

## COMMISSION AGENDA ITEM

### Item 9(c) – Silver Star Movers, Inc. Contract Extension



**Date:** June 16, 2026

**To:** California State Lottery Commission

**From:** Harjinder K. Shergill Chima, Director - *HKC*

**Prepared by:** Sharon Allen, Deputy Director, Sales & Marketing Division

**Subject:** **Item 9(c) – Silver Star Movers, Inc. Contract Extension**

### **ISSUE**

The California State Lottery seeks Commission approval for a one-year extension to its contract with Silver Star Movers, Inc. (Silver Star), to provide designated bulk delivery services of Scratchers® tickets and Point-of-Sale (POS) items between the Southern Distribution Center (SDC) and the five Southern District Offices (DO). The current contract is set to expire on September 14, 2026.

### **BACKGROUND**

The California State Lottery Commission (Commission) approved a purchase order agreement with Silver Star for a three-year term from September 15, 2022, through September 14, 2025, with an initial expenditure authority of \$422,000, and the option for two one-year extensions. Last year, the Lottery exercised the first option extending the contract to September 14, 2026.

Silver Star is responsible for shipping Scratchers and POS items to and from the Lottery's SDC and its five Southern DOs, which support over 8,900 retailers. Shipments are arranged on an as-needed basis, and the number of pallets delivered to a DO on each shipment varies depending on the sales volume and campaign needs for the retailers supported by the receiving DO. Each shipment can weigh up to 10,000 pounds.

Exercising the second one-year extension option ensures continued delivery services with Silver Star until September 14, 2027.

### **DISCUSSION**

This contract has allowed the Lottery to successfully ship Scratchers and POS materials between the Southern DOs timely and has ensured the Lottery had a consistent pricing structure. Over the past four years, the Lottery has shipped over 600 bulk carrier loads with Silver Star and they have been responsive and timely with scheduling and deliveries.

While the Lottery could go out to bid for these services, it is not necessary when there is a capable

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vendor in place and an option to extend the contract. Exercising the second one-year extension will enable the Lottery to maximize sales opportunities in Southern California by ensuring the DOs have adequate inventory of Scratchers and POS to meet the needs of their retailers.

Staff estimates approximately \$84,400 of the current contract expenditure authority will be remaining for the current term. Based on current shipment volume and the forecasted number of shipments needed during the proposed one-year extension, an additional \$72,000 is required for the additional year.

#### **RECOMMENDATION**

Lottery staff recommend the Commission approve a one-year extension to the Silver Star Movers, Inc. contract, extending the term through September 14, 2027, and an increase in expenditure authority of \$72,000, bringing the maximum expenditure authority to \$494,000.