



State of New Jersey

Department of the Treasury

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State and Local Governments to Save Millions through New Cooperative Purchasing Contract for Office Supplies

Pact also Opens Doors of Economic Opportunity to Small, Minority and Women Businesses

TRENTON -- State Treasurer David Rousseau announced today that the State stands to save more than 20 percent in contract related costs for office supplies through a new cooperative partnership that will modernize and streamline state-wide purchases of everything from paperclips to Post-it notes.

“New Jersey continues to seek, and implement, economies in governmental operations, delivering savings to taxpayers by conducting business in smarter and more efficient ways,” said Treasurer Rousseau. “This office supplies cooperative is another example of how we’re applying management efficiencies in contracting.”

Beginning on September 1, New Jersey will replace seventeen contracts for purchasing paper and office supplies with one centralized, state-wide contract established through the National Joint Powers Alliance (NJPA), a cooperative of over 28,000 state and local government agencies and eligible members. The NJPA’s vendor, selected through a competitive bidding process, is Staples Advantage.

The contract features next day delivery of supplies -- versus a status quo in which many orders require up to a week for delivery -- direct shipping, on-line ordering and significant discounts over current prices from a market basket of commonly-ordered products. The state estimates that the new contract will cut annual office supplies costs, which average about \$9.8 million, by about 23 percent. Local governments, which order an estimated \$15 to \$20 million off the expiring contracts, are projected to experience similar savings.

Treasurer Rousseau explained that in addition to the direct contract cost savings New Jersey will experience a savings domino effect from the strategic sourcing initiative.

“The direct ship features of this contract will reduce New Jersey’s needs for storage, which will allow us to further consolidate State rented warehouse space and close out expensive leases. In addition to the purchasing price cuts, this contract will generate an estimated \$500,000 in State rental cost savings,” he said.

The State has also reached an agreement with the cooperative vendor to extend State pricing to all registered small, minority and women-owned businesses in New Jersey affording these businesses the same discounts on office supplies as the State enjoys, essentially extending the State’s buying power to its registered small, minority and women-owned businesses. This should be advantageous in enhancing profitability and helping them to grow their businesses. In addition, NJ-based businesses will also be afforded an opportunity to present their product lines to Staples Corporate for possible supplier status with Staples’ business in New Jersey and nation-wide. Staples already spends approximately \$200 million annually with New Jersey-based companies to supply its product line.

Staples, as well, has agreed to work with the Division of Minority and Women Business Development to identify vendors for the distribution network to support this new contract.

“This agreement is a unique and exciting opportunity to bring small, minority and women businesses into both the supplier and distribution network of a \$23 billion company,” said Nina E. Moseley, the Division’s Senior Director. Added Division Director Francis Blanco: “The Division looks forward to working with Staples to identify vendors and schedule a forum that instructs them how to participate in this special partnership opportunity.”

“Staples has long been a part of the New Jersey business community with more than 3,000 associates working and living here, nine sales and delivery facilities and more than 80 store locations,” said Neil Ringel, Senior Vice President, Staples Advantage. “Staples looks forward to servicing the State with a low total cost program combined with our exceptional customer service.”

As part of the State’s procurement reform initiatives under the Corzine Administration, strategic sourcing, including cooperative purchasing arrangements, contributed more than \$25 million in bottom line savings to the State’s budget last year. Expectations for this year are to build on that savings foundation by more than \$50 million.

Under a law enacted in 2006 law (P.L. 2006, c.336), the Legislature gave the state new flexibility to enter into cooperative purchasing agreements with other governmental entities outside of the state for goods and services competitively bid, if such agreements were determined to be the most cost effective means of procurement. The NJPA office supplies arrangement is one of a half-dozen such cost-saving cooperatives entered into by the State since 2006.