



NEWS RELEASE

Department of General Services - Ron Joseph, Director

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CONTACT:

Bill Branch (916) 376-5036

Matt Bender (916) 376-5038

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INTERNET: www.dgs.ca.gov

**STATE OF CALIFORNIA AWARDS RENTAL CAR CONTRACT
TO ENTERPRISE RENT-A-CAR, SAVING TAXPAYERS MILLIONS**

SACRAMENTO - Saving California state government up to \$9 million over a three-year period, the California Department of General Services announced today it is awarding a contract to Enterprise Rent-a-Car as the State's primary vendor to provide rental vehicles to state employees on official business.

"With state government currently spending roughly \$10 million a year on car rentals, the new prices we have negotiated will save the State nearly one-third or up to a \$3 million a year over our prior contract," said DGS Director Ron Joseph. "Over the three-year life of the contract, that could amount to as much as \$9 million in savings. We think this is great news for the taxpayers. The State has to be a smart buyer."

The rental car contract was modeled after Gov. Arnold Schwarzenegger's California Strategic Sourcing Initiative. It used CSSI techniques to leverage the state's huge purchasing power to get the best possible deal for the taxpayers.

"Under the state's current contract which expires at the end of January, we have been splitting our business between seven different rental companies," said Joseph. "That gave us great flexibility. But by splitting our business among so many rental companies, we weren't giving enough business to any one company to attract the lowest possible price. So this time we decided to offer the bulk of our business to the company that made the best offer, and Enterprise came through with big savings and service enhancements."

Joseph said the new contract will increase the productivity of State workers on out-of-town assignments by allowing them to avoid long lines at rental counters. Instead, the Enterprise contract will allow state employees to go directly to the rental agency's parking lot, where they can pick up the reserved vehicle.

In addition, by including a "last available vehicle" clause, the Enterprise contract also reduces the possibility that a state employee will be left stranded by overbooking.

Enterprise will serve as the primary vendor. If Enterprise is unable to provide service, then state employees will be able to go to the secondary vendor, Vanguard, which operates Alamo and National car rental companies.

The new contract is effective January 1, 2006.