

52.207-5 Option to Purchase Equipment.

As prescribed in 7.404 , insert a clause substantially the same as the following:

Option to Purchase Equipment (Feb 1995)

(a) The Government *may* purchase the equipment provided on a lease or rental basis under this contract. The *Contracting Officer* *may* exercise this *option* only by providing a unilateral modification to the Contractor. The effective date of the purchase will be specified in the unilateral modification and *may* be any time during the period of the contract, including any extensions thereto.

(b) Except for final payment and transfer of title to the Government, the lease or rental portion of the contract becomes complete and lease or rental charges *shall* be discontinued on the *day* immediately preceding the effective date of purchase specified in the unilateral modification required in paragraph (a) of this clause.

(c) The purchase conversion cost of the equipment *shall* be computed as of the effective date specified in the unilateral modification required in paragraph (a) of this clause, on the basis of the purchase price set forth in the contract, minus the total purchase *option* credits accumulated during the period of lease or rental, calculated by the formula contained elsewhere in this contract.

(d) The accumulated purchase *option* credits available to determine the purchase conversion cost will also include any credits accrued during a period of lease or rental of the equipment under any previous Government contract if the equipment has been on continuous lease or rental. The movement of equipment from one site to another site *shall* be "continuous rental."

(End of clause)

Parent topic: 52.207 [Reserved]