MEMORANDUM

Date: September 26, 2019

To: California State Lottery Commission

From: Alva V. Johnson, Director *AVJ* [Initials on file]

Prepared By: Jon Schlussler, Deputy Director
Information Technology Services Division

Subject: Item 9(e) – Windows 10 Refresh Project Procurements

ISSUE

The California State Lottery (Lottery) needs to replace aging desktop and laptop computers to avoid any disruption to business operations.

BACKGROUND

The Lottery currently maintains approximately 1,400 desktop, laptop, and tablet computing devices utilized by virtually every Lottery employee to perform their duties. The base operating system (OS) for desktop and laptop computers, Windows 7, will reach "end-of-life" in January 2020 and the Lottery is transitioning to Windows 10 as the new OS. Existing desktop computers are reaching their end-of-life and are incapable of operating with Windows 10. Similarly, laptop computers are reaching their end-of-life and will not operate with Windows 10, apart from about 90 laptops which can be upgraded to Windows 10.

DISCUSSION

When approaching the time to refresh components of the Lottery's technology, best practice is to evaluate the current state of the technology it plans to refresh to ensure that the Lottery is taking advantage of the latest advancements. District Sales Representatives

(DSR) were previously issued three devices (iPhone, iPad, and a Windows laptop) to access the One Place application and connect to centralized resources while out in the field. DSRs were required to use the iPad to access the One Place application; however, this application is now available for the Windows 10 OS. Subsequently, the Lottery identified an opportunity to eliminate the need for the iPad by purchasing the Microsoft SurfacePro device using Windows 10 OS. This secure 2-in-1 device with wireless capabilities has the power of a laptop and the flexibility of a tablet. The Lottery has purchased sixty-eight Microsoft Surface Pro devices which are being rolled out to DSRs to replace their iPads and laptops.

The estimated costs to procure the required devices, accessories, service support, as well as spare devices for new hire growth until the Fiscal Year 2020/2021 budget cycle, is below:

Device	Quantity	Unit Cost	Total Cost
Desktops	172	$1,400.00	$240,800.00
Laptops	342	$2,500.00	$855,000.00
SurfacePros	241	$2,060.00	$496,460.00
		10 % Contingency	$159,226.00
		TOTAL COSTS	$1,751,486.00

A secondary consideration when refreshing technology is the plan for rolling out the new devices. A single order for all devices would overwhelm Lottery resources and result in equipment under warranty sitting in storage in the warehouse until technical resources are available to install the equipment. The Lottery will conduct multiple competitive procurements for the desktops, laptops, and SurfacePros over the next five months in quantities that will not overwhelm the warehouse or technical resources yet facilitate a steady supply chain of equipment.

RECOMMENDATION

Lottery staff recommends that the California State Lottery Commission approve the phased procurement approach for the Windows 10 Refresh Project. The maximum authorized expenditure for this project is 1,751,486.00.