




## M E M O R A N D U M

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**Date:** December 8, 2022

**To:** California State Lottery Commission

**From:** Alva V. Johnson, Director 

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Information Technology Services Division

**Subject:** Item 8(a) – DocuSign Renewal

### **ISSUE**

The California State Lottery (Lottery) seeks the California State Lottery Commission (Commission) approval to renew the subscription and support services for DocuSign, Inc.'s (DocuSign) digital signature technology to support enterprise-wide electronic signature processes and implementation and customization services. The total agreement amount is \$621,900 with a term date of January 31, 2023, through January 30, 2025.

### **BACKGROUND**

In 2019, the Lottery performed a product capability analysis on six digital signature companies to compare critical capabilities of the leading digital signature solutions. The analysis focused on four functions which can enhance Lottery operations:

1. Electronic Signature – Will enable the Lottery to be able to uniquely validate and authenticate the signer through the secure functionality of an electronic signature.
2. Lifecycle Management – Will enable the Lottery to leverage the use of automatic workflows to identify routing, electronically sign, and archive documents in a manner that automates and streamlines processes but also provides a permanent audit trail to ensure proper retention per Lottery retention schedules.
3. Application Programming Interface (API) Focus – API interface capabilities will provide the Lottery with the flexibility to continually build on the business capabilities

and features of the electronic signature while ensuring integration capabilities with existing and new Lottery IT systems.

4. Cloud Security – For enhanced security and classification of data, the Lottery requires a cloud-based electronic signature and document management solution that is Federal Risk and Authorization Management Program (FedRAMP) certified and meets cloud security requirements.

Upon the review of several products, the Lottery concluded that DocuSign met the enterprise needs of the Lottery and procured DocuSign in 2020 to implement an enterprise-wide electronic signature solution.

The Lottery implemented DocuSign in 2020 to meet critical business and employee needs to automate many critical paper-based and manual processes such as attendance and time reporting. This transition eliminated many manual paperwork processing steps and improved efficiency department-wide.

## **DISCUSSION**

Since 2020, the Lottery has deployed over 55 DocuSign e-signature templates and automated workflows supporting the most common and critical processes to keep the Lottery operating under a telework environment. The Lottery is routing and signing over 3900 electronic documents per month and continues to prioritize and develop additional e-signature templates and automated workflows.

Renewal of DocuSign will allow the Lottery to continue using fully digital processes for signing important documents like time sheets, State Controller's Office (SCO) prize payment claim schedules, invoice approvals, procurement packages, and internal transmittal and approval folders. The retailer applications, equipment forms, and end of game notification processes are high priority examples. The Lottery is currently working on Electronic Document Automation (EDA) Project to produce a repeatable and sustainable process for automating document workflows and to improve the efficiency of processes that currently rely on manual routing and wet signatures. To assist in the implementation of this roadmap, the Lottery is seeking to procure 400 DocuSign Professional Service hours to partner with a DocuSign Engineer to ensure a robust and repeatable strategy for intake, fulfillment, and to ensure designed DocuSign workflows adhere to industry best practices and address the needs of the business.

Increasing operational efficiencies and effectiveness by reducing paper based and manual processes is unlikely to be accomplished without an electronic signature solution. These operational efficiencies and capabilities would be eliminated or severely hampered if the Lottery reverted to wet signatures and manual approval routing. The need for electronic signature functionality has been identified as a requirement to meet ongoing

business needs as they evolve. DocuSign provides the technology services to meet the ongoing needs and services to further expand the Lottery's electronic signature capabilities.

The Lottery's formal competitive procedures will not apply to this procurement, pursuant to the exception set forth in Lottery Regulations Section 8.1.2.C as follows:

"The goods or services will be acquired using a standard United States General Services Administration Agreement or a State of California, Department of General Services Master Services Agreement, Multiple Award Schedule, Master Rental Agreement, or other such agreement which establishes a list of pre-qualified bidders who have agreed to contract terms and prices."

The Lottery utilized a leveraged procurement agreement, requesting bids from multiple resellers that participate in the Software Licensing Program administered by the State of California, Department of General Services (SLP-21-70-00271). The lowest bid was submitted by Allied Network Solutions Inc.

### **RECOMMENDATION**

Lottery staff recommends the California State Lottery Commission approve renewal of the subscription and support services for DocuSign digital signature technology. The total contract amount is \$621,900 with a term date of January 31, 2023, through January 30, 2025.