

BOARD MEETING DATE: AUGUST 8, 2022

SUBJECT: PROCUREMENT APPROVAL REQUEST – CLOUD HOSTING SERVICES

PREPARED BY: KELLY GUTHNER, CIO, BRIAN BRAUN, CFO

Proposed Action:

Seeking Board approval to enter into a 12-month agreement with Amazon Web Services (AWS) to provide cloud hosting and infrastructure services for the enrollment and eligibility technology platform at an estimated cost of \$1,500,000.

Summary:

Requesting approval to proceed in contracting for hosting services provided by AWS for 12 months (September 2022 thru August 2023). **The total estimated cost for these services for the 12 months is not expected to exceed \$1,500,000.** This includes the base level commitment of \$1,320,000 that is required to receive AWS Enterprise Support services and to participate in the AWS 4.5% discount program. The estimated costs have been anticipated in the fiscal year 2022 budget. Expected start date for the hosting agreement is September 2022. This hosting service will be a continuation of the current AWS services. See the attached list of types of services to be provided.

Staff Recommendation:

Staff recommends the approval of this request.

Procurement Compliance:

Procurement Exceeds \$150,000 (Federal)/\$250,000 (non-Federal) threshold: Yes

Procurement/Business Initiative is necessary or advisable: Yes – essential to ongoing marketplace operations

Type of procurement vehicle: AWS Enterprise Agreement and Private Pricing Addendum

Need for RFP, RFI, RFS or similar: No, this is determined to be a sole source procurement. Given the reliance on AWS as part of the Federal security/Authority to Connect audit we are required to use AWS for hosting the current platform. Changes to the hosting provider would require a new audit and changes in the current platform that are deemed to be both time and cost prohibitive. In addition, the IRS allows the use of the AWS serverless service for the processing of tax information and AWS has proven to be acceptable to CMS.

Funding Source:

Anticipate the use of general operating funds. Under certain circumstances, Federal funds may be used for a portion of these expenditures if related to Medicaid customers. The estimated costs contained in the request are anticipated in the FY22 budget.

Supplemental Information:

Amazon Web Services

Multiple environments to include:

- Amazon Relational Database Service
- Amazon Elastic Compute Cloud
- Amazon Cloud Watch
- Amazon Virtual Private Cloud
- AWS Support (enterprise)
- Amazon Marketplace (discounted software)
- Other related services (e.g. backup, containers, data transfer, ...)
- Additional capacity/services to host Colorado Connect future infrastructure