

For Immediate Release

August 29, 2013

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State Announces Savings From Agreement to Cut Government Travel Costs
Discounts on airfares resulting in savings of nearly half a million dollars

The Department of General Services (DGS) today announced that an agreement with Southwest Airlines to provide air travel discounts has saved the state and local government travelers on official business more than \$469,000 for the year ending March 31, 2013.

“Each day state public safety officials, inspectors, regulators and other employees must travel to support mission critical activities,” said DGS Director Fred Klass. “The agreement with Southwest Airlines cuts travels costs and helps improve the fiscal bottom line for state and local government agencies.”

The agreement between the State of California and Southwest Airlines provides a discount for all flights into and out of California. The size of the discount is determined based on the total number of flights taken by government travelers per month. The state was also able to secure the discount rate for local government, university, and K-12 school district travelers when they are on official government business. During twelve months of the current agreement, savings to the state totaled \$452,095, while optional user savings totaled \$17,619. The discount agreement runs for one year and has the potential to grow depending on the amount of government travel with Southwest.

The agreement with Southwest is part of a continuing effort by DGS to help state and local government agencies reduce travel costs. In April 2010, DGS contracted with one travel agency to centralize the state’s travel needs. The new program offers government agencies a single travel agency to arrange lodging accommodations, rail reservations, rental car services and airline booking. By consolidating, DGS is able to leverage the state’s travel spending; gaining the advantage of the best pricing models available.

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.

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