

COMMISSION AGENDA ITEM

Item 8(f) – Silver Star Movers Inc., Bulk Carrier Contract Extension



Date: May 13, 2025

To: California State Lottery Commission

From: Harjinder K. Shergill Chima *HKC*
Director

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Subject: **Item 8(f) – Silver Star Movers Inc., Bulk Carrier Contract Extension**

ISSUE

The California State Lottery (Lottery) contracts with Silver Star Movers, Inc. (Silver Star) to provide designated bulk delivery services for Scratchers® tickets and Point-of-Sale (POS) items in Southern California. The current contract is set to expire on September 14, 2025.

BACKGROUND

The Lottery currently contracts with Silver Star for shipping Scratchers and point-of-sale (POS) items to and from the Lottery's Southern Distribution Center (SDC) and its five Southern California District Offices (DO), which support over 12,700 retailers. The three-year contract runs through September 14, 2025, and includes two one- year options to extend the term.

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.

DISCUSSION

This contract has allowed the Lottery to successfully ship Scratchers and POS materials to and from the Southern DOs timely and has ensured the Lottery had a consistent pricing structure over the past three years. The Lottery has shipped over 420 bulk carrier loads with Silver Star over the past three years. They have performed well against the scope of work and 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 vendor in place and an option to extend the contract. Exercising a 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 that the current remaining expenditure authority of \$231,000 is sufficient to cover the proposed one-year extension period.

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RECOMMENDATION

Lottery staff recommends the Commission approve a one-year extension to the Silver Star Movers Inc. designated bulk delivery services contract, extending the term through September 14, 2026. The expenditure authority will remain at \$422,000.