

FOR CONSIDERATION

June 24, 2010

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: Procurement of: Lease Vehicle for WNY Regional Office Revised

REQUEST FOR: Authorization to Enter into a Contract with Hoselton Chevrolet for Vehicle Lease Services and to Take Related Actions

I. Contract Summary

Contractor: Hoselton Chevrolet

Scope of Services: Vehicle Lease - Chevrolet Equinox AWD

Contract Term: 3 years – 60,000 miles

Contract Amount: Contract Total: \$18,172.00

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 previous WNY vehicle lease expired in September 2009. Staff has spent a significant amount of time identifying dealerships that will lease vehicles to companies and/or the State. In February, 2010, the Board approved entering into a contract with Heinrich Chevrolet for the lease of a 2010 Chevy Equinox. GMAC, denied ESDC’s lease application. Since that time, NYS OGS has posted a new centralized contract for vehicle leases. The NYS Contract lease is more efficient in that the State was able to procure 3 year leases with a 60,000 mile cap rather than 36,000 miles. Therefore, we are requesting new authorization to enter into a lease contract for a 2010 Chevy Equinox with Hoselton Chevrolet utilizing the NYS Contract.

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. In reviewing the NYS Contract options, the Chevy Equinox is the safest rated, best gas mileage cross-over vehicle among the options. The gas mileage rating is 20 mpg city and 29 mpg hwy. while the other vehicles are rated 15/23 respectively. The 2010-2011 Regional Office budget request included monthly lease payment costs.

III. Selection Process

As noted above, after being denied financing for a new lease from GMAC, OGS posted a new contract on the State procurement website for vehicle leases. Hoselton was awarded the NYS Contract for the Chevrolet Equinox.

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 \$22,000 including an additional 10% contingency to cover any additional costs/or fees due to dealer under the terms of the NYS Contract including the delivery fee.
\$499.77/month – 3 yrs – 60,000 miles = \$17,991.72
Delivery fee = \$180.00
Contract Total: \$18,172.00
Additional costs (over the term of the lease): Over-mile costs - \$.15/mile plus possible costs associated with additional keys, license plates, registration, etc.
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

NYS Contract pages pertaining to this procurement.
Resolution

June 24, 2010

EMPIRE STATE DEVELOPMENT CORPORATION – Authorization to Enter into a Contract with Hoselton 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 Hoselton Chevrolet to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Hoselton Chevrolet in an amount not to exceed TWENTY TWO THOUSAND DOLLARS (\$22,000) 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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