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*Department of General Services - Ron Joseph, Director*

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**CALIFORNIA AWARDS STATEWIDE CONTRACTS FOR  
COMPUTER HARDWARE TO HP, IBM, GATEWAY AND OTHERS**

***New Contracts for IT Goods Projected to Save \$40 Million Over Two Years***

**WEST SACRAMENTO** - The State has awarded seven statewide contracts for computer hardware worth a projected \$116 million, the Department of General Services announced today.

The competitively bid statewide contracts, reached through the California Strategic Sourcing Initiative, are expected to yield savings of approximately \$40 million over two years. Average price reductions range from 15 percent on peripherals to more than 46 percent on printers.

"These contracts represent a major victory for the taxpayers of California," said DGS Director Ron Joseph. "By pursuing best value from top manufacturers, we have obtained major price reductions on the same brand-name computer equipment used in businesses across America."

The contracts mark the first time the State has developed common configurations for computer equipment. As a result, the State has been able to leverage its enormous purchasing power to get better prices and better values on what it buys.

"We don't need scores of different models and configurations of desktop computers," said Fred Aguiar, Secretary of the State and Consumer Services Agency, which oversees DGS. "By switching to a handful of basic, off-the-shelf computer models, we can buy in bulk and drive down prices."

The open, competitive bidding process was run using a "best value" approach. Sixty percent of bidders' scores were based on price, while 40 percent were based on technical and administrative requirements, such as service levels and customer references. The goal was to award based not just on purchase price, but on a combination of factors that reflect total cost of ownership.

Contracts for desktop computers, worth an estimated \$53 million combined over two years, were awarded to the team of Palo Alto-based Hewlett-Packard, Sacramento-based Western Blue and Tempe, Ariz.-based Insight Enterprises and to Irvine-based Gateway.

Contracts for notebook computers, worth an estimated \$22 million combined over two years, were awarded to Armonk, N.Y.-based IBM and Gateway.

The HP-Western Blue-Insight team won the contracts for printers and peripherals, worth an estimated \$8 million and \$25 million, respectively. Gateway won the contract for monitors, worth an estimated

\$9 million.

Gateway and the HP-Western Blue-Insight team both agreed to meet or exceed the State's goals for small business and disabled veteran business enterprise (DVBE) participation. Both will subcontract at least 25 percent of the work to small businesses and at least 3 percent to DVBEs, greatly increasing small business and DVBE participation in State contracting for computer goods.

"There were many fine proposals," said DGS Director Ron Joseph, "but these represent the best of the best-contracts that offer the strongest combination of low prices, outstanding service and progress on our socioeconomic goals."