

COMMISSION AGENDA ITEM

Item 8(a) – Ratification of Public Website Contract Termination



Date: May 23, 2024

To: California State Lottery Commission

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Director

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Subject: **Item 8(a) – Ratification of Public Website Contract Termination**

ISSUE

The California State Lottery (Lottery) is requesting the California State Lottery Commission (Commission) ratify the termination of contract #50026 with ICF Resources LLC (ICF) (formerly ICF Next, Inc.).

BACKGROUND

Public website services (PWS) support the Lottery's ongoing digital initiatives to develop, maintain, and enhance a digital infrastructure that enables the Lottery to engage players, consumers, retailers, and vendors; analyze actionable data; provide information to the retailer network; develop insights and business facts to support a cohesive brand presence; and positively influence stakeholder perceptions and actions. Through PWS, the Lottery aims to elevate its communication and digital presence and continue engaging with Lottery players, retailers, and other stakeholders while enhancing the Lottery's commitment to promoting responsible gaming in California.

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.

On May 27, 2021, the Commission approved the Lottery's recommendation to extend the ICF Contract #50026 by two years to September 30, 2023, and to add an additional \$7,500,000 in expenditure authority.

On October 6, 2022, the Lottery developed and posted a Request for Proposal (RFP) for PWS services with an estimated start date of July 14, 2023. In February 2023, the RFP was canceled and the procurement of a new contract was delayed.

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On March 3, 2023, a revised RFP was released with a final vendor response date of May 26, 2023. The final RFP response date was extended to June 21, 2023.

On May 25, 2023, the Commission approved the contract extension with ICF Resources LLC through September 30, 2024, to allow the Lottery sufficient time to complete the RFP and contract award process and allow for vendor transitioning time.

On September 19, 2023, the Commission approved the new PWS contract (#101007).

DISCUSSION

The new PWS Contract #101007 was executed on January 1, 2024. This contract allowed for a transition period from the current contract to the new contract, which was agreed upon by Lottery and ICF to be completed by March 31, 2024 before the term end date of September 30, 2024. Given the transition period has concluded, Contract #50026 is no longer needed, so to avoid a conflict between terms and conditions of the contracts, the Lottery's Director determined that Contract #50026 must be immediately terminated at the conclusion of the transition rather than by the time of the next Commission meeting pursuant to Regulation Section 8.6.6.B. Therefore, a termination letter was sent by certified mail notifying ICF to stop providing services under Contract #50026 effective March 31, 2024.

Lottery Regulations Section 8.6.6.B. states that:

“Notwithstanding the foregoing requirements for Commission approval, the Director may terminate any contract or lease that was approved by the Commission in the first instance without prior approval of the Commission, upon notification of the Chair of the Commission, if the Director determines that such immediate termination is in the best interests of the Lottery. Thereafter, at the next opportunity, the Director shall seek Commission ratification of the termination. In addition, the Director will place in the contract file a memorandum explaining the rationale for the expedited procedure.”

In accordance with this Regulation, the Lottery now seeks Commission ratification of the termination of Contract #50026.

RECOMMENDATION

The Lottery staff recommends the Commission ratify the termination of contract #50026 with ICF for PWS, as the new contract #101007 has been fully executed to continue supporting the PWS.