

BOARD MEETING DATE: AUGUST 14, 2023

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 for Amazon Web Services (AWS) for the hosting of Connect for Health Colorado’s technology platform and related data for an estimated cost of \$1,700,000.

Summary:

Requesting approval to proceed in contracting for AWS hosting services for 12 months (September 2023 thru August 2024). **The total estimated cost for these services for the 12 months is not expected to exceed \$1,700,000.** The hosting services may be contracted directly with AWS or through a certified distributor. The estimated costs have been anticipated in the fiscal year 2024 budget. Expected start date for the hosting agreement is September 2023. 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 \$250,000 threshold: Yes

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

Type of procurement vehicle: Service Agreement

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 FY24 budget.

Supplemental Information:

Amazon Web Services

Multiple environments to include:

- Amazon Relational Database Service
- Amazon Elastic Compute Cloud
- Amazon Connect and Contact Center Telecommunications
- Amazon Cloud Watch
- Amazon Virtual Private Cloud
- AWS Support
- Amazon Marketplace (discounted software – budgeted separately)
- Other related services (e.g. backup, containers, data transfer, ...)
- Additional capacity/services to host Colorado Connect