

Computer Leasing Analysis
22-Apr-03(reviewed March 04)
Four year cost of ownership

Case Study #1

Group of 25 computers leased for two years, turned in at end of lease, second group leased for two years, turned in at end of lease.

Fair Market Value Lease selected as least cost option

Computer unit cost = \$1086 purchase price

Total amount leased = \$27,150

Monthly payment = \$1,188.63

FMV of each unit at end of lease term assumed \$300

	Qty	Unit	Unit cost	Total
Year 1-2				
Lease Payment		24 Month	\$1,188.63	\$28,527.12
Acquisition cost (specs, quote, PO, lease)		1 contract	\$150.00	\$150.00
Cost to install new PC		25 PC	\$50.00	\$1,250.00
Cost to wipe hard drive before return		25 PC	\$15.00	\$375.00
Cost to reinstall OS & apps when returned		25 PC	\$25.00	\$625.00
Return shipping		25 PC	\$75.00	\$1,875.00
Lease Admin cost (legal contract review)		1 Hour	\$225.00	\$225.00
Payment processing		24 Month	\$27.00	\$648.00
Equipment tracking related to leased equip		2 Year	\$100.00	\$200.00
Year 3-4				
Lease Payment		24 Month	\$1,188.63	\$28,527.12
Acquisition cost (specs, quote, PO, lease)		1 contract	\$150.00	\$150.00
Cost to install new PC		25 PC	\$50.00	\$1,250.00
Cost to wipe hard drive before return		25 PC	\$15.00	\$375.00
Cost to reinstall OS & apps when returned		25 PC	\$25.00	\$625.00
Return shipping		25 PC	\$75.00	\$1,875.00
Lease Admin cost (legal contract review)		1 Hour	\$225.00	\$225.00
Payment processing		24 Month	\$27.00	\$648.00
Equipment tracking related to leased equip		2 Year	\$100.00	\$200.00
				\$67,750.24 Total 4 year cost
				\$677.50 Cost per PC per year

Case Study #2

Group of 25 computers leased for two years, purchased at end of lease for FMV and then kept in service an additional two years. Donated at end of useful life.

Fair Market Value Lease selected as least cost option

Computer unit cost = \$1086 purchase price

Total amount leased = \$27,150

Monthly payment = \$1,188.63

FMV of each unit at end of lease term assumed \$300

Year 1-2

Lease Payment	24 Month	\$1,188.63	\$28,527.12
Acquisition cost (specs, quote, PO, lease)	1 contract	\$75.00	\$75.00
Cost to install new PC	25 PC	\$50.00	\$1,250.00
Lease Admin cost (legal contract review)	1 Hour	\$225.00	\$225.00
Payment processing	24 Month	\$27.00	\$648.00
Equipment tracking related to leased equip	2 Year	\$100.00	\$200.00
FMV purchase of PC's at end of lease	25 PC	\$300.00	\$7,500.00

Year 3-4

Cost to wipe hard drive before donation	25 PC	\$15.00	\$375.00
Cost to prepare donation	25 PC	\$25.00	\$625.00
			\$39,425.12
			\$394.25 Cost per PC per year

Case Study #3 (Lowest cost option)

Group of 25 computers purchased, kept in service four years. Donated at end of useful life.

Computer unit cost = \$1086 purchase price

Total purchase = \$27,150

Year 1-4

Purchase amount	25 PC	\$1,086.00	\$27,150.00
Acquisition cost (specs, quote, PO)	1 Purchase	\$75.00	\$75.00
Cost to install new PC	25 PC	\$50.00	\$1,250.00
Payment processing	1 Purchase	\$27.00	\$27.00
Cost to wipe hard drive before donation	25 PC	\$15.00	\$375.00
Cost to prepare donation	25 PC	\$25.00	\$625.00
			\$29,502.00
			\$295.02 Cost per PC per year

Case Study #4

Group of 25 computers leased for three years, purchased at end of lease for \$1 and then kept in service an additional one year. Donated at end of useful life.

\$1 lease purchase buyout plan option

Computer unit cost = \$1086 purchase price

Total amount leased = \$27,150

Monthly payment = \$950

Year 1-3

Lease Payment	36 Month	\$950.00	\$34,200.00
Acquisition cost (specs, quote, PO, lease)	1 contract	\$75.00	\$75.00
Cost to install new PC	25 PC	\$50.00	\$1,250.00
Lease Admin cost (legal contract review)	1 Hour	\$225.00	\$225.00
Payment processing	36 Month	\$27.00	\$972.00
Equipment tracking related to leased equip	3 Year	\$100.00	\$300.00
\$1 purchase of PC's at end of lease	25 PC	\$1.00	\$25.00

Year 4

Cost to wipe hard drive before donation	25 PC	\$15.00	\$375.00
Cost to prepare donation	25 PC	\$25.00	\$625.00

\$38,047.00

\$380.47 Cost per PC per year

Case Study #5

Group of 25 computers leased for four years, purchased at end of lease for \$1 and then donated at end of useful life.

\$1 lease purchase buyout plan option

Computer unit cost = \$1086 purchase price

Total amount leased = \$27,150

Monthly payment = \$775

Year 1-4

Lease Payment	48 Month	\$775.00	\$37,200.00
Acquisition cost (specs, quote, PO, lease)	1 contract	\$75.00	\$75.00
Cost to install new PC	25 PC	\$50.00	\$1,250.00
Lease Admin cost (legal contract review)	1 Hour	\$225.00	\$225.00
Payment processing	48 Month	\$27.00	\$1,296.00
Equipment tracking related to leased equip	4 Year	\$100.00	\$400.00
\$1 purchase of PC's at end of lease	25 PC	\$1.00	\$25.00
Cost to wipe hard drive before donation	25 PC	\$15.00	\$375.00
Cost to prepare donation	25 PC	\$25.00	\$625.00

\$41,471.00

\$414.71 Cost per PC per year



Updated Lease Cost Information for 2004

Dell Financial Services

QuickLease or QuickLoan

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To estimate what your monthly payments would be according to 24, 36 or 48-month terms, enter your estimated equipment cost below.

Estimated Equipment Cost:
 \$ [Calculate](#)

Term	QuickLease			QuickLoan
	Fair Market Value Plan	10% Purchase Plan	\$1 Buy-Out Purchase Plan	60 Days Same-As-Cash
24 - Months	\$ 48 /month	\$ 51 /month	\$ 55 /month	Not Available
36 - Months	\$ 37 /month	\$ 37 /month	\$ 38 /month	\$ 42 /month
48 - Months	\$ 31 /month	\$ 32 /month	\$ 31 /month	\$ 34 /month

\$31 x 48months=\$1,488
 \$402 more to lease

• Monthly payments are estimates and do not include taxes, fees, and shipping charges. Your payment may vary dependent upon creditworthiness.

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These leasing costs are almost identical to rates quoted for 2003
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