



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

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**Date:** January 25, 2024

**To:** California State Lottery Commission

**From:** Harjinder K. Shergill Chima *HKC*  
Director

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Information Technology Services Division

**Subject:** Item 8(a) – Data, Information and Analytics Services (DIAS)  
Modernization – Astute Solutions

### **ISSUE**

The California State Lottery (Lottery) seeks California State Lottery Commission's (Commission) approval to enter into a new agreement with Astute Solutions, Inc. to obtain Information Technology (IT) consulting services. The proposed agreement contract term is two years, beginning on February 1, 2024 and ending on January 31, 2026, with two one-year extension options. The total agreement amount for the initial term is \$1,400,000.00.

### **BACKGROUND**

Business Intelligence & Business Analytics (BIBA) is the Lottery's data analytics platform that provides a wide variety of reports, interactive dashboards, ad hoc reporting, and analytics services to Lottery business units in support of operational and strategic decision management. A main driver for this Azure initiative is the aging on-premise infrastructure BIBA currently uses. Lottery business user demands have outgrown many of the BIBA resources and scaling them up on-premises has become impractical and no longer supportable or sustainable. BIBA's daily data processes take too long to meet the needs of the business due to ever-increasing data volume, which continues to grow. Proof of Concept (POC) efforts have demonstrated that migration to cloud services will considerably increase processing speed.

## **DISCUSSION**

Current elongated processing times result for staff regularly being assigned to work overtime, including weekends and holidays to monitor is putting a strain on the Information Technology Services Division (ITSD) DIAS staff. Additionally, during the BIBA Migration project planning and implementation meetings, Microsoft informed ITSD that they do not have plans to further develop the existing Microsoft Structure Query Language (SQL) Server Analysis Services Multi-Dimensional Online Analytical Processing Cube for SQL Server. The use of these now legacy technologies is the foundation upon which the current data analytics platform was built. This means continuing to use these technologies as-is is no longer an option and migration to the Azure Cloud platform should instead occur. As a result, the Lottery must re-design and re-architect its platform to continue migration efforts.

After assistance from Microsoft in conducting a POC, Azure Analysis Services, Synapse, and PowerBI Premium were determined to be the solution. The POC and development work to date was facilitated through the Lottery's existing Microsoft Dedicated Support Engineer contract. These are new technologies to the Lottery and complex in nature requiring specialized knowledge and experience to successfully implement. Lottery technical teams do not have the expertise and experience to implement these new technologies without consultant assistance. The intention of this contract is to use experienced contract resources that can take over some of the development in the areas of Azure Analysis Services and Synapse technologies where the Lottery doesn't have the resources who are experts in these new technologies. Knowledge transfer and training of Lottery staff along with documentation of processes and procedures by the selected vendor will enable Lottery staff to gain the knowledge and experience necessary to continue to maintain the new technologies going forward.

Lottery business user demands will continue to outgrow many of the BIBA resources. Not contracting for this service will result in further impact to BIBA business partners by delaying critical reporting including retailer activated games, Sales Incentive Bonus and player reports which are needed to make timely and mandated business decisions. The available computational resources and ability to scale in a secure manner are no longer sustainable. The re-design of the entire BIBA environment to meet current and future growth requirements is necessary to continue to deliver timely data and information to our business partners so critical business decisions can be made.

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 by 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 contractors that participate in the Technology, Digital and Data Consulting, Master Service Agreement administered by the State of California, Department of General Services (Contract Number 5-22-70-25-029). The best value offer was submitted by Astute Solutions, Inc.

### **RECOMMENDATION**

The Lottery staff recommends that the Commission approve the IT consulting services agreement with Astute Solutions, Inc. to implement the DIAS BIBA Modernization Initiative Services. The agreement will be for an initial term of two years with two one-year extension options, with a maximum authorized contract expenditure of \$1,400,000.00. The initial term of the agreement will begin on February 1, 2024 and end January 31, 2026.