

Lease vs. Purchase Analysis

Finance/Administration Committee

September 22, 2020

Overview



- Background
- Financial analysis
- Qualitative factors
- Next steps

What Do We Lease/Rent?



- Procedure 416, Equipment Leases
 - General guidelines for evaluating lease (or rent) versus purchase of equipment
 - Lease or rental agreement longer than one year must have a cost benefit analysis
 - Treasury approves analysis

Financial Analysis



Lease	Purchase
Registration fee	Registration fee
Processing fee	Processing fee
Delivery fee	Delivery fee
Security deposit	Purchase price
Taxes	Taxes
Monthly payments	In-service charges
Service charge at termination	Resale value

Select lowest present value

Qualitative Factors



- Availability of equipment for lease
- Needed for emergency response
- Acceptable lease contract terms
- Customization for District operations
- Historical functionality/proven technology
- Frequency of use

Next Steps



- Apply process for equipment purchase/lease decisions
- Incorporate analysis in FY22/23 budget

Questions

