



# State of New Jersey

Department of the Treasury

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## **New Jersey to Drive Down Costs for Auto Parts by Joining Purchasing Alliance**

TRENTON – Acting State Treasurer David Rousseau announced today that New Jersey would realize significant savings on mechanical parts for state and local government vehicle fleets by joining a nationwide cooperative of government agencies that reduces costs for taxpayers through its purchasing power.

“The Corzine Administration continually looks for new and innovative ways to leverage the state’s full buying power and achieve taxpayer savings while enhancing the quality of the products and services purchased through contracts,” said Rousseau. “Joining the auto parts cooperative is another example of how to reduce operational costs and help government at every level operate more cost-effectively.”

Under the current contract, New Jersey purchases auto parts through a network of 135 vendors. The parts are ordered by State agencies to service the State’s fleet of 15,000 vehicles and equipment. The contract, which is due to expire at the end of next month, is also accessed by other local government entities through the cooperative purchasing program

Under a new, two-year cooperative contract with the U.S. Communities Government Purchasing Alliance, New Jersey will begin to purchase these parts at a 20 percent savings from the current contract pricing through the Alliance’s procured vendor.

Based on a projected purchase of auto parts for State fleet vehicles and equipment of \$9 to \$10 million in the next fiscal year, New Jersey is expected to save about \$1.5 to \$2 million in FY 2009 under the cooperative arrangement.

In addition to the cost savings, the partnership with the Alliance provides for advantages in ordering, delivery, customer service, quality and technology compared to the State’s previous contracts. Under the terms of the new contract, the auto parts will be supplied by AutoZone, which has a network of more than 60 stores throughout New Jersey. The company will stock and operate an in-house AutoZone store for the Department of Transportation at no extra cost to the State, and has made commitments to deliver stocked parts to State agencies and local governments within faster time frames compared to the existing contract.

“New Jersey will receive substantial discounts on a selection of 850,000 automotive parts through this cooperative. While these auto parts will help New Jersey’s fleet of vehicles operate smoothly and efficiently, this partnership will help the state’s procurement process work in the same manner,” Rousseau said.

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