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*NEWS RELEASE*

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*California Department of General Services*

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**DGS Drops Rates Charged to State Agencies**

***Rate and lease reductions save \$200 million for the state***

Sacramento, Calif – The new acting director for the state Department of General Services, Ron Diedrich, has announced in a letter to all state agency secretaries and department directors that his department has saved the state nearly \$200 million annually through a series of cost reduction initiatives.

"I am tremendously proud of my staff that continues to work diligently to stretch taxpayers' dollars and find savings for our state clients," said Diedrich.

In his letter, Diedrich outlines how DGS has dropped the rates it charges to other agencies for real estate and procurement services and continues to renegotiate state property leases to secure the lowest rental rates possible for departments and agencies. Those efforts, combined with the department's reduction of long-term vehicle rental costs and targeted procurement contract cost reductions, have created nearly \$200 million in savings for departments and agencies statewide that can be diverted to other state programs.

*The Department of General Services serves as the business manager for the State of California, with more than 4,000 employees and a budget in excess of \$1 billion. DGS helps state government better serve the public by providing services to state agencies including innovative procurement and acquisition solutions, creative real estate management and design, environmentally friendly transportation, and funding for the construction of safe schools.*

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