



NEWS RELEASE

Department of General Services - Ron Joseph, Director

DATE: September 20, 2005

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FOR RELEASE: IMMEDIATE

NUMBER:

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**STRATEGIC SOURCING INITIATIVE HELPS STATE SAVE
MORE THAN \$4.5 MILLION ON UNIX-BASED SERVERS**

New Contracts with GovStor, IBM, SAIC, Western Blue, STA Offer Price Reductions

SACRAMENTO - The State of California plans to award statewide contracts for Unix-based servers that are projected to save taxpayers more than \$4.5 million over the next three years, the Department of General Services announced today.

The three-year contracts, reached through the California Strategic Sourcing Initiative, offer discounts of 3 percent to 20 percent off the average prices previously paid by the State for comparable equipment.

"This represents the latest in a string of successes for strategic sourcing," said Fred Aguiar, Secretary of the State and Consumer Services Agency. "By modernizing the State's procurement system, we are getting better values for the taxpayers' hard-earned dollars."

The competitively bid contracts cover Unix-based enterprise-level servers. These are high-capacity computer servers used by large data-processing centers. In order to ensure that departments can select equipment that is compatible with their existing systems, the State is awarding contracts for servers manufactured by IBM, Sun and Hewlett-Packard. Both manufacturers and resellers were allowed to bid.

The winning bidder for Sun-manufactured servers was West Sacramento-based GovStor, a certified California small business. The contract has an estimated value of more than \$15 million.

The winning bidder for IBM-manufactured servers was IBM. The contract has an estimated value of more than \$22 million.

The two winning bidders for Hewlett-Packard-manufactured servers were San Diego-based Science Applications International Corp. and the team of Sacramento-based Western Blue and Tustin-based Systems Technology Associates. The two contracts have a combined value estimated to be more than \$1.3 million.

The contracts were awarded based on a formula that is based 60 percent on cost and 40 percent on business and technical requirements, including maintenance plans, service escalation plans, installation and data migration services, training programs, environmentally preferable attributes,

trade-in programs and customer references. This approach is designed to determine the lowest total cost of ownership and the best overall value for the State.

"Every successful procurement further reinforces our commitment to strategic sourcing," said DGS Director Ron Joseph. "This improved method is not only reducing the costs of goods and services we buy every day-it is also allowing the State to reap the benefits of simplified ordering and improved service. That creates efficiencies in State operations and allows departments to spend more of their time and effort providing service to the public."