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*NEWS RELEASE*

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*Department of General Services - Ron Joseph, Director*

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**STATE LAUNCHES OPEN SOLICITATION FOR  
TELECOMMUNICATIONS SERVICES**

***California Seeks Bidders for Multi-Year Contract To Provide Voice and Data Services  
to State and Local Governments***

**WEST SACRAMENTO** – Underlining California’s commitment to fair and open competition for government contracts, the Department of General Services (DGS) announced today that it is seeking bids to operate CALNET, the telecommunications network for state and local government agencies.

“An open, competitive process is the best way to ensure that California taxpayers receive accountability from the government,” said Fred Aguiar, Secretary of the State and Consumer Services Agency, which oversees DGS. “We want to let the sun shine in and conduct this process in a transparent manner, so everyone can have confidence that vendors are getting the opportunity to offer taxpayers their best deal.”

CALNET is a contract for voice and data communications service by DGS that provides the state and more than 2,000 local government agencies with communications services at discounted rates that are significantly below market prices.

The original CALNET contract, worth roughly \$300 million per year, was awarded in December 1998. The new contract, which is called CALNET II, is expected to be awarded in December 2005. It will be a five-year contract with two optional one-year extensions.

The request for proposal (RFP) for CALNET II was released today. It has been thoroughly vetted by a team of technical experts with experience in complex technology transactions. The state took the extra step of hiring outside experts to assist its own staff and ensure the RFP was structured to obtain the best value for the state.

Currently, the state receives communications service from a partnership between SBC (formerly Pacific Bell) and MCI. State government agencies under the executive branch of government receive communications service through CALNET, and many other state and local agencies participate voluntarily. In fact, more than half the business done through CALNET involves local agencies.

“Fair and open competition is important to getting the best price not just for the state, but also for our local government partners, including school districts,” said DGS Director Ron Joseph. “We are looking forward to working with all the bidders to find the best value available in the marketplace.”

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