



NEWS RELEASE

Department of General Services - Ron Joseph, Director

DATE: July 25, 2005

CONTACT:

Matt Bender (916) 376-5038

FOR RELEASE: IMMEDIATE
NUMBER:

INTERNET: www.dgs.ca.gov

**CALIFORNIA AWARDS STATEWIDE PHOTOCOPIER CONTRACT TO SHARP,
SAVING MORE THAN \$25 MILLION**

Contract Will Save State 40 Percent Off Previous Spending on Photocopiers

SACRAMENTO The State has awarded a contract for photocopiers with an estimated value exceeding \$36 million to Sharp Corp., the Department of General Services announced today.

The new, three-year contract, reached through the California Strategic Sourcing Initiative, is expected to save the State more than \$25 million, or about 40 percent of what it previously paid for comparable equipment. It includes standards for timely service and copier performance, along with a five-year warranty measures designed to obtain the lowest total cost of ownership.

This represents the latest success in our efforts to drive down the cost of government, said Fred Aguiar, Secretary of the State and Consumer Services Agency, which oversees DGS. The State doesn't need scores of different contracts with different vendors. By combining all our purchases to seek better pricing through a single competitively bid contract, we can increase efficiency and get lower prices.

The State sought bids for three different regions of the State. Sharp was the highest-scoring bidder in all three regions, so the State has awarded a single statewide contract. The three-year contract includes two optional one-year extensions and covers digital black-and-white copiers, the type most commonly used in State government.

The contract will be used by all Executive Branch departments. Other branches of government, constitutional officers, state universities and local governments can also take advantage of the contract.

The contract calls for pricing to remain constant as existing copier models are replaced with newer versions. This will allow the State to get the benefit of new technologies as they reach the market while continuing to enjoy the tremendous discounts it has obtained.

We recognized early on that photocopiers were an ideal category for strategic sourcing, said DGS Director Ron Joseph. There is tremendous competition in the marketplace, with many vendors offering similar products and services.

By offering vendors the opportunity to win all the State's business, we allowed them to take

advantage of efficiencies of scale, and we gave them a strong incentive to offer the best prices, best service packages and lowest total cost of ownership, Joseph said. The results speak for themselves, and for the power of strategic sourcing to benefit the State of California.

- ### -