

**§ 101-25.501-3 Reviewing application of guidelines.**

(a) The acquiring agency has the primary responsibility for appropriate application of the guidelines established in this subpart 101-25.5. However, GSA will review data relating to equipment acquisitions involving purchase or lease determinations through a sampling of these transactions as GSA conducts supply management surveys and/or reviews as provided in § 101-25.114.

(b) Copies of cost comparisons and any other pertinent data used to support decisions to lease or purchase equipment shall be retained in the acquiring agency's case file.

[31 FR 3462, Mar. 5, 1966, as amended at 45 FR 41948, June 23, 1980]

**§ 101-25.502 Methods of acquisition.**

(a) The determination as to whether equipment is to be acquired by purchase or lease shall be made in each case only after comparison of the relative costs of the equipment through use of the methods shown in this § 101-25.502. Cost comparisons shall include those elements affecting the acquisition cost of the specific types of equipment set forth in this subpart 101-25.5. The method selected shall be that which offers the greatest advantage to the Government under the circumstances applying to each situation, cost and other factors considered.

(b) Upon request, GSA will assist agencies in making appropriate determinations to lease or purchase equipment by providing the latest information on pending price adjustments to Federal Supply Schedule contracts and other factors such as recent or imminent technological developments, new techniques, and industry or market trends. Inquiries should be addressed to the General Services Administration (FC), Washington, DC 20406.

[31 FR 3462, Mar. 5, 1966, as amended at 53 FR 11848, Apr. 11, 1988]

**§ 101-25.502-1 Purchase method.**

(a) A cost advantage can be obtained by the purchase method provided the equipment is used beyond the point in time at which the cumulative leasing costs exceed purchase costs. The purchase method shall be used when it has

been established that the equipment under consideration can be used as provided in §§ 101-25.502(a) and 101-25.502(b) beyond the point in time at which the purchase method begins to provide a cost advantage.

(b) The acquisition of selected equipment by the purchase method should not be ruled out in favor of leasing such equipment merely because of the possibility that future technological improvements may render the selected equipment less desirable.

**§ 101-25.502-2 Lease method.**

(a) The lease with option to purchase method shall be used when it is necessary or advantageous to proceed with acquisition of the equipment that meets program or system requirements but it is determined that purchase should be deferred because circumstances do not fully satisfy the conditions set forth in § 101-25.502-1.

(b) The lease/buy cost comparison method described in OMB Circular A-104 is the preferred cost comparison method. Other methods (life-cycle cost, break even analysis, etc.) may be used in accordance with normal agency procedures. (Copies of OMB Circular A-104 may be obtained from the Executive Office of the President Publications Service, 725 17th Street, NW., room 2200, Washington, DC 20503.)

(c) A reevaluation of the cost advantage of the lease over the exercise of purchase option credits or purchase of new replacement equipment should be performed before the renewal of the equipment lease.

[31 FR 3462, Mar. 5, 1966, as amended at 55 FR 33121, Aug. 14, 1990]

**§ 101-25.503 [Reserved]****§ 101-25.504 Office copying machines.**

(a) When selecting office copying machines, agencies shall take full advantage of any purchase options that may be available under the terms and conditions of the applicable Federal Supply Schedule contracts. Rental contracts provide for receiving credits, usually up to a certain specified limit, which may be applied towards the purchase price of the equipment being rented. Once the maximum credits have been accumulated, agencies should consider

purchasing the equipment, because additional rental payments will not further reduce the option to purchase price.

(b) Selection of the appropriate and most economical equipment for the application intended is the responsibility of the ordering agency. The selection process should include a review of the functional and financial advantages of all available copying processes (see § 101-26.408).

(c) Before acquisition of equipment, a comparison shall be made of the relative costs of acquiring the equipment by use of the methods described in § 101-25.502-1 and § 101-25.502-2. The cost comparison shall be based on the best available information and estimates, including those factors in § 101-25.502-1 and any other factors peculiar to office copying machines.

[31 FR 3462, Mar. 5, 1966, as amended at 42 FR 1031, Jan. 5, 1977; 55 FR 33121, Aug. 14, 1990]

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