

**WHATCOM COUNTY  
ADMINISTRATIVE SERVICES**



**FINANCE/ACCOUNTING**  
Whatcom County Courthouse  
311 Grand Avenue, Suite #503  
Bellingham WA 98225-4082  
Brad Bennett, Finance Manager

**DATE:** July 30, 2021  
**TO:** Tyler Schroeder, Director of Administrative Services  
**FROM:** Brad Bennett, AS Finance Manager  
**SUBJECT:** Approval to Purchase Cyber Security Awareness Training Subscription

**BACKGROUND**

Information Technology requests approval to use the Washington State Contract #06016 (expires 01/07/2022) to purchase a 3-year subscription for the KnowBe4 cyber security awareness training and simulated phishing software platform, as recommended by the Washington Counties Risk Pool (WCRP), of which Whatcom County is a member.

The vendor is SHI International Corporation, a value-added reseller for KnowBe4. The total cost for this 3-year subscription is \$50,409.22 (paid in annual installments of \$16,803.07), including sales tax.

**FUNDING**

Although this is not a planned purchase, with the increase in cyber threats, the WCRP is recommending acting as soon as possible. The WCRP has a Cyber Security Awareness Reimbursement Program that will reimburse members for such subscriptions, beginning October 1, 2021. Adequate budget exists in the current approved Information Technology budget for this reimbursable expenditure. I recommend approval.

  
AS Finance Manager

Approved as recommended:

\_\_\_\_\_  
Director of Administrative Services

Date of Council Action \_\_\_\_\_



PERRY L. RICE  
IT Manager

## MEMORANDUM

**TO:** Satpal Singh Sidhu, County Executive  
Whatcom County Council

**Through:** Tyler Schroeder, Deputy Executive \ Director of Administrative Services

**FROM:** Perry Rice, IT Manager *PR*

**RE:** Agreement for Cyber Security Awareness Training

**DATE:** July 30<sup>th</sup>, 2021

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Enclosed is a proposed agreement between Whatcom County and SHI International Corporation (SHI) for the KnowBe4 cyber security awareness training and simulated phishing platform.

▪ **Background and Purpose**

Whatcom County and other organizations are subjected to malicious e-mails on a daily basis. These e-mails entice employees to reveal their account credentials, click on bad links or open destructive e-mail attachments. Security awareness training will help employees recognize malicious e-mails and reduce our risk of data loss, data breach and system interruptions from cyber events.

Whatcom County is a member of the Washington Counties Risk Pool (WCRP). WCRP has a Cyber Security Awareness Reimbursement Program to help reduce risks, associated claims costs and the premiums that members pay. WCRP will reimburse members for their subscriptions on an annual basis for the KnowBe4 cyber security awareness training platform starting October 1, 2021. Attached is the Cyber Security Awareness Reimbursement Program FAQ from WCRP with additional information.

This proposed agreement provides discounted pricing for the KnowBe4 platform pursuant to State of Washington Master Contract No. 06016 which expires 1/7/2022. SHI is a Software Value Added Reseller under this agreement. The proposed agreement is for 3-years with annual payments.

▪ **Funding Amount and Source**

This agreement is for a total of \$50,409.22 for a 3-year subscription for the KnowBe4 cyber security platform. The source of funding would be the IT base budget to be reimbursed by WCRP.

Please contact Perry Rice at x5235 if you have any questions or concerns regarding the terms of this agreement.

# WASHINGTON COUNTIES RISK POOL

2558 R. W. Johnson Road SW, Suite 106  
Olympia, WA 98512-6103

Created by Counties for Counties



## Cyber Security Awareness Reimbursement Program FAQ

**Question: What is this program and why was it created?**

**Answer:** The insurance industry and the WCRP have seen a significant increase in cyber claims, and this is expected to continue, and even increase. The WCRP is always seeking programs that give members the resources, financial or educational, that helps reduce risks, which reduces claims costs, which reduces the premiums we pay to insurers.

**Question: How does it work?**

**Answer:** The WCRP will be including the cost of reimbursing all members in our upcoming budget, which begins on October 1, 2021. We will start reimbursing members for their subscriptions to KnowBe4 at the [Diamond Level Package](#) pricing or a similar cyber security training and awareness program after October 1, 2021.

**Question: What is KnowBe4 and what products and services do they offer?**

**Answer:** Knowbe4 is a cyber security awareness training and simulated phishing platform providing user training on how to make smarter security decisions. Click [here](#) for more information.

**Question: What is the Diamond Level Package and what does that include?**

**Answer:** Please check out the package comparisons on [KnowBe4's website](#) to see what is included in the Diamond Level Package. The special pricing offered to WCRP members can be found on the [KnowBe4 Pricing Sheet](#), which provides a per-employee cost with the three-year discount applied. The WCRP will reimburse for the total number of users at the per-employee price that your county falls into.

**Question: Will you reimburse for the PhishER or other add-ons?**

**Answer:** At this time, we are only approving reimbursement for the total number of users at the per-user cost at the Diamond Level pricing and any add-on services, including PhishER, will not be reimbursed.

**Question: Can we start now, or must we wait until October 1, 2021, to enter into a contract agreement?**

**Answer:** You can start immediately. While we will not actually be reimbursing until after October 1, 2021, it will be for contracts that were entered into after October 1, but also for those that were entered into prior to October 1 but will continue beyond October 1. We encourage all members to start their cyber security training and awareness programs ASAP!

**Question: Can we enter into a multi-year contract?**

Answer: The WCRP Cyber Security Awareness Reimbursement Program was approved for the next three fiscal years (2021-2022; 2022-23; 2023-24). Because the pricing is discounted when selecting a three-year contract, the WCRP strongly recommends your county enter into a three-year contract.

**Question: If we enter into a 3-year agreement and pay for the entire three years all at one time, will we be reimbursed?**

Answer: We will only reimburse for one year at a time and we will issue the reimbursement after October 1 of each year. Depending on your contract, you may be able to make annual payments on a three-year agreement. You should contact KnowBe4 or your chosen vendor to discuss this further.

**Question: What documents do we need to submit for reimbursement?**

Answer: Your county's Risk Manager should submit the invoice and proof of payment with the [WCRP Cyber Security Awareness Reimbursement Program Form](#) to WCRP's Risk Management Department at [risk-claims@wcrp.wa.gov](mailto:risk-claims@wcrp.wa.gov).

**Question: Can we submit our invoice and WCRP reimbursement form now?**

Answer: Sure. You can submit anytime and we will review it for approval. However, if it is prior to October 1, 2021, we will hold onto your submission until we start reimbursements on October 1, 2021.

**Question: Can we go directly through KnowBe4 or should we use a re-seller?**

Answer: While going through a re-seller is not prohibited, we strongly encourage you to go directly through Knowbe4 to receive the best pricing and applicable discounts.

**Question: Who is the contact at KnowBe4 for questions, demonstrations, pricing, and payment options?**

Answer: Please contact Michael Hauch, KnowBe4 Account Executive, at 727-304-3598 or e-mail him [Mhauch@knowbe4.com](mailto:Mhauch@knowbe4.com).

**Question: Must we use KnowBe4?**

Answer: No. While KnowBe4 is an excellent service and is recommended, the WCRP will reimburse for other similar and approved cyber security awareness services. As we learn more about other providers of this service, we will include them in our list of optional providers of this service that are approved for the reimbursement program.



Pricing Proposal  
 Quotation #: 20774379  
 Created On: 7/22/2021  
 Valid Until: 8/31/2021

**Whatcom County WA**

**Inside Account Executive**

**Perry Rice**  
 311 Grand Avenue  
 Bellingham, WA 98225  
 United States  
 Phone: 360-778-5230  
 Fax:  
 Email: IT\_Purchases@co.whatcom.wa.us

**Ty Pellot**  
 290 Davidson ave,  
 Somerset, NJ 08879  
 Phone: 732-652-3080  
 Fax: 732-652-3099  
 Email: Ty\_Pellot@shii.com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 KnowBe4 Security Awareness Training Subscription Platinum KnowBe4 - Part#: KMSATPN-E36-G Contract Name: NASPO Software VAR Contract #: ADSPO16-130651 Subcontract #: 06016	1430	\$24.30	\$34,749.00
2 KnowBe4 Security Awareness Training Subscription Diamond KnowBe4 - Part#: KMSATPKMSATDX-E36-G Contract Name: NASPO Software VAR Contract #: ADSPO16-130651 Subcontract #: 06016	1430	\$8.10	\$11,583.00

Subtotal \$46,332.00  
 \*Tax \$4,077.22  
 Total \$50,409.22

\*Tax is estimated. Invoice will include the full and final tax due.

**Additional Comments**

3-Year Subscription to Start Upon Service Provision

Knowbe4 has a no returns policy.

3 annual payment  
 1/3 Net 30 Days  
 1/3 Net 12 Months  
 1/3 Net 24

Please note, if Emergency Connectivity Funds (ECF) will be used to pay for all or part of this quote, please let us know as we will need to ensure compliance with the funding program.

Hardware items on this quote may be updated to reflect changes due to industry wide constraints and fluctuations.

Thank you for choosing SHI International Corp! The pricing offered on this quote proposal is valid through the expiration date listed above. To ensure the best level of service, please provide End User Name, Phone Number, Email Address and applicable Contract Number when submitting a Purchase Order. For any additional information including Hardware, Software and Services Contracts, please contact an SHI Inside Sales Representative at (888) 744-4084. SHI International Corp. is 100% Minority Owned, Woman Owned Business. TAX ID# 22-3009648; DUNS# 61-1429481; CCR# 61-243957G; CAGE 1HTF0

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*The products offered under this proposal are resold in accordance with the terms and conditions of the Contract referenced under that applicable line item.*