



# MEMORANDUM

**To:** California State Lottery Commission      **Date:** August 9, 2006

**From:** Joan M. Borucki  
Acting Director

**Prepared by:** Jim Hasegawa, Director  
Marketing Division

**Subject:** Item 9(c) - Approval of Amendment to Jonathan Goodson  
Productions Contract for The Big Spin® Production Services

## **ISSUE**

Should the California State Lottery Commission (Commission) approve amendments to the Jonathan Goodson Productions (Goodson) contract to extend for one additional year and increase the contract expenditure authority for The Big Spin® production services?

## **RECOMMENDATION**

California State Lottery (Lottery) staff recommends that the Commission approve the term extension and the additional funding to the contract to continue the production of The Big Spin.

## **BACKGROUND**

The Big Spin is a weekly television show that has been part of the Lottery since it started in 1985. The most recent competitive procurement process was conducted in 2002 and resulted in a contract award to Goodson. During that Request for Proposal (RFP), nine companies submitted proposals with four bidders advancing to the Finalist Competition. Goodson scored the highest overall across all criteria and offered the lowest cost proposal among the eligible bidders.

Goodson is responsible for writing, directing and taping the television show as well as obtaining the production facilities, equipment and staff. Goodson has consistently received good marks in its annual review and has been very responsive to the Lottery's needs.

The Goodson contract expires on December 31, 2006.

## **DISCUSSION**

The contract has not yet been extended nor have funds been added to the original expenditure authority. This contract has two extension options with each being for one year. Staff recommends exercising one of these options at this time. In addition, to cover this year of service, staff is requesting the contract's expenditure authority be increased by \$2.5 million.

As part of this extension, the Lottery asked Goodson for costs on an alternative production schedule. The contract currently has two cost options - producing four television shows on one day and producing three shows in a single day. As part of the extension year, the Lottery would have the additional option to produce five shows on one day over the course of eight sessions and produce four shows on one day for the remaining three sessions. With this scenario, there would be just 11 production days during a year compared to the 13 days currently used. This option would result in a cost savings of about \$100,000 compared to the current contract costs for 13 production days.

Upon approval of this extension, the new expiration date will be December 31, 2007. The total expenditure authority of the Goodson contract will increase from \$10,000,000 to \$12,500,000 to cover the additional year. By spring 2007, staff will revisit this issue and recommend either to issue an RFP for a new contract or to exercise the final extension option.