

COMMISSION AGENDA ITEM

Item 9(e) – ServiceNow Renewal



Date: March 26, 2026

To: California State Lottery Commission

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

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Subject: Item 9(e) – ServiceNow Renewal

ISSUE

The California State Lottery (Lottery) seeks Commission approval to renew the subscription services for ServiceNow for a two-year term. The total agreement amount is \$1,726,508.65, with a term date of May 30, 2026, through May 29, 2028.

BACKGROUND

ServiceNow is an essential tool used to automate and digitize services provided by multiple divisions across the Lottery, including Information Technology Services Division (ITSD), Public Affairs & Communications (PAC), Security & Law Enforcement Division (SLED), and Human Resources Division (HRD). ITSD services and processes are documented and tracked through the ServiceNow platform, making it a cornerstone of information technology (IT) service delivery and technology operations. In addition, essential business services such as asset management, background check requests, Public Records Act (PRA) requests, and Human Resources Service Center (HRSC) related processes have been automated and digitized using the ServiceNow platform.

Since the last renewal, ServiceNow continues to serve as the platform used to request, deliver, and track critical information technology and business services. ServiceNow promotes efficiency through process automation, centralization of data and information, improved customer satisfaction, and expedited incident resolution. ServiceNow's flexibility and low-code capabilities offer opportunities to address a wide array of business needs without the need to purchase additional products or incur administrative overhead. Its ability to integrate easily with other Lottery systems ensures maximum return on investment for ServiceNow and other products in the Lottery's IT portfolio.

DISCUSSION

ServiceNow represents a key driver in promoting efficiency through automation. It is an essential platform used to deliver high-quality IT and business services for the Lottery while also providing a valuable platform that promotes continual improvement through business process automation. The Lottery's renewal of the ServiceNow software subscription would ensure the continued use

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and availability of these critical services. It would also promote efficiency through process automation, centralization of data and information, improved customer satisfaction, and expedited incident resolution.

The proposed renewal of the ServiceNow software subscription covers all current licensing needs for ITSD, SLED, PAC, and HRD business processes and users that rely on ServiceNow, and supports the Lottery's strategic commitment to improving Lottery operations. This renewal also accounts for moderate licensing expansion over the next two years.

If ServiceNow is not renewed, the Lottery would not have a platform capable of meeting its operational needs and would have to fall back on manual processes or a patch work of ill-fitting systems to compensate. This would severely hinder the Lottery's ability to keep up with growing business demands, improve operational efficiencies, and reduce operating costs, which would negatively impact the Lottery's ability to fulfill its Mission of providing supplemental funding to public education.

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 offers from multiple resellers that participate in the Software Licensing Program administered by the State of California, Department of General Services (SLP-25-70-0393C). The lowest offer was submitted by IntegRhythm LLC.

RECOMMENDATION

The Lottery recommends that the Commission approve renewing the ServiceNow subscription services for a two-year term. The total contract amount is \$1,726,508.65, with a term date of May 30, 2026, through May 29, 2028.