



M E M O R A N D U M

Date: November 18, 2021

To: California State Lottery Commission

From: Alva V. Johnson, Director 

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Subject: Item 8(c) – DocuSign – Digital Signature Technology

ISSUE

The California State Lottery (Lottery) is requesting approval to enter into a one-year agreement to renew the subscription and support services for DocuSign digital signature technology to support enterprise-wide electronic signature processes. The total contract renewal amount for DocuSign is anticipated to not exceed \$268,400 with a term date beginning January 31, 2022.

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 research and analysis concluded that DocuSign met the enterprise needs of the Lottery. The Lottery 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 due to the pandemic to immediately automate many critical paper-based and manual processes such as attendance and time reporting to support the abrupt shift to emergency telework. This enabled the Lottery to quickly transition to the emergency telework program, eliminated manual paperwork processing steps and greatly improved efficiency. The automated processes provided by DocuSign were crucial to the seamless transition to teleworking operations.

DISCUSSION

Currently, the Lottery is primarily operating under a telework environment which requires the Lottery to maintain the use of a digital signature solution. Since 2020, the Lottery has deployed over 50 DocuSign e-signature templates and automated workflows supporting the most common and critical formally manual and paper-based processes to keep the Lottery operating under a telework environment. The Lottery is routing and signing over 3500 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 Lottery is developing a roadmap for improving the efficiency of other processes that currently rely on manual routing and wet signatures. The retailer applications, equipment forms, and end of game notification processes are high priority examples. The Lottery will greatly benefit from extending the use of digital signatures further into Sales, Finance, Security/Law Enforcement Division (SLED) and Human Resources (HR) Divisions.

Shifting to and maintaining a telework environment while also 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 back to wet signatures and manual approval routing again.

The ITSD is in the process of developing and refining its technology roadmap and strategy to support business services and to increase operational efficiencies. The need for electronic signature functionality has been identified as a requirement to meet ongoing business needs as they evolve. Therefore, ITSD will continue to research, analyze, and identify potentially more cost-effective electronic signature solutions that will meet the Lottery's needs.

RECOMMENDATION

Lottery Staff recommends that the California State Lottery Commission approve the renewal of DocuSign digital signature technology to support enterprise-wide electronic signature processes. The maximum contract amount for DocuSign is \$268,400 for a one-year term beginning January 31, 2022.