

BOARD OF DIRECTORS MEETING DATE: AUGUST 11, 2025

SUBJECT: REQUEST FOR PROCUREMENT APPROVAL – CLOUD HOSTING SERVICES

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

Proposed Action:

Board approval to fund the continuation of cloud hosting services with Amazon Web Services (AWS) for the hosting of Connect for Health Colorado's technology platform, and related data, for an estimated cost of \$2,100,000.

Summary:

Currently C4HCO is under contract with AWS for hosting services via a 3rd party administrator (Carahsoft). This request is seeking Board approval to continue funding the AWS hosting services via Carahsoft for an additional 12 months from the October anniversary date (October 2025 – September 2026). Based on projected usage, we estimate actual costs will average \$175,000 per month. This cost will vary by month depending upon transactional volumes. 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 FY26 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