



M E M O R A N D U M

Date: September 3, 2009

To: California State Lottery Commission

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Director

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Subject: Item 9(b) - Extend Term and Add Funds to Lowbidder Electrical Contract

ISSUE

Should the California State Lottery Commission (Commission) ratify the execution of an amendment to the Lowbidder Electrical contract to extend the term for one additional year and to add \$75,000 in additional funds for electrical services?

RECOMMENDATION

The California State Lottery (Lottery) staff recommends that the Commission ratify execution of the amendment to the Lowbidder Electrical contract to extend the term for one additional year and to add \$75,000 in additional funds for electrical services, bringing the total expenditure authority to \$385,000.

BACKGROUND

In 2005, as the result of a formal, competitive solicitation, the Lottery awarded a three-year contract to Lowbidder Electrical for electrical services for the Lottery's Headquarters Complex. Expenditure authority was \$210,000. The contract expired on August 31, 2008. A one-year amendment was processed in January 2008 to extend the term, increase funds \$100,000 (total expenditure \$310,000) and include service to all Lottery-owned buildings. The amendment is set to expire August 31, 2009. There is, however, a one-year extension capability remaining in the existing contract.

DISCUSSION

Lowbidder Electrical provides electrical work and related equipment services on an as-needed basis at Lottery-owned buildings. Its services have included wiring for reasonable accommodation dedicated circuits, television cable wiring, rerouting of electrical wiring and fuses to prevent power surges, replacement of parking lot lamps and electrical wiring for modular furniture.

The original contract term was for three years, with two one-year extension options. The contract was set to expire on August 31, 2009. This amendment had been scheduled for approval at Commission meetings set for July and August that were postponed. Because the services provided by the contract needed to be continuously available, staff executed an amendment to extend the term and add funds as authorized by the Lottery's Competitive Bidding Procedures. Ratification of the amendment is now needed by the Commission. The original three-year contract and subsequent amendment allows for expenditures of \$310,000. The approved amendment extended the term and increased funds, bringing the new expiration date of the Lowbidder Electrical contract to August 31, 2010 with a total expenditure authority of \$385,000.