



DEPARTMENT OF GENERAL SERVICES
OFFICE OF STATE PROCUREMENT
ACTION AGENDA
August 5, 2026

SUPPLEMENTAL



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17-IT. INFORMATION TECHNOLOGY
Department of Information Technology

Contract ID: Amazon Web Services Cloud Hosting, F50B6600017
ADPICS No.: F50B6600017

Contract Description: Amazon Web Services (AWS) is a comprehensive cloud computing platform provided by Amazon Web Services, Inc. The agency requests access to AWS to support cloud computing and infrastructure needs.

Award: Amazon Web Services, Inc.; Seattle, WA

Contract Term: 09/01/2026* - 08/31/2031 (*Or earlier upon BPW approval)

Amount: \$241,370,000

Procurement Method: Sole Source

MBE/VSBE Participation: 2.9% / 0.5%

Performance Security: No

Incumbent: Strategic Communications, LLC; Louisville, KY

Requesting Agency Remarks: The recommended awardee is Amazon Web Services, a global leader in cloud computing and original manufacturer of the cloud infrastructure currently used by the State. This contract includes a broad suite of products and services provided by AWS. The majority of this contract is comprised of “consumption.” Approximately 90% of the overall contract value is for licensing, data storage, hardware, and tangible and intangible technology commodities, with no subcontracting opportunities due to a single element of work. The remaining 10% is comprised of AWS technology services. MBE and VSBE goals were established on the 10% of the work that has subcontractable elements.

The Department of Information Technology’s (DoIT) Office of Security Management issued the System & Network Security Policy (MD-POL-207-01) and the System & Communication Protection Standard (MD-STD-318-SC-01). These policies incorporate NIST SP 800-57, NIST SP 800-133, and FIPS 140 standards for cryptographic key generation and management and align with the State’s recently implemented Zero Trust Architecture. Under these frameworks, the State must maintain direct control over the generation, establishment, control, accounting, and destruction of its cryptographic keys.



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17-IT. INFORMATION TECHNOLOGY (continued)

Agency Remarks (continued):

Currently, the State utilizes a cooperative purchasing contract with a third-party reseller for AWS products and services. Under this arrangement, the third-party contractor maintains custody of the cryptographic keys securing Maryland's data. This poses operational risks and may fall short of federal standards or the State's own cybersecurity policies. According to AWS, the only way the State can retain exclusive custody and control of its cryptographic keys—thereby meeting the rigorous security policies required to safeguard sensitive data for the State and its citizens—is through a direct contract (direct sale model) with AWS.

Consequently, DoIT is pursuing a sole source procurement in lieu of cooperative purchasing. Because "only one source exists which meets Maryland's requirements" (COMAR 21.05.05.02), a sole source procurement is necessary to achieve compliance with state and federal data security frameworks. Additionally, a direct contract with AWS provides the State with increased operational flexibility and the best possible pricing, exceeding what is available through alternative procurement methods. A discount of 21% off of all AWS products and services has been negotiated by DoIT, exceeding the 20% discount available via the NASPO cooperative.

A protest was filed July 21, 2026 by Strategic Communications, LLC, protesting the decision to award a sole source contract to AWS. DoIT denied this protest and issued a Procurement Officer's Final Decision on July 24, 2026. No appeal has been filed with the Maryland State Board of Contract Appeals.

Fund Source: 41% Federal Funds, 59% General Funds

Approp. Code: F50 RB160

Resident Business: No

MD Tax Clearance: 26-2259-1111

BOARD OF PUBLIC WORKS

THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION