

7.401 Acquisition considerations.

(a)

(1) Agencies *shall* acquire equipment using the method of *acquisition* most advantageous to the Government based on a case-by-case analysis of comparative costs and other factors in accordance with this subpart and agency procedures.

(2) The methods of *acquisition* to be compared in the analysis *shall* include, at a minimum—

(i) Purchase;

(ii) Short-term rental or lease;

(iii) Long-term rental or lease;

(iv) *Interagency acquisition* (see [2.101](#)); and

(v) Agency *acquisition* agreements, if applicable, with a State or local government.

(b)

(1) The factors to be compared in the analysis *shall* include, at a minimum:

(i) Estimated length of the period the equipment is to be used and the extent of use within that period;

(ii) Financial and operating advantages of alternative types and makes of equipment;

(iii) Cumulative rent, lease, or other periodic payments, however described, for the estimated period of use;

(iv) Net purchase price;

(v) Transportation, installation, and storage costs;

(vi) Maintenance, repair, and other service costs; and

(vii) Potential obsolescence of the equipment because of imminent technological improvements.

(2) The following additional factors *should* be considered, as appropriate, depending on the type, cost, complexity, and estimated period of use of the equipment:

(i) Availability of purchase *options*.

(ii) Cancellation, extension, and early return conditions and fees.

(iii) Ability to swap out or exchange equipment.

(iv) Available *warranties*.

(v) *Insurance*, environmental, or licensing requirements.

(vi) Potential for use of the equipment by other agencies after its use by the acquiring agency is ended.

(vii) Trade-in or salvage value.

(viii) Imputed interest.

(ix) Availability of a servicing capability, especially for highly complex equipment; *e.g.*, can the equipment be serviced by the Government or other sources if it is purchased?

(c) The analysis in paragraph (a) is not required—

(1) When the President has issued an *emergency* declaration or a *major disaster* declaration pursuant to the Robert T. Stafford Disaster Relief and *Emergency* Assistance Act ([42 U.S.C. 5121 et seq.](#));

(2) In other *emergency* situations if the *agency head* makes a determination that obtaining such equipment is necessary in order to protect human life or property; or

(3) When otherwise authorized by law.

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