



NEWS RELEASE

Department of General Services - Ron Joseph, Director

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**STRATEGIC SOURCING SAVES ANOTHER
\$1.1 MILLION FOR CALIFORNIA TAXPAYERS**

State Awards Second Round of Planned Contracts under Strategic Sourcing Initiative

WEST SACRAMENTO - The California Strategic Sourcing Initiative scored its second victory Wednesday, by negotiating with car dealers to drop their prices for pursuit vehicles used by state and local public-safety agencies.

The new one-year contracts, awarded Wednesday to Folsom Lake Ford and Coalinga Motors, are projected to save state and local agencies a combined \$1.1 million over the coming year.

"These new competitively bid contracts save money for the taxpayers and allow local governments to share in those savings," Aguiar said. "That's a win in my book."

The California Strategic Sourcing Initiative is an effort to improve the state's procurement system and get better values on goods and services the state is already buying. In strategic sourcing, the organization conducts a detailed analysis of its purchasing patterns, the market conditions and the available suppliers. Then it uses that information-plus new technologies and innovative contracting techniques-to find the best values available in the marketplace.

The two-part process held by DGS included an online "reverse auction" using an interactive computer system to allow for real time bidding. The second part of the process included negotiations with all of the dealers, which resulted in further price reductions.

"Buying a new car is never simple, and buying more than a thousand of them is even more complicated," said Aguiar. "Our team drove a hard bargain with the car dealers and, in the end, saved more than a million dollars for law-enforcement agencies all across the state."

The new contracts call for the state to pay \$21,465 for new Ford Crown Victorias and \$16,859 for new Chevrolet Impalas. The Crown Victoria is used by the California Highway Patrol, which hasn't paid a price this low for new pursuit vehicles since 1997.

The Department of General Services is leading the California Strategic Sourcing Initiative with the support of fellow state agencies and consulting firms under contract to the state.

"Last summer, the state embarked on this process with open, competitive bidding to select its strategic

sourcing consultant and a contract that ensures the consultant only gets paid if the state saves money," said Director Ron Joseph. "We're now starting to see the fruits of that effort, and we look forward to even greater successes in the months ahead."