Corcraft
PRODUCTS

550 Broadway
Albany, New York
12204-2802

(518) 436-6321
In NYS (800) 436-6321

FAX
(518) 434-7434

Web Address:
http://www.corcraft.org/

September 18, 2012

Mr. Don Greene
Director of Procurement Services
New York State Office of General Services
Corning II Tower, 38th Floor
Albany, New York 12242

Dear Mr. Greene,

Please notice below is New York State Department of Corrections and Community Supervision, Division of Industries, application to have Diesel Exhaust Fluid added to our Preferred Source offerings.

1. Diesel Exhaust Fluid is a specific composition of urea for application in transportation; this compound is one of the key elements involved in Selective Catalytic Reduction. In 1990 Congress passed and President Bush signed an amendment to the Clean Air Act that directed the US Environmental Protection Agency to regulate air pollutants from a variety of Industrial and Commercial sources including motor vehicles. Due to this act most 2010 diesel vehicles are required to clean exhaust systems using selective catalytic reduction, which reduced the emissions of oxides of nitrogen.

2. DEF is used in 90% of all over the road diesel powered vehicles manufactured after 2010. The use of DEF will increase exponentially as diesel fleets age and vehicles are replaced by new vehicles that require the use of DEF. In addition, beginning in 2013 new EPA MPG requirements will take effect and the use of DEF will double. NYC agencies currently purchase over 15,000 gallons of DEF per month and have requested we become a supplier.

3. Corcraft will be packaging in containers ranging in size from 1 gallon up to and including 330 gallon IBC totes following strict ISO protocols. Included with the packaging, will be the assembly of Closed Dispensing Systems (CDS). CDS entail a sealed method for filling, dispensing and refilling of large containers to ensure there is no contamination of the finished product as contamination can render a very expensive diesel engine inoperable. A key component of our training program will consist of the refurbishing of drums and totes and CDS systems for reuse. Stringent ISO protocols must be adhered to when refurbishing equipment to again ensure there is no possible contamination of the finished product. Being trained in ISO protocols will provide marketable skills to all offenders working with DEF.

NYS Department of Corrections and Community Supervision
Division of Industries

Brian Fischer
Commissioner

Osbourne A. McKay
Deputy Commissioner

We Recycle

4. This product is made by New York State Department of Corrections and Community Supervision, Division of Industries at Great Meadow Correctional Facility in Comstock, New York. DEF is distributed by the main office in Albany. Great Meadow Industries currently manufactures products that are chemically similar to DEF and also utilizes similar manufacturing protocols as are required for the production of DEF. The expertise necessary to ensure the product meets specification is already in place.

5. As stated, this is a product line that will be phased in over 3 steps. At the conclusion of Step 3 100% direct labor will be utilized at Great Meadow Correctional Facility to manufacture of Diesel Exhaust Fluid from its constituent chemicals. Corcraft's intent is to begin offering DEF in limited quantities by January 1, 2012. Expanded offerings, in larger volumes, is dependent on OSC approving a contract but typically 30 days from said approval.

6. 100% of the direct labor necessary to package DEF will come from our offender workforce.

7. As a major supplier of DEF, Corcraft will be able to offer a necessary commodity for sale to public agencies at a cost at or below prevailing market prices while covering all of our operating costs.

8. Corcraft prices for DEF are below current NYS & GSA contract pricing and well below delivered retail market pricing.

Container Size	AVERAGE NYS & GSA CONTRACT PRICE (DELIVERED)	CORCRAFT PRICE DELIVERED	DIFFERENCE $ per Container	DIFFERENCE $ per Gallon
4/1 Gallons	$29.12	$24.00	-$5.12	-$1.28
2- 2 ½ Gallon Bottles	$36.76	$25.00	-$11.76	-$2.35
55 Gallon Drum	$328.81	$210.00	-118.81	-$2.16
*275 Gallon Tote	$957.00	$920.00	-$37.00	-$0.13
330 Gallon IBC	$1930.00	$1100.00	-$830.00	-$2.52

Limited data is readily available on 275 gallon containers however price per gallon should be comparable to 330 gallon IBC Totes.

9. No record of Diesel Exhaust Fluid contracts were found on the OGS procurement portal. Grainger offers DEF at NYS Contract Pricing. NYSID currently buys DEF repackages and sells to its customers. NYC Department of Citywide Services purchases DEF from Brenntag Northeast. Brenntag is now supplying Corcraft DEF in Bulk. Brenntag prefers to have Corcraft become the supplier to DCAS and is willing to send written confirmation of this fact.

10. Anticipated first year values for DEF will range between $500K to $1 Million Dollars. NYC Sanitation and Transit use over 15000 gallons per month. Corcraft has an approved contract for Bulk DEF with Brenntag Northeast, located in Syracuse, NY. All other materials used in the manufacture of DEF are either on state contract or are easily obtained commodities following established purchasing guidelines.

As always we strive to be a reliable supplier and manufacturer of quality goods and services. We would like to thank you in advance for your consideration.

Sincerely,

Michael J. Elmendorf
Deputy Director of Marketing and Sales

Attachments

MJE/alb
CC: Michael Hurt, Director of Industries

Elmendorf, Michael J (DOCCS)

From: Fisher, Nancy [NFisher@esd.ny.gov]
Sent: Wednesday September 05, 2012 12:20 PM
To: 'Milstein, Mark'; Pinzer, Lynn
Cc: Elmendorf, Michael J (DOCCS); 'Samson, Anne'; Hurt, Michael J (DOCCS); Cohen, Steven
Subject: Corcraft application for DEF fluid

Good afternoon,

ESD has no objections to the application from Corcraft for approval for DEF fluid. I understand that due to the volume of sales, this will require Procurement Council approval.

Regards, Nancy

Nancy Fisher, CEcD, EDFP | Deputy Director, Small Business Division
NYS Contract Reporter | Procurement Unit
NYS Dept. of Economic Development
(518) 292-5100: Office
(518) 292-5884: Fax
www.esd.ny.gov | www.nyscr.org
Please note: my email address has changed to: **nfisher@esd.ny.gov**

*** *** ***
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Thank you.
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energy API

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DIESEL EXHAUST FLUID
CERTIFICATION

License No: 0038

SCHEDULE A - LICENSE AGREEMENT

The Mark referred to and licensed under the Agreement between API and

CORCRAFT PRODUCTS

for the period beginning 8/1/2012 and ending 8/1/2013

Licensee is authorized to display the API Diesel Exhaust Fluid Certification Mark on the following products:

Corcraft Diesel Exhaust Fluid

Steven Fenek

Manager

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