




M E M O R A N D U M

Date: May 25, 2023

To: California State Lottery Commission

From: Alva V. Johnson, Director 

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Subject: Item 8(b) – Lottery’s Public Website Contract Extension

ISSUE

The California State Lottery (Lottery) requests to exercise one of the remaining two one-year extension options with an additional \$4,377,304 in expenditure authority. The contract with ICF Resources LLC (ICF) (formerly ICF Next, Inc.) for public website (PWS) services expires on September 30, 2023.

BACKGROUND

The Lottery uses contracted services to manage the Lottery’s public website platform and cloud-based infrastructure. The PWS must be available 24 hours a day, 7 days a week, 365 days a year (i.e., 24/7/365) to support operations which is not achievable by managing, maintaining, operating, and supporting a website in-house with Lottery staff.

On October 1, 2015, Olson and Co. (now known as ICF Resources LLC) was awarded a Digital Agency services contract to provide strategic web design, maintenance, and marketing consultation. Since then, ICF has made numerous PWS modifications, including the launch of a redesigned website compliant with accessibility standards.

On May 27, 2021, the California State Lottery Commission (Commission) approved the Lottery’s recommendation to extend the ICF contract by two years to September 30, 2023, and to add an additional \$7,500,000 in expenditure authority. The intent of this extension was to add PWS functionality and features that were on the previous website, enable hardware migration, and to provide time to conduct a solicitation and award a new contract for PWS services.

During this extension, the Lottery developed and posted a Request for Proposal (RFP) on October 6, 2022, for public website services with an estimated start date of July 14,

2023. In February 2023, the RFP was cancelled. Accordingly, the procurement of a new contract for public website services has been delayed.

On March 3, 2023, a revised RFP was released with a final vendor response date of May 26, 2023. The Lottery will seek approval for the new contract once a winning bidder is selected from the Commission later this year.

DISCUSSION

Exercising one of the two remaining one-year extension will ensure that there are sufficient resources to support the Lottery's PWS and allow the Lottery sufficient time to complete the RFP and contract award process. The exercise of the one-year extension will provide the Lottery with additional time for transitioning services and any other unforeseeable delays that may occur.

The Lottery estimates that an additional \$4,377,304 in funds are needed to support the one-year extension. This amount was calculated based on the current contract resource rates and by determining the number of staff needed to maintain existing service levels to allow for additional support for new and existing marketing initiatives and address any PWS backlog items until a new contract is awarded. It will also allow for the continued maintenance of the PWS support infrastructure.

RECOMMENDATION

The Lottery recommends the Commission approve the one-year extension of the ICF contract and an additional expenditure authority of \$4,377,304 to continue the contract without interruption. The contract will now expire on September 30, 2024 and have a maximum authorized contract expenditure of \$28,377,304.