TO: The Directors
FROM: Dennis M. Mullen
SUBJECT: Procurement of: Lease Vehicle for WNY Regional Office
REQUEST FOR: Authorization to Enter into a Contract with Heinrich Chevrolet for Vehicle Lease Services and to Take Related Actions

I. Contract Summary

Contractor: Heinrich Chevrolet
Scope of Services: Vehicle Lease - Chevrolet Equinox AWD
Contract Term: 3 years – 36,000 miles
Contract Amount: Contract Total: $16,360 - not to exceed $20,000

Funding Source(s): Regional Office annual spending plan.

II. Background

It is imperative, given the nature of the work of the Regional Office (“RO”) staff be able to easily reach clients, project sites, etc. to carry out mission-critical economic development work. In the past, a vehicle has been provided to the WNY RO to allow staff to carry out their job responsibilities in an efficient and cost effective manner. The lease of the vehicle currently driven by the WNY RO will expire in March 2010. Staff has spent a significant amount of time identifying dealerships that will lease vehicles to companies and/or the State. Normally we would look to the NYS OGS centralized contracts to identify a vendor, but that list has recently expired. Three quotes for lease vehicles of similar makes & models have been obtained (see attached worksheet).

The requested vehicle, the 2010 Chevy Equinox, is a fuel efficient AWD vehicle and will provide necessary safety and security. In analyzing the options and costs, it was determined that an AWD vehicle be leased as the WNY region is often faced with challenging weather conditions as well as locations that are rural and involve travel over less than ideal road conditions. The 2010-2011 Regional Office budget request included monthly lease payment costs consistent with the cost of the proposed contract.

III. Selection Process

A Contract Reporter exemption has been requested based on a Single Source contract, due to the very limited number of automobile dealerships willing to lease vehicles to the State. Only after numerous phone calls were three dealerships located who would submit quotes. The AWD
vehicle requested is the lowest price option, and the vendor is conveniently located in the WNY area for delivery, service, etc.

The proposed vendor has complied with State Finance Law Section 139-j and 139-k, State Tax Law 5a and the Corporation’s policy related thereto. Staff has: (a) considered the proposed contractor’s ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers the proposed contractor to be responsible.

IV. Scope of Contract

Three-year vehicle lease.

V. Contract Term, Price and Funding

Contract Amount: Not to exceed $20,000 including an additional 10% contingency to cover any additional costs/or fees due to dealer incentive changes for the month of February.

$385/month – 3 yrs – 36,000 miles $13,860
Fees due @ signing - $2,500
Contract Total: $16,360

Additional costs: Over-mile possibility based on previous lease - $.15/mile @ 15,000 miles = $2,250 – total $18,610 plus possible changes to lease incentives in February.
Funding is covered by Regional Office annual spending plan.

VI. Requested Action

The Directors are requested to approve the proposed procurement.

VII. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

VIII. Attachments

WNY RO Vehicle Lease Comparison Resolution
WNY RO Vehicle Lease Comparison:

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>VEHICLE</th>
<th>Term</th>
<th>Mo. Cost</th>
<th>Base Cost</th>
<th>Mileage</th>
<th>Additional Costs due @ signing</th>
<th>Total cost</th>
<th>Est. cost per mile</th>
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<td>equinox (AWD vehicle)</td>
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<td>$549</td>
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February 19, 2010

EMPIRE STATE DEVELOPMENT CORPORATION – Authorization to Enter into a Contract with Heinrich Chevrolet to provide Vehicle Lease Services and to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Heinrich Chevrolet to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Heinrich Chevrolet in an amount not to exceed TWENTY THOUSAND DOLLARS ($20,000) including a 10% contingency for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the Chief Executive Officer-Designate of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

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