



MEMORANDUM

To: California State Lottery Commission **Date:** August 15, 2007

From: Joan M. Borucki
Director

Prepared By: Jim Hasegawa, Deputy Director
Marketing Division

Subject: Item 9(b) - Approval of Contract Amendment to Extend Term and to Add Funds for The Big Spin[®] TV Show Production

ISSUE

Should the California State Lottery Commission (Commission) approve a one-year extension and add funds to the contract with Jonathan Goodson Productions (Goodson) for the continued production of The Big Spin[®] show?

RECOMMENDATION

Staff recommends that the Commission approve the extension of the Goodson contract for one year under the same terms and conditions to continue production of The Big Spin[®] show while staff develops a new solicitation. The one-year term extension includes the addition of \$2,500,000 bringing the total expenditure authority for this contract to \$15,000,000.

BACKGROUND

Jonathan Goodson Productions provides broadcast television production services for The Big Spin[®] television show, such as technical staffing, studio space, studio equipment, talent, closed captioning, and transportation and accommodations for contestants scheduled to appear on The Big Spin[®].

As the result of a formal competitive solicitation, Goodson was awarded a three-year contract in 2003, with 2 one-year extension options, to provide television production services for The Big Spin[®] with a total contract expenditure authority of \$10,000,000. In 2006, the California State Lottery (Lottery) exercised one of the extension options

and extended the Goodson contract for one year through 2007 and added \$2,500,000 bringing the total contract authority to \$12,500,000.

DISCUSSION

As discussed in the 2007-2010 Business Plan that was presented to the Commission on June 27, 2007, findings of the recent Brand Audit determined that The Big Spin[®] has a lot of equity with high recognition. The prospect of being on television is very appealing and relevant to today's consumer market. The TV show has great potential to create a more positive image and momentum for the brand by providing a communication vehicle that few businesses enjoy.

With that in mind, contemporizing the show and leveraging it to reinforce the new brand image of the Lottery furthers our strategic objectives. A formal solicitation will be issued in Fall 2007 for a new contract to be awarded in 2008 for creative development and production of a new Big Spin[®] TV show. The extension of the current Goodson contract is being requested to give staff the necessary time needed to develop, circulate, and evaluate the formal solicitation to award a new contract. The additional funding requested is to cover production expenditures during the term extension.

The extended term of the Goodson contract amendment is from January 1, 2008 through December 31, 2008. The funding requested for an additional \$2,500,000 will bring the total contract authority from \$12,500,000 to \$15,000,000.