

COMMISSION AGENDA ITEM

Item 8(c) – ServiceNow Human Resources Service Center (HRSC) Implementation Services



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To: California State Lottery Commission

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Director

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Subject: **Item 8(c) – ServiceNow Human Resources
Service Center (HRSC) Implementation
Services**

ISSUE

The California State Lottery (Lottery) seeks Commission approval to enter into a new contract with Lume Consulting Group to obtain Information Technology (IT) consulting services for the implementation of additional ServiceNow Human Resources Service Center (HRSC) features and functionality. The total contract amount is \$3,500,000 for a two-year term beginning June 2025, with two one-year extension options.

BACKGROUND

The Lottery's Human Resources Division (HRD) is delegated by the California Department of Human Resources State Personnel Board, and State Controller's Office to provide accurate and timely Pay and Benefits, Recruitment and Appointment Services, Performance Management Services, Examination, Selection Services, Position Control, Organizational Management Services, Temporary Separation Coordination, and employee Official Personnel File (OPF) services.

Based on findings from market research conducted in Fiscal Year (FY) 2021-22, the Lottery's HRD initiated a major effort to automate and modernize HRD's manual and paper-driven processes. In the first phase of this effort, the Lottery identified and prioritized key HRD processes for potential improvement through automation including Request for Personnel Action (RPA) and various annual employee compliance forms such as Reasonable Accommodation, Ergonomic Evaluation, Onboarding, Separations, and Position Control. Along with the automation of these processes, a new HRSC was developed and implemented to make requesting human resource (HR) services easier for Lottery staff.

In the second phase of this effort, the Lottery will continue to automate HR services with the goal of making more services available through the HRSC including, but not limited to digital OPF, Range Change, Merit Salary Adjustment, Voluntary Personal Leave Program, Time Sheet Submission/Tracking, Temporary Light Duty Assignment, and Outside Employment.

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DISCUSSION

In FY 2024-25, the Lottery's HRD successfully implemented and launched its new HRSC on the ServiceNow platform. With the implementation of the ServiceNow HRSC, HRD has digitized and where appropriate, automated cumbersome manual paper processes such as Position Control; RPA; Position Control and RPA Dashboards; Onboarding; New Hire Portal; Employee Separations; Separations and Onboarding Reports and Dashboards; Manager / Division Dashboards; Administrative Time Off; Establish New Position; Performance Management; Employee Action Request; Ergonomic Evaluation; Leave of Absence; Non-Emergency Workplace Hazard Assessment; Leave Reduction; Reasonable Accommodation; Injury or Illness Reporting (Workers' Compensation); Emergency Salary Advance, HR Profile (Emergency and Personal Contacts); Warrant Designation; Establish New Position; and Performance Management. Better tracking and reporting for HRD has also led to better response times for data requests. Benefits from this effort extend well beyond HRD. Lottery staff now have a single place to go for updates on their submitted tickets and to complete tasks assigned to them. In addition, the new HRSC automation workflows guide users through a given process step-by-step, eliminating the need for staff to look-up and review procedure and process documentation to complete a process, saving staff time across all Divisions. HRSC and the phase one scope of work was delivered by leveraging an implementation services contract. The funds under the current HRSC implementation services contract will be fully expended by July 2025, ending the first phase of this effort.

In the second phase of this project, HRD seeks to realize further efficiency gains through the improvement and automation of additional services. A new implementation services contract is needed to complete the second phase of the project, which includes process analysis, feature prioritization, business requirements definition, development, testing, and training for the implementation of 37 additional automated processes, which will further streamline critical labor-intensive functions.

The continued enhancement of the HRSC will foster transparency by providing necessary operational controls for tracking and reporting while also promoting efficiency through automation. Further refinement of tools, such as the Manager Dashboard, will give the Lottery the ability to provide metrics and tracking information that ensure the Lottery meets prescribed deadlines for HR processes.

The Lottery's formal competitive procedures will 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 by 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 contractors

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that participate in the Technology, Digital and Data Consulting, Master Service Agreement administered by the State of California, Department of General Services (Contract Number 5-22-70-25-187). The best value offer was submitted by Lume Consulting Group.

RECOMMENDATION

The Lottery recommends the Commission approve the IT consulting services contract with Lume Consulting Group to implement additional ServiceNow HRSC features and functionality. The maximum contract amount will be \$3,500,000 for a two-year term beginning in June 2025, with two one-year extension options.