



NEWS RELEASE

Department of General Services - Ron Joseph, Director

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**SMALL BUSINESSES SCORE BIG IN COMPUTER, PHOTOCOPIER
CONTRACTS THROUGH STRATEGIC SOURCING INITIATIVE**

***DGS Announces Strong Participation Statistics for Small Businesses, Disabled
Veterans***

SACRAMENTO - New contracts for computer goods and copy machines reached through the California Strategic Sourcing Initiative are resulting in strong participation from small businesses and disabled veteran businesses, the Department of General Services announced today.

Reports to date show that more than 43 percent of purchases under the new photocopier contract with Sharp Corp. are being subcontracted to California small businesses, up from 19 percent in this category before strategic sourcing. Likewise, more than 27 percent of purchases under new contracts for computer goods with Gateway and the team of Hewlett-Packard, Western Blue and Insight Enterprises are being subcontracted to California small businesses, compared with 11.4 percent in this category before strategic sourcing. In addition, 8.4 percent of the computer purchases and 1.7 percent of the copier purchases are being subcontracted to disabled veteran business enterprises (DVBES), up from 1.2 percent and 1.07 percent, respectively.

"From the outset of the Strategic Sourcing Initiative, we have focused on creating opportunities for small businesses and disabled veteran businesses to grow and prosper," said Fred Aguiar, Secretary of the State and Consumer Services Agency, which oversees DGS. "These contracts are outstanding examples of what strategic sourcing can achieve."

The contracts with Sharp, Gateway and the HP-Western Blue-Insight team were reached this summer. In addition to providing savings of 18 to 45 percent over the average prices previously paid by the State, all three contractors committed to subcontract at least 25 percent of the dollar value of the contracts to California small businesses. In addition, Gateway and the HP-Western Blue-Insight team committed to subcontract at least 3 percent of the dollar value to DVBES.

All three contractors won their contracts based in part on their commitment to meet the State's goal for small business participation. A fourth vendor, IBM, won a contract for notebook computers but did not commit to meet the goal. Since July, several more contracts for computer servers and storage devices have been awarded to vendors that have committed to meet the State's goals for small businesses and DVBES. In addition, West Sacramento-based GovStor, a certified California small business, won an exclusive contract to provide Sun Microsystems servers to the State of California.

"We are excited to be working with so many small businesses and DVBEs as part of the Strategic Sourcing Initiative," said DGS Director Ron Joseph. "Our commitment to these businesses goes beyond achieving a numerical goal. It reflects our experience that they create tremendous value for the State through their innovation and commitment to customer service. We continue to work with the vendor community to increase small business and DVBE participation in all categories of purchasing, and we look forward to even greater participation in the future."