

7.402 Acquisition methods.

(a) Purchase method.

(1) Generally, the purchase method is appropriate if the equipment will be used beyond the point in time when cumulative rental or leasing costs exceed the purchase costs.

(2) Agencies *should* not rule out the purchase method of equipment *acquisition* in favor of renting or leasing merely because of the possibility that future technological advances might make the selected equipment less desirable.

(b) *Rent or lease method.*

(1) The rent or lease method is appropriate if it is to the Government's advantage under the circumstances. The rent or lease method *may* also serve as a short-term measure when the circumstances—

(i) Require immediate use of equipment to meet program or system goals; but

(ii) Do not currently support *acquisition* by purchase.

(2) If a rent or lease method is justified, a rental or lease agreement with *option* to purchase is preferable.

(3) Generally, a long term rental or lease agreement *should* be avoided, but *may* be appropriate if an *option* to purchase or other favorable terms are included.

(4) If a rental or lease agreement with *option* to purchase is used, the contract *shall* state the purchase price or provide a formula which shows how the purchase price will be established at the time of purchase.

Parent topic: [Subpart 7.4 - Equipment Acquisition](#)