

COMMISSION AGENDA ITEM

Item 8(b) – Adobe Enterprise Term License Agreement Renewal



Date: March 27, 2025

To: California State Lottery Commission

From: Harjinder K. Shergill Chima *HKC*
Director

Prepared By: Chris Lopez, Acting Deputy Director
Information Technology Services Division

Subject: **Item 8(b) – Adobe Enterprise Term License Agreement Renewal**

ISSUE

The California State Lottery (Lottery) seeks Commission approval to renew the subscription services agreement for its Adobe Enterprise Term License Agreement (ETLA). The total agreement amount is \$514,365.00 with a term date of April 11, 2025, through April 10, 2027.

BACKGROUND

The Lottery currently utilizes an Adobe ETLA agreement that includes the following software products:

- Adobe Acrobat Pro, which provides licensed Lottery users the ability to create, edit, digitally sign, and merge PDF documents.
- Creative Cloud Pro Suite, which provides access to Adobe Lightroom, Illustrator, Photoshop, InDesign, and other multi-media editing and publishing tools.
- Adobe Stock Enterprise, which provides a stock photo service that is integrated into the Creative Cloud Pro Suite tools. It provides a seamless workflow for content creators and publishers to browse, test, edit, and use professional stock photos within their work products.
- Frame.io, which provides secure cloud video storage and editing capabilities to the Lottery's Video Production team.

The Adobe ETLA agreement provides software licenses as well as essential software updates and support services for the Lottery's Adobe software products. The ETLA's comprehensive support program has 24x7x365 service, with priority third-tier support for IT Administrators and a 30-minute Service Level Agreement for priority-one issues via phone and Adobe Connect.

DISCUSSION

Continuing the Adobe ETLA is essential to conducting Lottery business. This agreement includes Adobe Acrobat Pro, Adobe Creative Cloud Pro Suite, Adobe Stock Enterprise, and Frame.io. These software products deliver several benefits to Lottery users such as the ability to edit and create PDF documents, access to stock photo images, and develop robust, multimedia-rich

COMMISSION AGENDA ITEM

Item 8(b) – Adobe Enterprise Term License Agreement Renewal

documents and content. Adobe Frame.io directly supports the Video Production team by providing secure cloud storage optimized for storing large video files. Frame.io also provides robust video editing capabilities and workflows.

Continued growth and expansion of Lottery business operations has resulted in a corresponding growth in Adobe licenses. This increase in licensing requirements has led to higher annual costs, which have now surpassed the threshold that mandates approval from the Commission. Given these circumstances, we are requesting a two-year agreement. This approach will not only help us lock in favorable rates for a longer period but also streamline operations by reducing the administrative burden of processing a new agreement every year. By doing so, the Lottery can ensure smoother operations, better financial planning, and more efficient use of resources.

The Adobe ETLA subscription is an investment that supports the development of engaging multi-media content and operational efficiencies through the use of Adobe forms and documents. If the Lottery did not renew this subscription service, Lottery staff utilizing the Adobe software products included in this ETLA would not be able to perform their daily activities in support of the Lottery's mission.

The Lottery's formal competitive procedures do not apply to this procurement, pursuant to the exception set forth in Lottery Regulations Section 8.1.2.C as follows:

“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.”

The Lottery utilized a leveraged procurement agreement, requesting 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). The lowest bid was submitted by Allied Network Solutions Inc.

RECOMMENDATION

The Lottery recommends that the Commission approve renewing the Adobe ETLA agreement. The total contract amount is \$514,365.00 with a term date of April 11, 2025, through April 10, 2027.