



Wes Moore | Governor
Aruna Miller | Lt. Governor
Katie Savage | Secretary
Melissa Leaman | Deputy Secretary

PROCUREMENT OFFICER'S DETERMINATION
Intergovernmental Cooperative Purchasing

COMAR 21.05.09.04

Department/Procurement Agency: Department of General Services

Contract Term: From the date the Participating Entity executes the Participating Addendum through June 30, 2023, with two one-year renewal options.

Amount: \$5,231,691.17* (for one-year renewal options)

Category: Information Technology – Okta Solution

Contract Type: Indefinite Quantity with Fixed Unit Prices

Name and address of selected Contractor: Carahsoft Technology Corporation,

11493 Sunset Hills Road, Suite 100

Reston, VA 20190

Request: To exercise the first of two one-year renewal options.

Scope Description:

The State of Maryland, through the Department of Information Technology ("DoIT"), seeks to execute a participating addendum ("Participating Addendum") with Carahsoft Technology Corporation under the National Association of State Procurement Officials Cloud Solutions Contract ("NASPO Contract"). NASPO strives to make the governmental procurement process more efficient by establishing competitively priced contracts. This NASPO Contract is available to State agencies nationwide, institutions of higher education, cities and counties. It has been awarded by a public competitive procurement process that is compliant with Maryland State statutes. In addition, Carahsoft Technology Corporation is the only authorized reseller of Okta products and services under the NASPO Contract (supporting documentation has been provided by Okta).

Under the Participating Addendum, Carahsoft would provide the State with implementation and support services, hosting, user licenses and limited access for Okta. In addition to DoIT, Department of Public Safety and Correctional Services, Maryland Department of Transportation, Department of Human Services, Maryland State Police and Maryland Department of Health will make purchases of Okta from the Participating Addendum.



Wes Moore | Governor
Aruna Miller | Lt. Governor
Katie Savage | Secretary
Melissa Leaman | Deputy Secretary

DoIT manages technology which allows more than 60,000 Maryland employees and contractors across the State to access systems and resources through their maryland.gov accounts. These systems, which are largely hosted within DoIT's server environment, collectively form an Identity and Access Management (IAM) system which provides basic levels of security and control of access for the participating agencies to the integrated applications and networks, such as Google Workspace, Workday, eMMA, and others.

While this configuration has generally been sufficient up to this point, any further expansion is untenable due to the increasing difficulty of developing new connections which work with the complex custom integrations between the core systems, which were built over time and in ways that are now increasingly costly to support. Additionally, the IAM system operated by DoIT is only one of many differently configured solutions across the State.

At the same time and in response to Executive direction and recent cybersecurity events, the State and DoIT are seeking ways to enhance IT security. Having a single statewide source of employee Identity and Access for IT systems is a foundational component of a modern cybersecurity strategy. The key barriers to such a system include the difficulty of linking the multiple solutions in the statewide environment and the inability to expand the DoIT system. While this procurement will provide the functionality to replace what is in place for DoIT today, it will also provide the foundation for a true statewide IAM platform that will integrate with the systems in place at other agencies without necessarily requiring those systems also be under DoIT management. This will allow employees and contractors to be more mobile, productive, and secure while helping Maryland contain costs associated with existing licensing models, inefficient administration requirements, complex integrations, and security incident responses.

Basis for Exercising Renewal Option:

Okta is a cloud-based IAM solution which will replace most of the existing DoIT hosted IAM system components and capabilities while providing for simpler integrations, secure remote work, improved and modern multi-factor and single sign-on functions. Okta also provides advanced security features, easier administration, and simplified license management, among other benefits, many of which are impossible under the current system. Currently, our Okta implementation supports multi-factor authentication for 231 applications for our customer agencies. If the option is not exercised all the logins and sync will stop working.

Pricing:

A direct pricing comparison between the respective solutions proposed by Microsoft and Okta is very difficult due to the complex nature of the Microsoft licensing model which distributes IAM functionality and associated security components across licensing for other Microsoft products, and which does not account for the costs associated with maintaining complex custom integrations, which would still be required under the Microsoft solution. Additionally, the Microsoft proposal included a mandatory license

count increase over time which coincided with a reduction in the guaranteed pricing discount, leading to quickly escalating year over year costs.

Total quoted one year cost of Microsoft services for DoIT at licensing levels we have today plus the cost to provide additional functionality to become roughly equivalent with the capabilities we have scoped out with Okta, and covering approximately 9500 users over a mandatory five-year contract term which was required to receive the discount level reflected in the pricing:

- Year 1: \$4,146,967 for 9500 users (unknown for the total 60,000 users scoped under the Okta proposal as the MS proposal offered 100% discount on 9500 users)
- Year 2: \$4,762,933 for 9500 users (at a MS estimated \$64.75/user cost, \$8,000,433 to cover the full 60,000)
- Year 3: \$5,070,869 for 9500 users (at a MS estimated \$97.12/user cost, \$9,926,869 to cover the full 60,000)
- Year 4: \$5,378,805 for 9500 users (at a MS estimated \$129.49/user cost, \$11,853,305 to cover the full 60,000)
- Year 5: \$5,378,805 (same as year 4, \$11,853,305 to cover the full 60,000 users)

Another comparison estimate Microsoft made was to say that the monthly cost per user for the capabilities to be roughly equivalent with our Okta scoped services would be \$10.80 per user/month. For 60,000 users that would equal \$7,776,000 per year. This may be the closest to a direct comparison, although it does not actually cover all of the IAM functionality, which would be included in other licensing components.

In addition, to help ensure Maryland is benefiting from the best possible pricing for Okta products, DoIT gathered discount information for purchases from other states with the help of the Okta and reseller. The table below lists that information.

SIGNATURES ON NEXT PAGE



Wes Moore | Governor
Aruna Miller | Lt. Governor
Katie Savage | Secretary
Melissa Leaman | Deputy Secretary

Determination By:

Ebony S. Brown

Ebony Brown, DGS-OSP Procurement Officer

5/21/2024

Date

Approved By:

Yasin Mohammed

Yasin Mohammed, DGS Acting Deputy Chief Procurement Officer

21/05/24

Date

Approved By:

Atif Chaudhry

Atif Chaudhry, DGS Secretary

21/05/24

Date









Okta Opt POD - ARS edits.docx

Final Audit Report

2024-05-21

Created:	2024-05-21
By:	Leslie Shoenhard (leslie.shoenhard@maryland.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAIu9P-OnVRD1N3q3RGUrGCBGQkzxK_mVB

"Okta Opt POD - ARS edits.docx" History

-  Document created by Leslie Shoenhard (leslie.shoenhard@maryland.gov)
2024-05-21 - 5:19:29 PM GMT
-  Document emailed to Yasin Mohammed (Yasin.Mohammed@maryland.gov) for signature
2024-05-21 - 5:19:34 PM GMT
-  Document emailed to Secretary Chaudhry (atif.chaudhry@maryland.gov) for signature
2024-05-21 - 5:19:34 PM GMT
-  Email viewed by Yasin Mohammed (Yasin.Mohammed@maryland.gov)
2024-05-21 - 5:21:18 PM GMT
-  Document e-signed by Yasin Mohammed (Yasin.Mohammed@maryland.gov)
Signature Date: 2024-05-21 - 5:21:34 PM GMT - Time Source: server
-  Email viewed by Secretary Chaudhry (atif.chaudhry@maryland.gov)
2024-05-21 - 7:37:06 PM GMT
-  Document e-signed by Secretary Chaudhry (atif.chaudhry@maryland.gov)
Signature Date: 2024-05-21 - 7:39:25 PM GMT - Time Source: server
-  Agreement completed.
2024-05-21 - 7:39:25 PM GMT