



M E M O R A N D U M

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**Date:** April 14, 2010

**To:** California State Lottery Commission

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Director

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**Subject:** Item 9(d): Contract for Public Website Design, Development  
and Hosting Services

**ISSUE**

Should the California State Lottery Commission (Commission) approve a contract with SolutionSet for assistance in designing, developing, implementing and hosting a new public website that will provide the California State Lottery (Lottery) the ability to create new player experiences through personalized content, interactive games, rewards programs, improved electronic communications and centralized access to the Lottery's public services and information?

**RECOMMENDATION**

Staff recommends that the Commission approve the award of a three (3) year contract, with the option to extend for up to four (4) one-year terms, with SolutionSet for assistance in designing, developing, implementing and hosting a new public website with a total expenditure authority not to exceed \$8 million.

**BACKGROUND**

The Public Website (PWS) Redesign Project is a major initiative in the Lottery's FY09-10 Business Plan. The execution of the project for a new PWS began in 2009

when the Lottery, with the assistance of industry consultants, detailed the Lottery's website needs, assessed existing systems and resources, and identified needed outsourcing capabilities. From that, a prioritized roadmap was developed for implementing a new PWS, including the appropriate Request for Proposal (RFP) language, as well as the addition of staff to develop and manage the operations of a new Online Marketing Program.

One of the key components of the PWS Redesign Project is to implement an Online Marketing Program to develop specific web-based programs and initiatives that: provide a sense of community, improve the Lottery's image, motivate visitors to play Lottery games, increase player loyalty and drive sales to retailers to generate incremental profits for public education.

Successful implementation of an Online Marketing Program requires expanding the functionality currently offered in the Lottery's existing website and continually adding functionality over time to meet the wants of Lottery players. In addition, generating additional public usage of the expanded functionality entails a new inviting, intuitive navigation system for ease of use, favorable responses, and the ability for timely relevant messaging. The current public website was developed primarily for providing static information to the Lottery's players and the public alike and does not possess the underlying architecture to offer an interactive experience.

Due to the specialized skills needed to design, develop, implement and host a new PWS, the Lottery needs the assistance and guidance from an experienced team of consultants. The consultants will recommend a proven technology-based approach used on previous successful website projects and will provide knowledge transfer to Lottery staff so that on-going content management for the site may be performed by the Lottery.

The envisioned new PWS will be designed, developed and implemented by the chosen vendor and then hosted by a Tier 1 facility with monitoring and troubleshooting capabilities. In addition, the project will define and implement content governance processes such as authorship, editors and publishers, which are essential to ensuring the long-term success of a current, fresh and living entity. Successful implementation of a new PWS will deliver benefits such as an increase in player registrations, increased player visitations and length of stay, and a greater affinity toward the Lottery.

With the planning complete and the roadmap defined, the next step is to design, develop, and implement the new PWS. Implementation of the new PWS will be accomplished using a project plan phased approach. The phases include discovery, architecture, design, development and finally deployment.

## **DISCUSSION**

On September 22, 2009, RFP #4232 was posted on the Lottery public website, a letter of notification was e-mailed and mailed via regular US Postal Service to 120 potential vendors from the Lottery's Contract and Procurement Services Section database and a list of bidders provided by the Information Technology Services Department (ITSD). In addition, the final RFP was advertised in the Small Business Exchange, Challenge News, Disabled Veteran Voice, Bid Sync, and the Website Magazine.

A total of sixteen (16) agencies submitted proposals which were received by the deadline of 3:00pm PST on November 10, 2009. Evaluation of the proposals involved a two-phase process. Phase I consisted of the Mandatory Submittals Review and the Rated Submittals Evaluation and Phase II the Rated Finalist Demonstrations. All portions not identified as pass/fail were evaluated using ratings of Superior, Significantly Exceeds, Exceeds, Meets, Meets with Exception, and Does Not Meet.

All sixteen bidders passed the Mandatory Submittals and advanced to the Rated Submittals. The Rated Submittals included Bidder's Information; Proposed Technical Solution; Proposed Design, Development and Implementation Approach; Proposed Management Approach and Price Sheet. As a result of the Rated Submittals, four (4) bidders advanced to the Finalist Demonstrations with overall ratings of "Significantly Exceeds."

During February/March 2010, the Finalist Demonstrations were completed with the four (4) bidders. As a result of the entire evaluation process, staff believes the proposal submitted by SolutionSet provides the overall "best value" for the Lottery.

SolutionSet achieved a rating of "Significantly Exceeds" for the Rated Submittals portion of the evaluation process. They proposed a solid implementation approach and presented a project team that has the depth and breadth with respect to site development and a broad creative range in the delivery of public websites of similar size, scope, and complexity. SolutionSet was the only finalist to receive a rating of "Superior" for the Finalist Demonstration process. Their demonstration was very thorough and comprehensive. They clearly demonstrated they have the technical knowledge and experience to successfully implement the Lottery's new PWS.

The contract will be for three (3) years with a total contract expenditure authority not to exceed \$8 million. The contract is not a guaranteed amount, but a maximum amount to be used for actual expenses on an as-needed basis. The Lottery may unilaterally extend the term of the contract under the same terms and conditions, for up to four (4) one-year terms.