

Resolution No. 2024-SMD-001  
Resolution of the Lottery Commission  
of the State of California to  
Amend California State Lottery Regulations for the Mega  
Millions® Game and Changes to Retailer Incentive Bonuses  
for Sale of Winning Tickets

WHEREAS, the Lottery Commission (Commission) of the State of California operates and administers the California State Lottery (Lottery) in conformance with the Lottery Act; and

WHEREAS, the Lottery Act requires the Commission to promulgate regulations regarding the types of lottery games to be conducted by the Lottery; and

WHEREAS, under Lottery Regulation 2.15, amended regulations are effective immediately upon adoption unless another date is specified by the Commission; and

WHEREAS, the Lottery is a member of the Mega Millions Consortium (MMC), signatory to the Multi-State Lottery Agreement for Offering Mega Millions Game, and participates in the sale of Mega Millions; and

WHEREAS, in May 2024, the MMC amended the Mega Millions Official Game Rules to include a multiplier feature and revised odds with the objective to grow Mega Millions sales; and

WHEREAS, amendments to the Lottery's Regulations are necessary to implement the May 2024 changes to the Mega Millions Official Game Rules in order for California to continue selling the Mega Millions game.

NOW, THEREFORE, the Lottery Commission of the State of California does

RESOLVE as follows:

1. Amendments to the California Lottery Regulations to incorporate the MMC's changes to the Mega Millions game are hereby adopted and will become effective on April 5, 2025.
2. Amendments to the California Lottery Regulations to incorporate minor changes to clarify the intent of retailer bonus payments are hereby adopted and will become effective on April 5, 2025.

**COMMENDED**

en, Deputy Director, Sales & Marketing Division

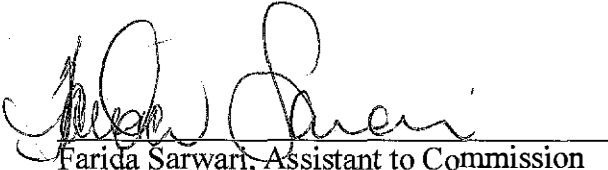
INTRODUCED AND PASSED: January 23, 2025

AYES: K. Mills  
T. Alvarez  
A. Rasouli

NOES:

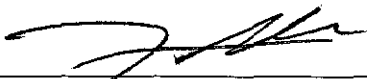
ABSENT:

ABSTENTIONS:



Farida Sarwari, Assistant to Commission

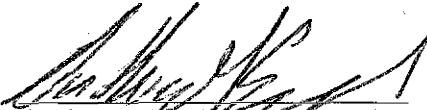
APPROVED AS TO FORM AND PROCEDURE:



Fernando Aceves, Chief Counsel

THIS IS TO CERTIFY that the foregoing Resolution was duly passed by the California State Lottery Commission at its meeting regularly called and held on 23<sup>rd</sup> day of January, 2025, in the City of Sacramento, California, and that the foregoing is a full and correct copy of the original Resolution.

Dated this 23rd day of January, 2025



Anthony Garrison-Engbrecht, Commissioner

CALIFORNIA STATE LOTTERY COMMISSION

Resolution No. 2025-SMD-002  
Resolution of the Lottery Commission  
of the State of California to Award  
Ancillary Scratchers® Ticket Delivery Services Contract to  
FedEX

WHEREAS, the Lottery Commission of the State of California operates and administers the California Lottery in conformance with the California State Lottery Act; and

WHEREAS, Scratchers sales represent approximately 75% of Lottery revenue. The Lottery ships Scratchers products from two distribution centers to over 21,500 retailers throughout the state, including ongoing maintenance orders and monthly AutoShip orders. The Lottery is currently operating under a contract with Unity Courier Services, Inc. (Unity) for Scratchers ticket delivery services. The contract term is from March 1, 2021, through February 28, 2026, and has a maximum spending authority of \$48 million. The contract is non-exclusive, and Lottery is permitted to engage other vendors for Scratchers ticket delivery services; and

WHEREAS, Lottery retailers (retailers) require timely and accurate delivery of Scratchers products. Historically, the Lottery made substantial efforts to provide Just-In-time (JIT) inventory to retailers. JIT inventory allows the Lottery to increase production efficiency at the distribution centers and provide inventory flexibility to retailers by reducing lead times and waste, particularly with large orders. Due to pandemic-related disruptions, the Lottery had to change to a Just-In-Case (JIC) inventory methodology which resulted in larger amounts of inventory going to retailers less frequently. JIC enabled the Lottery to get products to retailers; however, the methodology requires more forecasting and is not as dynamic; and

WHEREAS, While the Lottery has been steadily selling more Scratchers through a greater number of retailers as compared to pre-pandemic years, the current shipping methodology does not afford the Lottery the ability to ship orders weekly to any retailers outside of the highest volume retailers. To effectively use the JIT methodology, the Lottery needs to ship orders on a weekly basis to approximately 93% or over 20,100 retailers receiving Scratchers orders. This would add an estimated 29,000 additional orders needing delivery per month; and

WHEREAS, The Lottery's formal competitive procedures will not apply to this procurement, pursuant to the exception set forth in the Lottery Regulations Section 8.1.2.C<sup>1</sup>; and

WHEREAS, Commission approval is required for this agreement, as set forth in Lottery Regulations section 8.6.2, because the estimated value exceeds \$250,000; and

WHEREAS, the Lottery recommends that the Commission approve the award of the

<sup>1</sup> Lottery Regulations Section 8.1.2.C: "The goods or services will be acquired using a standard United States General Services Administration Agreement or a State of California, Department of General Services Master Services Agreement, Multiple Award Schedule, Master Rental Agreement, or other such agreement which establishes a list of pre-qualified bidders who have agreed to contract terms and prices."

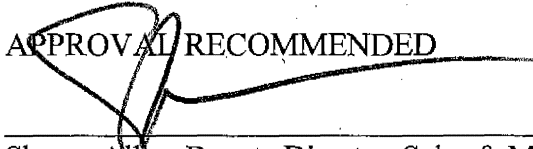
Ancillary Scratchers Delivery Services Contract to FedEx. The total contract amount is \$5 million with a term date of February 2025 through November 27, 2026.

NOW, THEREFORE, the Lottery Commission of the State of California does

RESOLVE as follows:

1. The FedEx National Association State Procurement Officials (NASPO) agreement is approved. The agreement will be for a term of February 2025 through November 27, 2026, with a maximum expenditure of \$5 million.

APPROVAL RECOMMENDED

  
Sharon Allen, Deputy Director, Sales & Marketing Division


INTRODUCED AND PASSED: January 23, 2025

AYES: K. Mills, T. Alvidrez, A. Rasouli,

NOES: A. Garrison-Engbrecht

ABSENT:

ABSTENTIONS:

  
Farida Sarwari, Assistant to Commission

APPROVED AS TO FORM AND PROCEDURE:

  
Fernando Aceves, Chief Counsel

THIS IS TO CERTIFY that the foregoing Resolution was duly passed by the California State Lottery Commission at its meeting regularly called and held on 23<sup>rd</sup> day of January, 2025, in the City of Sacramento, California, and that the foregoing is a full and correct copy of the original Resolution.

Dated this 23<sup>rd</sup> day of January 2025.

  
Anthony Garrison-Engbrecht, Commissioner  
CALIFORNIA STATE LOTTERY COMMISSION

Resolution No. 2025-ITS-001  
Resolution of the Lottery Commission  
of the State of California to Approve the Agreement for  
Adobe Campaign Renewal

WHEREAS, the Lottery Commission of the State of California operates and administers the California Lottery in conformance with the California State Lottery Act; and

WHEREAS, the Lottery procured Adobe Campaign Standard in 2017. This software delivers personalized messages (e-mails) based on 2nd Chance player account notification preferences, such as newsletters, jackpot alerts, winning number alerts, and promotional content. Adobe Campaign also sends 2nd Chance player account transactional emails, such as 2nd Chance account activation, resetting a password, 2nd Chance draw winner notifications, and other player account specific email messages; and

WHEREAS, Adobe Campaign Standard is a platform that provides cross-channel customer experiences and marketing campaign capabilities, while delivering Lottery draw game results and other important product information to our players; and

WHEREAS, Continuing the Adobe Campaign Standard subscription is essential to conducting Lottery business and must remain uninterrupted. If this service is interrupted, players participating in the Lottery's 2nd Chance program will not be able to receive important player account notifications. In addition, players will not be able to receive jackpot alerts, winning number alerts, and the other promotional content they elected to receive via their 2nd Chance player account; and

WHEREAS, Adobe Campaign Standard is an essential component of Lottery's Player Communications strategy. Without this product, the Sales and Marketing division's ability to communicate with players and other stakeholders in order to market Lottery products and support increasing Lottery sales will be severely hampered. These operational efficiencies and capabilities would be eliminated or severely hampered if the Lottery were to not renew this subscription service; and

WHEREAS, the Lottery's formal competitive procedures do not apply to this procurement, pursuant to the exception set forth in Lottery Regulations Section 8.1.2C<sup>1</sup>; and

WHEREAS, the Lottery requested bids from multiple resellers that participate in the Software Licensing Program administered by the State of California, Department of General Services (SLP-23-70-0027X), and the low-cost bid was submitted by Allied Network Solutions, Inc.; and

WHEREAS, Commission approval is required for this agreement, as set forth in Lottery

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<sup>1</sup> Lottery Regulations Section 8.1.2.C: "The goods or services will be acquired using a standard United States General Services Administration Agreement or a State of California, Department of General Services Master Services Agreement, Multiple Award Schedule, Master Rental Agreement, or other such agreement which establishes a list of pre-qualified bidders who have agreed to contract terms and prices."

Regulations section 8.6.2, because the estimated value exceeds \$250,000; and

WHEREAS, the Lottery recommends that the Commission approve renewing the Adobe Campaign Standard subscription service. The total contract amount is \$424,772.00 with a term date of March 1, 2025 through February 28, 2026.

NOW, THEREFORE, the Lottery Commission of the State of California does

RESOLVE as follows:

1. The Adobe Campaign Standard renewal agreement with Allied Network Solutions, Inc. is approved. The agreement will be for a term of one year, with a maximum authorized agreement expenditure of \$424,772.00.

APPROVAL RECOMMENDED

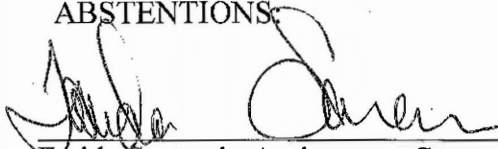
  
 Chris Lopez, Acting Deputy Director of ITSD

INTRODUCED AND PASSED: January 23, 2025

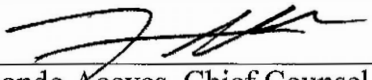
AYES: *K. Mills, T. Awidrez, A. Rasouli*  
 NOES: *A. Garrison-Engbrecht*

ABSENT:

ABSTENTIONS:

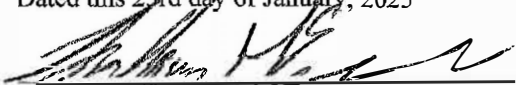
  
 Farida Sarwari, Assistant to Commission

APPROVED AS TO FORM AND PROCEDURE:

  
 Fernando Aceves, Chief Counsel

THIS IS TO CERTIFY that the foregoing Resolution was duly passed by the California State Lottery Commission at its meeting regularly called and held on 23<sup>rd</sup> day of January, 2025, in the City of Sacramento, California, and that the foregoing is a full and correct copy of the original Resolution.

Dated this 23<sup>rd</sup> day of January, 2025

  
 Anthony Garrison-Engbrecht, Commissioner  
 CALIFORNIA STATE LOTTERY COMMISSION

Resolution No. 2025-OPS-001  
Resolution of the Lottery Commission  
of the State of California to  
Ratify Amendment to Add Funds to LPAS, Inc. Agreement to  
Support Architectural and Engineering Services

WHEREAS, the Lottery Commission of the State of California operates and administers the California Lottery in conformance with the California State Lottery Act; and

WHEREAS, on March 16, 2023, the Lottery entered into Agreement 100597 with LPAS for architectural and engineering services, for the term of March 21, 2023, to November 14, 2024, with options to extend for two (2) additional one (1) year periods; and

WHEREAS, the Agreement was a Non-Competitive solicitation, because LPAS was the Lottery's Architect of Record (AOR) for three (3) pending high profile facilities projects under a former Agreement (50008), which expired on March 20, 2023. Keeping the same AOR was necessary to ensure the integrity of the permitted drawings, to protect the Lottery's financial investment in the design work, and to maintain professional liability insurance protection through the completion of these projects; and

WHEREAS, the scope of Agreement 100597 included construction administration and observation services for the Lottery Headquarters Perimeter Security Fence, the NDC Remodel Project, and the Richmond District Office (RDO) Remodel Project. The maximum amount of the Agreement was \$242,053.15; and

WHEREAS, on December 15, 2023, the Lottery executed Amendment 1 to the Agreement. This amendment added services to address fire sprinkler work required by the State Fire Marshal (SFM) at the RDO. It included \$5,402 for completion of the work, bringing the maximum amount payable to \$247,455.15; and

WHEREAS, on October 29, 2024, the Lottery executed Amendment 2, which exercised the first one-year option, extending the contract term through November 14, 2025. The purpose of this extension was to address unexpected issues identified by the SFM during its October 2024 inspection of the NDC; and

WHEREAS, the SFM inspected the NDC in October of 2024, in connection with the NDC Remodel Project, and identified multiple fire life safety issues that will need to be addressed. These include items such as additional interior and exterior exit lighting and signage; a commodities report to ensure the proper fire suppression systems are in place; reinstallation of the drop ceiling; and installation of additional lighting in the old pick and pack area. None of these issues were previously identified by the Project's Inspector of Record or the SFM in its prior visits; and

WHEREAS, the NDC Remodel project, which was projected to be completed by the end of October 2024, will not be signed off by the SFM until the fire life safety issues are resolved. If these issues are not resolved, the SFM could shut down the building and its operations, which would severely impact the Lottery's ability to distribute products and provide supplemental funding to education; and

WHEREAS, additional architectural and engineering work is required to address these issues. LPAS proposed an amended Task Order to complete this additional design and reporting work, at a not-to-exceed cost of \$38,556. Since this amount exceeds the current funding allocated to the contract, the Operations Division initiated Amendment 3 to add \$42,411.60, bringing the maximum contract amount to \$289,866.75. This amendment includes \$38,556 for performance of the amended Task Order, plus a 10% contingency in the amount of \$3,855.60 for any unforeseen circumstances related to this work. A scope revision is also included to allow for the performance of this work; and

WHEREAS, to minimize cost and delay in connection with the NDC Remodel Project, it was necessary to begin work under the amended Contract and Task Order prior to the January Commission meeting. Therefore, the Director executed Amendment 3 in December 2024, as permitted under Lottery Regulation 8.6.6.A. The Director is now requesting that the Commission ratify the Amendment, pursuant to Lottery Regulations; and

WHEREAS, we note that it is currently anticipated that a future amendment to add funds will be needed to support additional work related to the NDC's fire suppression system. The specifics of this work are yet to be determined, as the necessity and type of fire suppression system required will be determined by a commodities classification study. This study is required for fulfillment of the SFM's commodities report requirement referenced above and is included in the amended Task Order.


WHEREAS, the Operations Division recommends ratification of Amendment 3 to Agreement 100597, adding funds in the amount of \$42,411.60 and bringing the total maximum agreement amount to \$289,866.75.

NOW, THEREFORE, the Lottery Commission of the State of California does

RESOLVE as follows:

1. The Amendment to Agreement 100597 is approved adding additional funding in the amount of \$42,411.60. This brings the total maximum agreement amount to \$289,866.75.

APPROVAL RECOMMENDED

  
Jean Cooper, Deputy Director, Operations Division

INTRODUCED AND PASSED: January 23, 2025

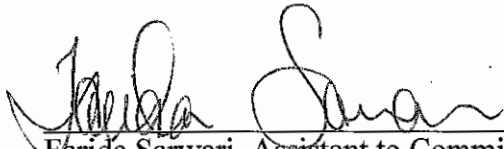
AYES: K. Mills, T. Alvidrez, A. Rasouli  
A. Garrison-Engbrecht

NOES:

ABSENT:

ABSTENTIONS:



  
Farida Sarwari, Assistant to Commission

APPROVED AS TO FORM AND PROCEDURE:

  
Fernando Aceves, Chief Counsel

THIS IS TO CERTIFY that the foregoing Resolution was duly passed by the California State Lottery Commission at its meeting regularly called and held on 23<sup>rd</sup> day of January, 2025, in the City of Sacramento, California, and that the foregoing is a full and correct copy of the original Resolution.

Dated this 23<sup>rd</sup> day of January, 2025.

  
Anthony Garrison-Engbrecht, Commissioner  
CALIFORNIA STATE LOTTERY COMMISSION