



M E M O R A N D U M

Date: September 23, 2021

To: California State Lottery Commission

From: Alva V. Johnson, Director 

Prepared By: Jeremy Linson, Deputy Director, Security and Law Enforcement Division

Subject: Item 8(c) – Request to Ratify the Contract Amendment with Securitas Security Services

ISSUE

The California State Lottery (Lottery) requests ratification of an amendment to the Securitas Security Services (Securitas) contract for additional funding through the end of the contract term of December 27, 2021.

BACKGROUND

The current contract began on December 28, 2016. The scope of the contract initially was to provide uniformed security guard services at Lottery Headquarters and the Southern Distribution Center on a continual 24 hour, seven days a week basis. Additional site coverage includes the Northern Distribution Center on an eight hour, five days a week (Monday-Friday business hours) basis. The staffing requirement accounted for a total of 21 security guards.

Due to the current COVID-19 pandemic, the need to ensure safety at all our facilities statewide and as allowable per the terms and conditions of the Securitas agreement, the Lottery increased security guard personnel beyond the Lottery's Headquarters, Northern and Southern Distribution centers. This increased staffing levels to 30 security guards. This service included the assignment of additional security guards at all nine district offices beginning July 17, 2020. The increased security presence allowed the Lottery to ensure social distancing and personal protective equipment requirements were being met by customers, allowing for claims to be securely submitted in the lobby drop boxes. While social distancing requirements have become less restrictive, Lottery District Offices (DO) are only serving customers at the service window via appointments made through the Lottery's online website. The security guards ensure that customers have an appointment and direct those who do not have an appointment, to utilize the drop box in the lobby.

DISCUSSION

The current five-year contract (#50059) was funded for \$7,759,550. However, due to the expansion of security guard services to all nine district offices, the cost of services increased by approximately \$43,000 per month. For the last year (July 20, 2020 - June 21, 2021) the Lottery has spent an additional \$455,691.74. Furthermore, benefit and wage increases have accrued since 2016 in accordance with the contract terms and conditions. Therefore, an additional \$1,457,111.92 is required to cover expenses through the end of the current contract term.

RECOMMENDATION

Lottery staff recommends that the California State Lottery Commission approve the ratification of the Lottery's contract amendment for additional funding in the amount of \$1,457,111.92.