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**DEPARTMENT OF THE AIR FORCE**
**WASHINGTON DC**

**OFFICE OF THE ASSISTANT SECRETARY**

MEMORANDUM FOR ALMAJCOMS/FOAs/DRUs 22 Sep 99

FROM: SAF/AQC
1060 Air Force Pentagon
Washington DC 20330-1060

SUBJECT: Requirement for Lease/Purchase Analysis in Awarding Contracts for Leased Equipment (Reference: DoD IG Audit Report 99-195)

Results of subject audit revealed that there have been instances where contracting officers have awarded new contracts or exercised options on existing contracts for leased equipment when no evidence exists that the appropriate lease/purchase analysis was accomplished by the requiring activity. Additionally, screening of requirements against General Services Administration (GSA) supply schedules (vehicles) or inventories of Federally-owned excess equipment has not always been accomplished by the requiring activity prior to requesting a contract award for this equipment.

Contracting officers must ensure that lease/purchase analyses have been completed as required prior to awarding new contracts or exercising options on existing contracts for which no analysis has been accomplished. The requiring activity is responsible for performing the analysis in accordance with FAR 7.4, DFARS 207.4, and DoD Instruction 7041.3. The results of the analysis must support the decision to award a contract or exercise an option for leased equipment. The results and recommendation must be documented and provided to the contracting officer with the request to award a contract or exercise an option on an existing contract for leased equipment.

Contracting officers must also obtain appropriate documentation from the requiring activity that screening against GSA schedules and Federally-owned excess inventories has been accomplished prior to awarding new contracts or exercising options on existing contracts for leased vehicles.

Questions may be directed to my action officer for this report, Ms. Kathleen James, SAF/AQCP, (703) 588-7059, or email: Kathleen.James@pentagon.af.mil

TERRY L. RANEY, Col, USAF
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