



707 Third Street
West Sacramento, CA

T 916.376.5000
F 916.376.5018

For Immediate Release

January 17, 2013

Contact:

Eric Lamoureux
(916) 376-5037
Monica Hassan
(916) 376-5027

New Pharmaceuticals Contract Will Save State Nearly \$18 Million

Agencies leverage state's massive buying power to cut costs

Sacramento—The California Department of General Services (DGS) today announced a new statewide pharmaceutical contract that will save the state nearly \$18 million by leveraging the buying power of several state agencies acting as a single buyer.

The contract will be used by state prisons, state hospitals, and state developmental centers, including the California Correctional Health Care Services, California Department of Developmental Services, California Department of State Hospitals, California Department of Juvenile Justice, California State University System, and other state and local agencies.

“The various state entities that purchase pharmaceuticals are working as partners on the procurement process in order to leverage their collective buying power,” said DGS Director Fred Klass. “DGS initiated the Pharmacy Procurement Collaborative that has resulted in better pricing, better accountability, and will save the state millions of dollars in drug costs.”

California state agencies purchase upwards of \$300 million worth of pharmaceuticals a year. Prior to the Pharmacy Procurement Collaborative, some agencies negotiated separate pharmaceutical contracts, instead of leveraging the state's collective buying power as a single buyer.

The new pharmaceutical wholesaler contract, awarded by DGS to AmerisourceBergen Drug Corporation following a competitive bidding process, is projected to save \$17.4

million over the life of the agreement.

The Department of General Services acts as the business manager for the State of California. DGS helps state government better serve the public by providing services to state agencies including procurement and acquisition solutions, real estate management, leasing and design services, environmentally friendly transportation, and architectural oversight and funding for the construction of safe schools.

####

Excellence in the Business of Government