

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 18, 2019

CAO File No. 0220-05559-0000

Council File No. 19-0042

Council District: --

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Transmittal from the Mayor dated January 16, 2019; referred for report January 17, 2019

Subject: **ACCEPTANCE OF THE FISCAL YEAR 2018 LOS ANGELES CYBER LAB
INTERNET SECURITY – INFORMATION SHARING AND ANALYSIS
ORGANIZATIONS GRANT SUBAWARD**

RECOMMENDATIONS

That the City Council:

1. Authorize the Mayor, or designee, to:
 - a. Accept, on behalf of the City of Los Angeles, the Fiscal Year 2018 Los Angeles Cyber Lab – An Internet Security – Information Sharing and Analysis Organization (FY18 ISAO) Pilot Grant subaward in the amount of \$150,000 for a grant performance period of September 30, 2018 through September 29, 2019 to fund grant management and administration on behalf of the Los Angeles Cyber Lab, Inc. (LA Cyber Lab);
 - b. Negotiate and execute a subaward agreement between the LA Cyber Lab and the City of Los Angeles for a term of one year, from September 30, 2018 through September 29, 2019 for receipt of the FY18 ISAO Pilot Grant funds, consistent with the approved grant budget and in accordance with the agreement referenced in Attachment 4 of the Mayor's transmittal, subject to the approval of the City Attorney as to form;
 - c. Adopt the FY 18 ISAO Pilot Grant Award budget and authorize the Mayor's Office of Public Safety to expend the grant in accordance with the approved budget;
 - d. Submit to the LA Cyber Lab, on behalf of the City of Los Angeles, requests for a drawdown of funds or reimbursements of City funds expended for eligible grant purposes; and,

- e. Receive, deposit into, and disburse from a new FY18 ISAO Pilot Grant Fund, the grant funds from the FY18 ISAO Pilot Grant award.

2. Authorize the Controller to:

- a. Establish a new interest-bearing fund entitled "FY18 ISAO Pilot Grant Fund," and create a receivable in the amount of \$150,000 for the FY18 ISAO Pilot Grant;
- b. Create new appropriation accounts within the FY18 ISAO Pilot Grant Fund No. XXX for the FY18 ISAO Pilot Grant, as follows:

<u>Fund/Dept. No.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
XXX/46	46R146	Mayor	\$100,415.05
XXX/46	46R299	Reimbursement of General Fund Costs	49,584.95
Total			<u>\$150,000.00</u>

- c. Transfer appropriations within Fund XXX, Department 46 to the General Fund to reimburse the General Fund as follows:

TRANSFER FROM:

<u>Fund/Dept. No.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
XXX/46	46R146	Mayor	\$100,415.05
Total			<u>\$100,415.05</u>

TRANSFER TO:

<u>Fund/Dept. No.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
100/46	001020	Grant Reimbursed	\$100,415.05
Total			<u>\$100,415.05</u>

- d. Transfer up to \$49,584.95 from Fund XXX, Department 46, Account 46R299 to the General Fund 100, Department 46, Revenue Source 5346 for reimbursement of grant-funded fringe benefits; and,
- e. Transfer cash from Fund XXX, Department 46 to reimburse the General Fund on an as-needed basis, upon presentation of proper documentation from City Departments, subject to the approval of the Mayor's Office of Public Safety.

- 3. Authorize the Mayor, or designee, to prepare Controller instructions for any technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

SUMMARY

The Mayor’s Office of Public Safety (Mayor’s Office) requests authority to accept the Fiscal Year 2018 Los Angeles Cyber Lab – An Internet Security – Information Sharing and Analysis Organization (FY18 ISAO) Pilot subaward in the amount of \$150,000 from the U.S. Department of Homeland Security (DHS) for a grant performance period of September 30, 2018 through September 29, 2019. The Mayor’s Office has been designated to provide grant management administration on behalf of the Los Angeles Cyber Lab, Inc. (LA Cyber Lab). The grant will require a subrecipient agreement between the City and the LA Cyber Lab. There is no match requirement for this grant.

Launched by the Mayor in August 2017, the LA Cyber Lab was formed in response to increasing malicious cyber threats to Los Angeles residents and businesses. As the first public-private cybersecurity partnership of its kind, the LA Cyber Lab is a non-profit organization dedicated to protecting the residents and businesses of Los Angeles from cybersecurity threats, and promoting information-sharing between public and private sectors. Membership includes over 500 Los Angeles businesses. An advisory board, co-chaired by the Mayor and comprised of over 30 diverse organizations, helps guide the LA Cyber Lab’s mission, and an independent fiduciary board manages the organization’s daily operations.

The LA Cyber Lab and the City work collaboratively to encourage information-sharing and effective cybersecurity measures within the Los Angeles region. The City’s Information Technology Agency (ITA) reviews over a billion security-related events across City networks daily through its Integrated Security Operations Center. Any identified threats to the City are shared with federal and private sector jurisdictions and the LA Cyber Lab. Likewise, threats identified by private sector partners are shared with the City to strengthen the City’s cybersecurity systems and intelligence.

Additionally, the LA Cyber Lab seeks to educate on the latest developments in cybersecurity. The organization is currently working with academic institutions to provide career training and best practices in cybersecurity to students and business professionals, as well as webinars and networking events to connect law enforcement with leading experts.

On September 29, 2018, the DHS awarded the LA Cyber Lab the FY18 ISAO Pilot Grant in the amount of \$2,992,863 for a grant performance period from September 30, 2018 through September 29, 2019 to expand into a fully-functional operation capable of providing and improving cybersecurity resources for partner entities. The budget for the FY18 ISAO Pilot Grant is as follows:

Project	Amount
Information-Sharing Platform and Technology Acquisition	\$ 1,810,000
Contract Personnel and Infrastructure Build-Out	447,743
Stakeholder Outreach and Engagement	585,120
Grant Management and Administration – Mayor’s Office	150,000
Total	\$ 2,992,863

Funding in the amount of \$1,810,000 is allocated towards building an accessible, centralized platform that allows partners to share information on threat intelligence and analysis in real-time. An amount of \$447,743 will go towards contract personnel to support the system, internal infrastructure, and policy design, and an amount of \$585,120 will fund operational costs and events related to the LA Cyber Lab's outreach efforts to partners and the public.

In accordance with the grant, the Mayor's Office shall provide grant management and administration, for an amount of \$150,000, or approximately five percent, of the total award. The \$150,000 allocation will fund salaries and fringe benefits for the Mayor's Office. As the grant administrators, the Mayor's Office will be responsible for fiscal operations, equipment procurement, and grant coordination and compliance. A detail of the grant budget can be found in Attachment 3 of the Mayor's transmittal.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Acceptance of the Fiscal Year 2018 Los Angeles Cyber Lab – An Internet Security – Information Sharing and Analysis Organization (FY 18 ISAO) Pilot Grant subaward will provide the Mayor's Office sufficient funding in the amount of \$150,000 to manage and administer the grant on behalf of the Los Angeles Cyber Lab, Inc. The recommendations in this report are in compliance with the City's Financial Policies in that grant funds will be used to fund grant-eligible costs.

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