



M E M O R A N D U M

Date: November 19, 2020

To: California State Lottery Commission

From: Alva V. Johnson, Director *AVJ*

Prepared By: Tiffany Donohue, Deputy Director
Operations Division

Subject: Item 8(b) –Amendment to Extend the Contract Term for Statewide Architectural Services

ISSUE

The California State Lottery's (Lottery) current contract (50008) with LPAS, Inc. (LPAS) for architectural and engineering services has insufficient time to complete pending facilities projects.

BACKGROUND

Following a competitive solicitation process, LPAS was awarded a contract, in March 2014, to provide statewide architectural and engineering services in support of the approved Facilities Master Plan (FMP) projects and other Lottery facilities projects. The original contract term was March 21, 2014 through March 20, 2019, with options for the Lottery to extend for up to two additional, two-year periods. The original contract value was \$1,500,000.

On November 19, 2015, the Commission approved an amendment to the contract that brought the total contract value to \$5,500,000 to cover costs for increased size of facilities, enhanced scope, and complexities associated with each project location.

On March 22, 2018, the Commission approved the contract's second amendment adding funds of \$2,000,000 for a total contract value of \$7,500,000, and its first two-year extension through March 20, 2021 to complete the FMP projects.

DISCUSSION

The Lottery is moving forward with its Northern Distribution Center (NDC) remodel project. In the Lottery's annual budget, funding was approved for the following project tasks:

- Relocate pick and pack stations and add warehouse racking to improve and support capabilities for storage and delivery of Scratchers products.
- Replace the aging HVAC system to ensure employee health and safety.
- Replace the roof as it has met the end of its life.

Construction plans were submitted to the State Fire Marshal and the first round of comments should be received in January 2021. The architect will incorporate first round plan check comments and the Lottery will then solicit for construction services. The contract for construction services will be awarded in the first half of 2021 with construction expected to be completed by December 2021.

The current contract has sufficient funds to complete the NDC remodel project but additional time to complete the project is required. The current contract expires on March 20, 2021 and the project is expected to be completed December 2021. Lottery Staff recommend approving this request to extend the current contract for one year, through March 20, 2022.

The proposed extension is contractually authorized under Exhibit E, Contract Terms and Conditions, Section 1.3 of the Lottery's contract with LPAS.

RECOMMENDATION

Lottery staff recommends the Commission approve the third amendment to the LPAS contract, to extend the contract term one year to March 20, 2022, which will provide sufficient time to complete the architectural services for the NDC Remodel project. The project will be completed in December 2021.