

## Appendix A - Advantages of Purchase Option and Disadvantages of Lease Option

<b>Advantages</b>	
<b>Consideration</b>	<b>Description</b>
<b>Control</b>	Owners have full control over the asset and can use it as they see fit without the restrictions imposed by lease agreements. This flexibility can be especially beneficial for organizations with specific operational needs.
<b>Expansion of the System, and Integration</b>	The system can be expanded and integrated more easily and competitively since having ownership allows the city to go to market. Ownership will also prevent the city from having to recreate any integrations when the new contract begins.
<b>Installation and Service</b>	With ownership, the competitive bid processes can be used to get pricing from factory-authorized vendors to service the equipment. The city will also have the flexibility to change vendors more easily if the city is unhappy with the service provided.
<b>Ability to Upgrade Equipment</b>	As technology advances there may be opportunities to enhance and streamline the system. With ownership, the city has the flexibility to make these changes as it sees fit.

**Appendix A (continued) - Advantages of Purchase Option and Disadvantages of Lease Option**

<b>Disadvantages</b>	
<b>Consideration</b>	<b>Description</b>
<b>Long-Term Costs</b>	Leasing will be more expensive than purchasing over the long term. Monthly lease payments add up over time and will exceed the cost of owning assets.
<b>Restrictions and Fees</b>	Lease arrangements have the following restrictions on usage, including fees for exceeding usage. This may restrict the lessee's freedom in how assets are used.
<b>End of Contract Considerations</b>	At the end of the lease, the city will either need to negotiate a buyout of equipment that is at the mid to end of its life cycle or re-issue an RFP for completely new equipment. This will incur both internal and external costs, and repeated work (removal and re-installation of equipment, re-training of city staff on the new system, and equipment). There will be a period of downtime with limited to no cameras, while the new and old contractors change out their equipment.
<b>Removal of Vendor</b>	If the city is not satisfied with the quality of service being provided it is very difficult to remove the vendor since all the equipment is owned by them.
<b>System Integration</b>	Without owning the system any future integrations or upgrades that the city wishes to undertake may require changes to the lease agreement and will need to be undertaken again at the start of the new lease contract by the new vendor.