

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](#)