each of them harmless from any and all claims which arise from knowing misrepresentations to Warren Averett, LLC by The Client, or intentional withholding or concealment of information from Warren Averett, LLC by the Client.

10. **DISPUTE RESOLUTION:** By signing this agreement, the Client agrees that any controversies, issues, disputes or claims ("Disputes") asserted or brought by or on behalf of the Client shall be RESOLVED EXCLUSIVELY BY BINDING ARBITRATION administered by the American Arbitration Association (the "AAA") in accordance with the Commercial Arbitration Rules of the AAA then in effect; provided, that, by written notice delivered to the Client prior to or after the initiation of any arbitration claim, Warren Averett, LLC may elect in its sole discretion (a) that the Dispute shall be resolved pursuant to litigation in an Agreed Court (as defined below) and/or (b) submitted to nonbinding mediation prior to the commencement or continuation of an arbitration claim or lawsuit. If any Dispute is not arbitrated for any reason, (i) any litigation, proceedings or other legal actions related to a Dispute shall be instituted in the courts of the State of Alabama, or (if it has jurisdiction) of the United States in the State of Alabama, in either case, sitting in Birmingham, Alabama ("the Agreed Courts") and (ii) the parties, for themselves and their successors and assigns,

hereby WAIVE TRIAL BY JURY OF ANY DISPUTE. Each party to this Agreement irrevocably submits to the exclusive jurisdiction of the Agreed Courts in connection with any such litigation, action or proceeding. Each party to this Agreement irrevocably waives, to the fullest extent permitted by applicable law, any defense or objection it may now or hereafter have to the laying of venue of any proceeding brought in Agreed Courts, and any claim that any proceeding brought in any such court has been brought in an inconvenient forum. If The Client recovers less than that which may be offered by Warren Averett, LLC or its representatives prior to, or during the course of, any such arbitration, litigation, mediation or other settlement negotiation, then The Client agrees to reimburse Warren Averett, LLC for any legal fees or costs incurred in the defense by Warren Averett, LLC relating to the resolution of the Dispute, discontinuance, and/or abandonment of the Dispute presented by The Client within 90 days subsequent to the issuance of any arbitration award or final judgment, the effective date of any mediation/settlement agreement, or the date of abandonment of the Dispute by The Client as perceived by Warren Averett, LLC. The parties acknowledge that (x) they have read and understood the provisions of this agreement regarding arbitration and (y) performance of this agreement will be in interstate commerce as that term is used in the Federal Arbitration Act, 9 U.S.C. § 1 et seq., and the parties contemplate substantial interstate activity in the performance of this Agreement including, without limitation, interstate travel, the use of interstate phone lines, the use of the U. S. mail services and other interstate courier services.

11. INVALIDATION: In the event that any portion of this agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this agreement.

12. DISCLOSURE: From time to time, we may disclose your information to a service bureau that assists us in providing data processing services. We have secured agreements with these service bureaus to maintain the confidentiality of your information. Warren Averett, LLC will remain responsible for the work provided by any of these service bureaus.

13. TERM: This agreement shall survive the termination of the Client's engagement of Warren Averett, LLC.

14. LIMITATIONS: In this engagement, we will be using information developed and information furnished by the Client. We are relying upon the Client for the accuracy and completeness of the Client's records, as well as all other information supplied. We will maintain the information provided to us in confidence within our firm and will not disclose to others the Client's confidential information except with the Client's consent or as required by law or permitted under professional standards of the accounting profession. None of the work that we will perform under this engagement will constitute an attest engagement in accordance with generally accepted auditing standards. The advice and services provided hereunder are solely for management or for submission to taxing authorities, and are to be used for no other purpose. Accordingly, our advice may not be relied upon by any other person or persons, used in connections with any other transaction, or used for any other purpose without prior written consent. We assume no responsibility to keep The Client apprised of developments in the tax law relative to this engagement after it has been completed.

15. AMENDMENT: The terms and conditions of this agreement (i) apply exclusively to the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services") and do not apply to any other services specifically addressed in a separate Terms of Engagement entered into between Warren Averett, LLC and The Client. This agreement replaces and amends all previous Terms of Engagement entered into between Warren Averett, LLC and the Client for the services specifically set forth in the "Services Provided" section herein (the "Current Specified Services"). This agreement does not impose upon Warren Averett, LLC any additional obligations or responsibilities with respect to any other Terms of Engagement entered into between Warren Averett, LLC and the Client.

APPROVAL

If the foregoing is in accordance with the Client’s understanding, please sign the copy of this letter in the space provided and return it to:

Amy M. Williams
Senior Business Consultant – Security Services
Warren Averett, LLC
Email: amy.williams@warrenaverett.com
Direct telephone: (205) 460-3983

City of Irondale:

James D. Stewart Jr

Printed Name

James D. Stewart Jr.

Signature

Mayor

Title

1/25/2024

Date

Warren Averett, LLC:

Printed Name

Signature

Title

Date