

Leasing Computers versus Purchasing Computers

Leasing Personal Computers (PCs) and Laptops creates a disciplined rotation of technology. The general considerations listed below have helped South Carolina Department of Park, Recreation and Tourism (SCPRT) evaluate and embrace a leasing model for its enterprise PCs and laptops.

1. Leasing is **NOT** financing.
2. Increase Productivity – Leasing allows for the ability to take advantage of new and faster hardware. Studies have suggested from 10%-30% productivity gains from multiple monitors are possible even from common productivity tasks such as email and word processing. If new technology makes employees only 3% more productive per year substantial cost savings will result.
3. “Trickle down” scenarios (the passing down of older PCs that have been replaced by newer PCs) are avoided in the leasing model. Leasing reduces or eliminates the maintenance cost associated with these scenarios. As an example PRT was able to eliminate two full time staff dedicated to PC upgrades and trickle down in the agency. Today support is mostly software oriented instead of both hardware and software.
4. Leasing shows every worker that they are valued and increases productivity by lifting morale. Technological inequity amongst co-workers is perpetuated by a staggered purchase model.
5. Leasing creates a maintenance cost without peaks and valleys, resulting in better budget management.
6. Increased uptime due to lack of aging hardware increases productivity.
7. Newer hardware enables the latest Microsoft operating system to be run. This is important as enhancements usual provide more productivity and security features critical to a business enterprise, all leading to reduced cost. For example, Microsoft Windows 7 will increase battery life on laptops by 30% or more over Windows XP, saving dollars in aggregate on battery issues and boosting the productivity of road warriors. In addition, Windows 7 expands built-in whole disk encryption (BitLocker) to USB thumb drives, enabling a level of confidence and security for portable data on laptops for enterprise customers.
8. Standardized software rolled out as part of an image on a regular basis lowers support cost.
9. No capital expenditures are being made on a rapidly depreciating asset. Capital asset tagging is unnecessary.

10. End-of-life purchased PC's / laptops must be properly disposed of through either resale or paying a vendor. Under State term lease contract PCs/laptops can be purchased by employees at end of term, providing an additional benefit to boost morale.
11. In tight budget times, under the Non-Appropriation clause in State Leasing Contract, excess PCs / laptops maybe returned to leasing company (or sold to employees) or length of leasing contract may be extended. This again provides a level of flexibility that a purchased asset does not possess.