Copier Leasing Information

GSA Multiple Award Schedule

GETTING STARTED

To begin, an ordering agency contracting officer should obtain a current copy of the contractor's authorized GSA Multiple Award Schedule (MAS) contract price list containing the terms, conditions and pricing for the goods and/or services to be procured. This document should be included in the ordering agency's contract file. GSA Advantage and GSA Elibrary are helpful tools that can be used to obtain equipment pricing or a copy the contractor's GSA Schedule price list. Additionally, you can download a copy of the GSA MAS Solicitation with all clauses and provisions, from here, beta.sam.gov link.

There is a vast array of information about GSA programs for both user agency contracting officers and contractors on gsa.gov/acquisition Under "Acquisition" click on "Getting Started With GSA Purchasing Programs" and then choose "How to Buy Through GSA".

COPIER ACQUISITION

Under the Office Management Category, sub-category Printing and Photographic Equipment, the GSA MAS Program offers an ordering agency contracting officer three scenarios to obtain the equipment and/or services to satisfy the end user requirements:

- **Purchase** the equipment under Special Item Number (SIN) 541611MPS – Managed Print Services. To compare purchasing the equipment to lease, purchasing is by far the least expensive route for the government. However, there are reasons why the government contracting officer may not wish to purchase the equipment (e.g. trying to stretch the procurement dollars or does not meet their "best value").

- **Lease** the equipment under SIN 532420LTOP, Lease to Ownership Plan (LTOP) Copiers, SIN 532420LC - Operating Lease for Copiers, or SIN 532420LT- LTOP & Operating Lease Plan for all Non-Copier Office Machinery. The Contracting Officer may wish to lease equipment from Contractor's for various reasons (e.g. budget reasons, do not want title to the equipment, or this is the "best value").

- **Rent** the equipment under SIN 532420C Copier Rental Solutions, SIN 333316CPC Cost-per-Copy Plan for Copiers (to include Analog, Digital, Multifunctional and Engineer Copiers), or SIN 333316F Flat Rate Monthly Fee for Copiers (to include Analog, Digital, Multifunctional and Engineer Copiers). The Contracting Officer may wish to rent for various reasons (e.g. budget reasons, do not want the title to the equipment, short- term need, or this is the "best value").

LEASING BASICS

Ordering activity contracting officers should be aware of three important leasing factors to consider:

1. The contracting officer should review the requirements of FAR 17.1 **Multi-Year Contracting**, because this establishes the maximum cancellation charge that the contractor can receive in the event of cancellation. Please remember when equipment is ordered under a lease plan, it is the intent of the Government to retain the equipment for the entire term of the lease agreement.

2. **Annually funded leasing agreements automatically terminate at the end of the Federal Government fiscal year** (or as extended by Act of Congress) or the contract term, whichever is earlier. Ordering agencies should notify the contractor in writing thirty (30) calendar days prior to the expiration of such orders as to the government's intent to renew.

3. A government-wide **purchase card cannot be used** to initiate a lease agreement. Each lease shall be initiated by a delivery order which shall, either through a statement of work or other attachment, specify the equipment being leased, and the terms of the transaction as required in other sections of the leasing SINs mentioned above under *Copier Acquisition*.

A lease is defined as a contract established for the use of equipment, products, etc., for a specific length of time at an agreed upon monthly rate. Ordering agency contracting officers are advised to follow the guidance provided in the Federal Acquisition Regulation (FAR) Subpart 7.4, Equipment Lease or Purchase and the guidelines provided in Federal Property Management Regulation (FPMR) 101-25.5, "Guidelines for Making Purchase or Lease Determinations, in determining whether equipment should be acquired by purchase or lease".

Lease Types, Time Periods and Funding

The MAS copier leasing program offers the following options:

SIN 532420LTOP, Lease to Ownership Plan (LTOP) - Copiers

- The Government takes title of equipment after the term oflease agreement.
- This is for copiers only
- Maintenance and installation are billed separately
- Early buy out provision is available.

SIN 532420LC, Operating Lease Plan for Copiers

- The Government does not obtain title of equipment after the term of the lease agreement.
- This is for copiers only
- Maintenance and installation are billed with the Lease - Early buyout provision is available.

SIN 532420LT, LTOP & Operating Lease Plan for all Non-Copier Office Machinery

- The Government does not obtain title of equipment after the term of the rental agreement.
- Covers the remaining products under MAS. - Maintenance and installation are billed separately. Early buyout provision is available.

For the purpose of the contract, the lease term is defined as the duration of the lease in months (not to exceed 60 months). It is understood by all parties to the delivery order contract that this is a leasing arrangement with an agreed upon term. However, it shouldbe noted that the Government cannot commit to a multi-year (except when Government multi- year appropriations are used), therefore, initial delivery order will show the full term of the lease agreement and only indicate the order quantity to be the remaining number of months in the fiscal year.

Upon receipt of annual appropriation, the government should issue a renewal order for the next fiscal year leasing term. Such annual renewals, subject to appropriation, should be issued in the succeeding years through the remaining lease term. It should be noted if the Ordering Agency enters into a lease agreement before the expiration date of the Contractor's GSA MAS contract; the period of performance for the delivery order contract may extend beyond the term of their GSA MAS contract.

When an ordering agency's specific appropriation authority provides for funds beyond the fiscal period, then a delivery order contract order for leasing can be placed for a period up to the expiration of its appropriation or the expiration of the delivery order contract period, whichever comes first notwithstanding the intervening fiscal years.

If an ordering agency has annual year funds, then the initial term of the leasing agreement is from the date of item acceptance through September 30th of the fiscal year in which the order is placed. This allows for annual renewals for a total possible lease term of sixty (60) months (the final renewal may be for a partial year, to complete the period). In that regard, the Government, as lessee, anticipates fulfilling the full leasing agreement term. The Government, upon issuance of the delivery order contract, contemplates the use of the equipment for the term of the lease (Number of months as specified in the delivery order). However, renewal of a lease is subject to availability of funding. Orders under the lease shall not be deemed to obligate the Government succeeding fiscal year's funds or to otherwise commit the government to a renewal of the lease. However if the appropriations are available then the Order Agency Contracting Officer should issue a renewal as soon as the funds are available. The Ordering agency contracting officer is to provide the Lessor (contractor) with a written notice of intent (either to continue or not continue with the lease) thirty (30) calendar days prior to the end of the current fiscal year. Please note if funds are appropriate then the Contracting Officer should renew the lease term. It is very important that the Ordering agency contracting officer provide the Contractor with this information to maintain the continuity of the lease term.

Monthly Lease Payments and Termination Ceiling Charge

Prior to the placement of an order under the leasing SINs, the ordering agency contracting officer and the contractor must agree on a “base value” for the products to be leased. The base value of the equipment will then be the contract purchase price (less any discounts). The cost for maintenance and any fees are not included in calculating the monthly equipment lease payment. In other words, the user agency is only paying lease interest on the cost of the equipment.

The GSA and the MAS contractor have predetermined the base lease interest rates for their MAS contract. This lease interest rate is subject to adjustments on a quarterly basis. Please contact the Contractor for the current lease interest factor.

The lease payment may be calculated by using a programmed business calculator or by using “payment” functions provided in commercial computer spreadsheets such as Microsoft Excel. See examples below for how to calculate the Monthly Payment for LTOP and Operating Lease agreements using Microsoft Excel.

Monthly payment for LTOP is calculated using the following three variables: principal (purchase price), term (in months), and interest rate entered in cells B3, B5, and B7, respectively. The monthly lease rate factor (interest rate/12) is calculated by the spreadsheet in cell B9. To calculate the monthly payment, enter the following formula in cell B11, “=PMT(B9, B5, -B3)”, and hit the enter key.

	A	B	C	D
1	**Monthly Payment for LTOP**			
2				
3	Principal (purchase price)=	$20,000.00		
4				
5	Term (in months)	48		
6				
7	Interest Rate	9.50%		
8				
9	Lease Rate Factor	0.79%		
10			**=PMT(B9,B5,-B3)**	
11	**Monthly Payment**	**$502.46**		
12				

Monthly payment for an Operating Lease is calculated using the following four variables: principal (purchase price) in cell B3, term (in months) in cell B5, interest rate in cell B7, and the residual value in cell B11. The monthly lease rate factor (interest rate/12) is calculated by the spreadsheet in cell B9. To calculate the monthly payment, enter the following formula in cell B13, “=PMT(B9,B5,-B3,B11)”, and hit the enter key.

	A	B	C
1	**Monthly Payment for Operating Lease**		
2			
3	Principal (purchase price)=	$ 14,500.00	
4			
5	Term (in months)	60	
6			
7	Interest Rate	8.50%	
8			
9	Lease Rate Factor	0.71%	
10			
11	Pricing Discount	$ 1,450.00	
12			=PMT(B9,B5,-B3,B11)
13	**Monthly Payment**	**$278.01**	

The payment schedule is satisfying FAR 17.1 whereby the Ordering agency contracting officer and Contractor shall establish the Termination Ceiling Charge (TCC). The Contracting Officer shall insert the TCC amount of the first year in the order and modify it for successive years upon availability of funds. The Contractor may provide the User Agency Contracting Officer with a TCC amortization chart that provides a payment schedule for each month of the entire lease term. It is very important for the User Agency Contracting Officer to include the TCC in the delivery order. If the TCC is not included in the delivery order contract then the MAS contractor holder will not be able to process the User Agency lease agreement. Then the user agency contracting officer will need to process a modification to add the TCC, which will cause a delay in processing the lease agreement.

Add-On Items - After award of the lease, the ordering agency contracting officer may require the contractor to modify existing leased equipment through order modifications. The price of the equipment for modification will be mutually agreed upon by the Ordering agency contracting officer and the contractor. The ordering agency contracting officer has the option to either pay for the add on equipment at the GSA purchase per SIN 51-100 upon acceptance, or issue the modification based on a lease term that is coterminous with the expiration of the initial lease. Coterminous means if the base equipment was leased for a five (5) year term, and in year three (3) the end user requires a new feature, the lease term for the new feature will only be for the remaining two years (2) of the base equipment lease term. See example below for how to calculate the price of the modification using Microsoft Excel.

The price of the modification is calculated using the following three variables: principal (purchase price) in cell B3, term (in months) in cell B5, and lease interest rate in cell B7. The monthly lease rate factor (interest rate/12) is calculated by the spreadsheet in cell B9. To calculate the price of the modification, enter the following formula in cell B11,
"=PMT(B9,B5,-B3)", and hit the enter key.

	A	B	C
1	**MODIFICATION**		
2			
3	Principal (purchase price)=	$ 1,000.00	
4			
5	Term (in months)	19	
6			
7	Interest Rate	7.50%	
8			
9	Lease Rate Factor	0.625%	
10			
11	**Monthly Payment**	**$55.98**	=PMT(B9,B5,-B3)

Maintenance and Installation – Maintenance is required for the duration of the lease term. The Contractors do not include the maintenance and installation cost in the calculation of the lease but, the User Agency shall pay for them in the monthly lease payments. Themaintenance pricing may be subject to change during subsequent renewal periods of the User Agency lease term. The charges for maintenance coverage shall begin on the date of installation and will be prorated for the month of the installation. The ordering agency contracting officer should obtain installation and/or maintenance from the Contractor or a designated Authorized Service provider and the payments, terms and conditions will be as stated in the GSA contract.

Termination of the Lease – <u>If the lease is terminated for the government's convenience, FAR 52.212-4 (l), Termination for the Government's Convenience, (T for C) this shall be done in accordance with the Contractor's GSA MAS price list. See paragraph (13) (Early termination Charge) or paragraph fourteen (14) (Termination for Non Appropriation) of the Contractor's GSA MAS price list for details.</u>

When the government T for C under paragraph 13, (Early Termination) it shall incur a Termination Ceiling Charge (TCC*)* FAR 17.1. The Government shall only pay off the remaining balance on the "principal" of the leased equipment. The TCC is a limit on the amount that a Contractor may claim from the Ordering Agency on the termination for convenience of a lease.

If the government T for C the lease in accordance with paragraph 14, (Termination for Non- Appropriations) of the Contractor's MAS price list it will only pay for the time the equipment was leased and will not incur the TCC. Please note, the Ordering agency contracting officer shall promptly notify the Contractor with documentation to substantiate there is "no funding or no bona fide need" for the equipment leased. Upon receipt of this notice, the Contractor shall remove the equipment within thirty (30) days or a mutually agreed date and time. Unless specified under the schedule contract the removal charges are the responsibility of the ordering agency contracting officer and will be administered outside the scope of the contract

The termination ceiling charge can be calculated using Microsoft Excel. It is calculated using the following four variables: principle (purchase price) in cell B4, term (in months) in cell D4, interest rate in cell D5, and the pricing residual, if any, in cell B5. To calculate the termination ceiling charge for the entire term, a spreadsheet is set up as shown below.

1. The payment in cell F4 is calculated using the formula =PMT(D5/12,D4,-B4,B5).
2. Enter the following formula in cell B8, =B4-PV(D5/12,D4,0,-B5,F5), and hit the enter key to calculate the beginning principal for the first payment period.
3. Interest is calculated by multiplying the beginning principal by the monthly lease factor, =B8*D5/12
4. The principal portion of the payment is the payment minus the interest, =C8-E8
5. The TCC is equal to the beginning principal minus the principal portion of the payment, = B8-D8
6. For succeeding payment periods, the beginning principal is equal to the TCC for the previous period.

	A	B	C	D	E	F
1	**GSA Operating Lease Termination Ceiling Charge Calculation**					
3	**Lease Financials enter only in Blue shaded boxes**					
4	Subtotal Amount Financed	**$14,500.00**	Term in months	**60**	Payment	**$278.01**
5	Pricing Residual	**$1,450.00**	Interest Rate	**8.50%**		
6						
7	Payment	Beg Principal	Payment	Principal	Interest	Termination Ceiling Chg
8	1	$13,550.61	$278.01	$182.03	$95.98	$13,368.58
9	2	$13,368.58	$278.01	$183.32	$94.69	$13,185.27
10	3	$13,185.27	$278.01	$184.62	$93.40	$13,000.65
11	4	$13,000.65	$278.01	$185.92	$92.09	$12,814.73
12	5	$12,814.73	$278.01	$187.24	$90.77	$12,627.49
13	6	$12,627.49	$278.01	$188.57	$89.44	$12,438.92
14	7	$12,438.92	$278.01	$189.90	$88.11	$12,249.02
15	8	$12,249.02	$278.01	$191.25	$86.76	$12,057.77
16	9	$12,057.77	$278.01	$192.60	$85.41	$11,865.17
17	10	$11,865.17	$278.01	$193.97	$84.04	$11,671.20
18	11	$11,671.20	$278.01	$195.34	$82.67	$11,475.86
19	12	$11,475.86	$278.01	$196.72	$81.29	$11,279.14
20	13	$11,279.14	$278.01	$198.12	$79.89	$11,081.02
21	14	$11,081.02	$278.01	$199.52	$78.49	$10,881.50
22	15	$10,881.50	$278.01	$200.93	$77.08	$10,680.56
23	16	$10,680.56	$278.01	$202.36	$75.65	$10,478.21
24	17	$10,478.21	$278.01	$203.79	$74.22	$10,274.41
25	18	$10,274.41	$278.01	$205.23	$72.78	$10,069.18
26	19	$10,069.18	$278.01	$206.69	$71.32	$9,862.49
27	20	$9,862.49	$278.01	$208.15	$69.86	$9,654.34
28	21	$9,654.34	$278.01	$209.63	$68.38	$9,444.71
29	22	$9,444.71	$278.01	$211.11	$66.90	$9,233.60
30	23	$9,233.60	$278.01	$212.61	$65.40	$9,020.99
31	24	$9,020.99	$278.01	$214.11	$63.90	$8,806.88
32	25	$8,806.88	$278.01	$215.63	$62.38	$8,591.25
33	26	$8,591.25	$278.01	$217.16	$60.85	$8,374.10
34	27	$8,374.10	$278.01	$218.70	$59.32	$8,155.40
35	28	$8,155.40	$278.01	$220.24	$57.77	$7,935.16
36	29	$7,935.16	$278.01	$221.80	$56.21	$7,713.35
37	30	$7,713.35	$278.01	$223.38	$54.64	$7,489.98
38	31	$7,489.98	$278.01	$224.96	$53.05	$7,265.02
39	32	$7,265.02	$278.01	$226.55	$51.46	$7,038.47
40	33	$7,038.47	$278.01	$228.16	$49.86	$6,810.31
41	34	$6,810.31	$278.01	$229.77	$48.24	$6,580.54
42	35	$6,580.54	$278.01	$231.40	$46.61	$6,349.14

43	36	$6,349.14	$278.01	$233.04	$44.97	$6,116.10
44	37	$6,116.10	$278.01	$234.69	$43.32	$5,881.41
45	38	$5,881.41	$278.01	$236.35	$41.66	$5,645.06
46	39	$5,645.06	$278.01	$238.03	$39.99	$5,407.04
47	40	$5,407.04	$278.01	$239.71	$38.30	$5,167.32
48	41	$5,167.32	$278.01	$241.41	$36.60	$4,925.91
49	42	$4,925.91	$278.01	$243.12	$34.89	$4,682.79
50	43	$4,682.79	$278.01	$244.84	$33.17	$4,437.95
51	44	$4,437.95	$278.01	$246.58	$31.44	$4,191.38
52	45	$4,191.38	$278.01	$248.32	$29.69	$3,943.05
53	46	$3,943.05	$278.01	$250.08	$27.93	$3,692.97
54	47	$3,692.97	$278.01	$251.85	$26.16	$3,441.12
55	48	$3,441.12	$278.01	$253.64	$24.37	$3,187.48
56	49	$3,187.48	$278.01	$255.43	$22.58	$2,932.05
57	50	$2,932.05	$278.01	$257.24	$20.77	$2,674.81
58	51	$2,674.81	$278.01	$259.07	$18.95	$2,415.74
59	52	$2,415.74	$278.01	$260.90	$17.11	$2,154.84
60	53	$2,154.84	$278.01	$262.75	$15.26	$1,892.09
61	54	$1,892.09	$278.01	$264.61	$13.40	$1,627.48
62	55	$1,627.48	$278.01	$266.48	$11.53	$1,361.00
63	56	$1,361.00	$278.01	$268.37	$9.64	$1,092.63
64	57	$1,092.63	$278.01	$270.27	$7.74	$822.36
65	58	$822.36	$278.01	$272.19	$5.83	$550.17
66	59	$550.17	$278.01	$274.11	$3.90	$276.06
67	60	$276.06	$278.01	$276.06	$1.96	$0.00

The LTOP Formula is slightly different. Calculating the TCC for the entire term uses the formula =PMT(D5/12,A9,-B4) in cell B9 to recalculate the monthly payment based on the shorter term. The number of months in the shorter term is multiplied by the recalculated monthly payment to get the total recalculated payment. The TCC is equal to the total recalculated payment minus the payments made.

9	1	$20,158.33	$20,158.33	$502.46	$19,655.87
10	2	$10,118.91	$20,237.81	$1,004.93	$19,232.89
11	3	$6,772.50	$20,317.50	$1,507.39	$18,810.11
12	4	$5,099.35	$20,397.39	$2,009.85	$18,387.54
13	5	$4,095.50	$20,477.50	$2,512.31	$17,965.18

	A	B	C	D	E	F
1			**GSA LTOP Early Cancel Charge Calculation**			
2						
3			**Lease Financials enter only in Blue shaded boxes**			
4	Net List	$20,000.00	Term in months	4 8	Payment	**$502.46**
5			Finance Rate	9.5%		
6						
7			**Recalculated Lease for actual Lease Term**			
8		**Recalc Mo Pymt**	**Tot Recalc Pymt**	**Tot Pymt Md**	**Term Charge**	

14	6	$3,426.30	$20,557.81	$3,014.78	$17,543.03
15	7	$2,948.33	$20,638.33	$3,517.24	$17,121.09
16	8	$2,589.88	$20,719.05	$4,019.70	$16,699.35
17	9	$2,311.11	$20,799.99	$4,522.16	$16,277.82
18	10	$2,088.11	$20,881.13	$5,024.63	$15,856.51
19	11	$1,905.68	$20,962.48	$5,527.09	$15,435.39
20	12	$1,753.67	$21,044.04	$6,029.55	$15,014.49
21	13	$1,625.06	$21,125.81	$6,532.02	$14,593.79
22	14	$1,514.84	$21,207.78	$7,034.48	$14,173.31
23	15	$1,419.33	$21,289.97	$7,536.94	$13,753.03
24	16	$1,335.77	$21,372.36	$8,039.40	$13,332.95
25	17	$1,262.06	$21,454.96	$8,541.87	$12,913.09
26	18	$1,196.54	$21,537.76	$9,044.33	$12,493.43
27	19	$1,137.94	$21,620.78	$9,546.79	$12,073.98
28	20	$1,085.20	$21,704.00	$10,049.25	$11,654.74
29	21	$1,037.50	$21,787.43	$10,551.72	$11,235.71
30	22	$994.14	$21,871.06	$11,054.18	$10,816.88
31	23	$954.56	$21,954.91	$11,556.64	$10,398.26
32	24	$918.29	$22,038.96	$12,059.11	$9,979.85
33	25	$884.93	$22,123.22	$12,561.57	$9,561.65
34	26	$854.14	$22,207.68	$13,064.03	$9,143.65
35	27	$825.64	$22,292.35	$13,566.49	$8,725.86
36	28	$799.19	$22,377.23	$14,068.96	$8,308.28
37	29	$774.56	$22,462.32	$14,571.42	$7,890.90
38	30	$751.59	$22,547.62	$15,073.88	$7,473.73
39	31	$730.10	$22,633.12	$15,576.34	$7,056.77
40	32	$709.96	$22,718.82	$16,078.81	$6,640.02
41	33	$691.05	$22,804.74	$16,581.27	$6,223.47
42	34	$673.26	$22,890.86	$17,083.73	$5,807.13
43	35	$656.49	$22,977.19	$17,586.20	$5,390.99
44	36	$640.66	$23,063.72	$18,088.66	$4,975.07
45	37	$625.69	$23,150.46	$18,591.12	$4,559.34
46	38	$611.51	$23,237.41	$19,093.58	$4,143.83
47	39	$598.07	$23,324.57	$19,596.05	$3,728.52
48	40	$585.30	$23,411.93	$20,098.51	$3,313.42
49	41	$573.16	$23,499.49	$20,600.97	$2,898.52
50	42	$561.60	$23,587.26	$21,103.43	$2,483.83
51	43	$550.59	$23,675.24	$21,605.90	$2,069.34
52	44	$540.08	$23,763.42	$22,108.36	$1,655.06
53	45	$530.04	$23,851.81	$22,610.82	$1,240.99
54	46	$520.44	$23,940.41	$23,113.29	$827.12
55	47	$511.26	$24,029.21	$23,615.75	$413.46
56	48	$502.46	$24,118.21	$24,118.21	$-
57	49	$494.03	$24,207.42	$24,620.67	$-
58	50	$485.94	$24,296.84	$25,123.14	$-
59	51	$478.17	$24,386.46	$25,625.60	$-
60	52	$470.70	$24,476.28	$26,128.06	$-
61	53	$463.52	$24,566.31	$26,630.52	$-
62	54	$456.60	$24,656.54	$27,132.99	$-
63	55	$449.95	$24,746.98	$27,635.45	$-
64	56	$443.53	$24,837.62	$28,137.91	$-
65	57	$437.34	$24,928.47	$28,640.38	$-
66	58	$431.37	$25,019.52	$29,142.84	$-
67	59	$425.61	$25,110.78	$29,645.30	$-

Renewal of the Lease – All leases that have annual funds shall become available for renewal at the end of the Government's fiscal years end. The ordering agency contracting officer is to provide the Lessor (contractor) with a written notice of intent (either to continue or not continue with the lease) thirty (30) calendar days prior to the renewal of the lease. The renewal of a lease is subject to availability of funding and shall not be deemed to obligate the Government succeeding fiscal year's funds or to otherwise commit the government to a renewal of the lease. However if the appropriation are available then the Order Agency Contracting Officer should issue a renewal of the lease. It is very important that the Ordering agency contracting officer provide the Contractor with the information about the renewal of the lease term to insure the stability of the lease.

Uninterrupted Use – Any assignment, sale, bankruptcy, or other transfer of the leased equipment by the Contractor will not relieve the Contractor of its obligations to theGovernment, so long as the Government is not in default. The equipment shall remain in the possession of the Government until the expiration or termination of the lease.

Assignment of Claims – In accordance with GSAR 552.232-23 and FAR 32.803, Assignmentof Claims Policies, the Ordering agency contracting officer may approve the assignment of claim for a contract order under the leasing Special Item Numbers (SINs). Contractors cannot prohibit or otherwise limit the Government's ability to setoff lease payments under any lease or assignment of a lease.

Warranty – In accordance with GSAR 552.246-73, Warranty—Multiple Award Schedule, the contractor's warranty as stated in the C3ontractor's GSA Authorized MAS price listis applicable to the lease.

Title - During the lease term, the equipment shall always remain the property of thecontractor. However in an LTOP agreement, the title passes at the lease end and the Ordering Agency owns the equipment. For an Operating Lease, the title remains with the contractor unless the Ordering Agency decides at the end of the lease term to purchase the equipment.

Loss or Damage - The Government is relieved from all risk of loss or damage to the equipment during periods of transportation, installation, and during the entire timethe equipment is in possession of the Government. But there are exceptions:

- When the loss or damage is due to the fault or negligence of the Government
- When the Government assumes the responsibility of equipment relocation

State and Local Taxes – Federal, State, and Local Taxes are not included in the contract price. The Contractor shall state taxes separately on its invoices. The Government agrees to either pay the amount of the taxes to the Contractor (based on the current value of the equipment) or provide evidence of exemption (FAR 52.229-1 - State and Local Taxes; FAR 52.229-3 - Federal, State and Local Taxes).

Rental of Equipment – An alternative to leasing or purchase is to rent the equipment under Special Item Number (SIN) 51-55 Rental Plan, SIN 51-100c Cost-per-Copier Plan, or SIN 51- 100f Flat Rate Monthly Fee Copying Plan. All three (3) of the programs monthly rental fee includes the use of equipment, maintenance services and supplies. The only concern for the User Agency is to select a model with the appropriate minimum copies included in the monthly rental fee. After the minimum number copies have been reached then there is an excess copy user fee. Please refer to Contractor's GSA MAS price list for further details on the rental programs.

For assistance with your copier requirement, contact james.boyle@gsa.gov.