Are You Running Blind With Misplaced Trust?

Explore what happens in a real-world example when you trust a vendor and shouldn’t.
Overview

- Vendor Management
- Implication
  - General Operations
  - Cybersecurity
- Software Selection
- Software Management
Project Overview

- Replacement of Utility Billing
  - Water
  - Sewer
  - Sewer Assessment
- Replacement of Tax Admin
  - Real Estate
  - Personal Property (Tangible)
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- Water Charges – Base + tired excess by consumption
- Sewer Charges – Base + tired excess by consumption
- Sewer Assessment – Amortized Annual Payment
- Real Estate – Standard mill rate
- Quarterly Billing (water/sewer are separate from Real Estate)
- Water data is from two sources
RFP Development

- Developed a comprehensive RFP
- Meet with all involved departments
- Confirmed all unique items about UTB and Real Estate
- VISA form was included
- Vendor Information Security Assessment
Software Demos

- 3 Vendors were chosen for demos
- All were demoed some more than once
- Vendors made their presentations/Demos – Mistake #1
- All three appeared able to meet the RFP Spec – Mistake #2
Recommendations

- Recommendations from the 3 Departments involved
- The Easiest – Demo Vendor 1
  - Known commodity
  - Existing Vendor – Owns software being replaced
  - New Product
  - Intimately aware of our systems
  - Appears to meet RFP requirements
  - Know staffing issues
  - Did not meet VISA requirements
Recommendations

- The Unknown – Demo Vendor 2
  - New to the area
  - Old but updated product
  - Free implementation???
  - Very limited experience in state
  - Appears to meet all RFP requirements
  - Did not meet VISA requirements
The Most Expensive and Most Secure – Demo Vendor 3

- Appears to meet all RFP requirements
- Meets all cybersecurity requirements
- Best on the public facing side
- Limited communities using their UTB in the area
Recommendations

- Information Technology wanted – Demo Vendor 3
- Finance wanted – Demo Vendor 1
- Engineering wanted – Demo Vendor 1
- Demo Vendor 1 was purchased
The First Day…

- After “Conversion”
  - Vendor acted as if we were a new customer
  - Basic reports missing – even those included in previous system
  - Basic functionalities not working
  - Basic functionalities missing
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- Patches and work arounds
- Bills (water/sewer) mailed 30 days late
The Second Billing

- Patches and work arounds
- Same issues as the first billing
- Migrated back to old system – contentious decision
  - Reentered payments into old system
  - Billed from the old system
That’s it You’re Out

- Migrate back to the old system
- No fixes and the same issues 2x billing (water/sewer)
- Similar issues with Real Estate taxes
- Told we bought Beta software
- Purchased software from Vendor #3

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How to prevent in the future?

- RFP – Comprehensive
  - Don’t leave anything out
  - Be sure to include any laws that govern the business process
- Demo or should I say demolition – **Mistakes were made**
  - The vendor is not your friend
  - Ask questions – Don’t hold back – remember the only stupid question is the one not asked.
  - Don’t take “yes it will do that” as an answer, demand to see it
  - Tear the software apart in the Demo
Free Implementation???

My opinion - RED FLAG – Unrealistic, a proper implementation for something as complicated as UTB requires time, a lot of time

End users are not your friend when picking software

What an end-user likes may not be what's best for the municipality

- Required functionality
- Cybersecurity
- Cloud v on-prem
What we learned

- Hold to your cybersecurity requirements
  - Difficult at best – Biden’s 2023 Cybersecurity Strategy
  - Most don’t even meet the most basic tenets of cybersecurity
  - Only 1 of 3 met the requirements for our project

- Talk to other municipalities
  - GMIS listserv
  - Other contacts you may have
Should you ever truly trust your vendors?

- NO – and here's why
  - Cybersecurity – your entire organization could be at risk
    - EOL software
    - Out of date unpatched software
    - Demands for unlimited remote access
    - Small unseen tools or subsystems EOL or out of date (log4j)
  - Operational – your business process is at risk
    - Un-workable system
    - Extra cost/hours to replace the replacement – or endure and hope it gets better
    - Late bills
    - Delayed project

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Trust but Verify, Or just Verify?

- President Ronald Reagan – “Trust but verify”
- Vendor Controls and Policies
  - CISA software recommendations
  - Policies related to remote access
  - Vendor Patch management
  - VISA form
  - Software Dictionary
Vendor 1 – UTB project
Vendor 2 – All items under cybersecurity (Log4j)
Vendor 3 – Unreliable, bad internal communication, awful support
Vendor 4 – White-list entirety of GitHub, unpatched software, EOL software
Vendor 5 – Everything in plain text, even SQL queries over the internet
Vendor 6 – Unrestricted remote access
Vendor 7 – New cloud-based software – no 2FA/MFA or identity management
Questions?