

**STATE OF NEW YORK OFFICE OF GENERAL SERVICES – EXECUTIVE DEPARTMENT
MEMORANDUM**

October 31, 2012

TO: State Procurement Council

FROM: OGS Procurement Services

SUBJECT: Request from Corcraft Products for Preferred Source Status: **Diesel Exhaust Fluid (DEF)**

Summary

- Date of Request: September 18, 2012.
- Requires Procurement Council Approval.
- DEF is used in 90% of all Diesel powered vehicles manufactured after January 2010 using a Catalytic Reduction Technology as directed from the US Environmental Protection Agency. This process and product are designed to regulate and lower exhaust emissions using selective catalytic reductions which reduces emissions of oxides of nitrogen.
- Corcraft currently manufactures product at Great Meadow Correctional facility (see license agreement in application).
- Will package and sell in various containers sizes ranging from 1 gallon bottles to 330 gallon-totes; program will refurbish drums and totes for reuse.
- Corcraft indicates that NYC currently purchases over 15,000 gallons monthly. EPA MPG requirements changes scheduled to become effective in 2013 are estimated to double the need for DEF.
- Corcraft will phase in over 3 steps: 1. Train offenders and initially only reliable drums and totes with Corcraft labeling; 2. Receive DEF in bulk and repackage in 1 to 300 gallon sizes; 3. Corcraft will become a licensed manufacturer and distribute in 1 to 330 gallon containers. No time frame to complete phase 3 is provided.
- Corcraft indicates this process will help in the training and offering of a marketable skill for the offenders working in this program.

Summary of Pricing Analysis

- Product has current preferred source status as a NYSID offering. Under the statutory order of preference Corcraft product would obtain priority status.
- Corcraft anticipates sales would be between \$500,000 and \$1,000,000 per year.
- Current NYSID packaging and pricing for DEF (item#G8050), Corcraft and Average GSA pricing are reflected in the following chart on a per gallon basis:

Container Size	Corcraft	Average GSA Pricing	Savings Corcraft v. GSA	NYSID price	Savings Corcraft v. NYSID	Average Open Market Price-	Savings Corcraft v. Open Mkt	Savings NYSID v. Open Mkt
4/1Gallon- Bottle	\$6.00	\$7.28	\$1.28			\$3.27	<\$2.73>	
2/2.5Gallon-Tote	\$5.00	\$7.35	\$2.35			\$3.91	<\$1.09>	
55 Gallon-Drum	\$3.81	\$5.97	\$2.16	\$3.59	<\$0.22>	\$3.41	<\$0.40>	<\$0.18>
275 Gallon-Tote	\$3.34	\$3.48	\$0.13	\$3.48	\$0.14	\$3.27	<\$0.07>	<\$0.21>
330 Gallon-Tote	\$3.33	\$5.85	\$2.52	\$3.48	\$0.15	\$3.27	<\$0.06>	<\$0.21>