

Attachment C Lease/Purchase Phone Options

The CBTS IP *Phone Model Feature Price List* provides the *eligible* list of approved equipment for the four main Equipment Service Options that are available. *Note: Equipment models not listed on the IP Model Feature Price Catalog are considered outside this agreement and are ineligible for all service options listed below.*

In addition to purchasing equipment, CBTS offers leasing through CBTS Financial Services (FS). The following options are available to each agency. They include the following:

Lease CB (LCB) – A lease is a contractual arrangement that provides telephony equipment and devices for a monthly payment per item. In this arrangement the *lessee* (State user) pays the *lessor* (CBTS FS) for use of an asset.

***Lease to Own (LTO)** – This is an arrangement where an individual enters into a lease agreement with CBTS FS with the inclusion of a clause that typically gives the individual the right, but not the obligation, to purchase the item leased at a predefined price and time. More often than not, a portion of the total rental payment goes toward paying down the value of the item leased in the event that the renter wishes to exercise the option.

CBTS Purchase – Each entity has the option to purchase the equipment from CBTS.

Source Purchase – Each entity has the option to purchase equipment from an outside vendor. However, equipment and devices are limited to those that are specified on the *authorized IP Model Feature Price Catalog*.

*Purchase Price is valid for one (1) year and tied to the purchase of a *Basic* or *Enhanced* profile. Here is the example to complete in the *Business Requirements and Technical Assessment Document*

Phone Service Option Selection (Example)

Item No.	Equipment Site Option Selected	Equipment Order Date	Effective Date of Cutover	Executive Authorization

Cost

Phone Type	Proposed Model	Unit Purchase Price*	Monthly Lease	Monthly Lease to Own	Lease to Own (LtO)
Basic	Cisco 6941	\$103.35	\$1.52	\$1.75	60 Months
Mid-Range	Cisco 8941	\$165.75	\$2.44	\$2.80	60 Months
High-End	Cisco 9971	\$462.15	\$6.80	\$7.82	60 Months
Wireless IP	Cisco 7925G	\$317.85	\$4.56	\$5.34	60 Months
Conference	Cisco 7937	\$544.05	\$8.34	\$9.60	60 Months
Administration	Cisco 8961	\$234.00	\$3.44	\$3.96	60 Months

Phone Leasing Options

The purchase price is valid for one (1) year and tied to the purchase of a Basic or Enhanced Profile.

The Lease Rate Factors (LRFs) are based on a 5-year Interest rate (SWAPS) respectively. Refer to Interest Rate SWAPS at:

www.federalreserve.gov/releases/h15/update

In the event there is an increase in the Interest Rate SWAPs between the date of this proposal and the Lease Payment Start Date, CBTS Financial Services may adjust the Lease Rate Factors accordingly.

The State may reject such increases and decline entering into the Lease.