

# The Purchasing Post

## NEED A LOAN?

The State of Kansas Equipment Lease Purchase Program, also known as the Master Lease Purchase Program (MLPP), is available to State agencies for the lease purchase of equipment at low, tax exempt interest rates, generally at a much lower cost than vendor or third party financing. The Program is administered through the Department of Administration. The Program began in 1985 with the issuance of Certificates of Participation and has evolved to the current Program that utilizes a line of credit to provide low interest, lease purchase financing of equipment. To date, \$149 million in equipment has been financed or refinanced by the State. Communication systems, medical equipment, laboratory equipment, vehicles, copiers, computers, software, and printers are a few examples of the types of equipment the Program has financed. The MLPP is for equipment only; it is not for financing of software only or services, such as consulting, training, etc.

The State of Kansas Department of Administration's current contract is with Citimortgage, Inc., which expires April 7, 2009. Two, three, four, five and six-year financing terms are available. The financing term should not exceed the useful life of the equipment. Payment schedule can be monthly, quarterly, semi-annually, or annually. Payment due dates are also arranged to meet the department's needs.

Interested? More info is available at the State of Kansas Accounts & Reports web-site –

<http://www.da.ks.gov/ar/genacct/leasepurch.htm>

Kansas State University already has a signed agreement with the State for this program. Several departments have purchased items from computers to vehicles via the loan program quite successfully. Contact the K-State Purchasing Office for the University's MLPP process and we will help set up a loan to meet your needs.



## Financing Info

The average interest rates for the quarter ending December 31, 2008 were:

**2 YR.** 2.99%

**3 YR.** 3.38%

**4 YR.** 3.62%

**5 YR.** 3.83%

**6 YR.** 4.05%

Actual rate will vary depending on the dollar amount and when the loan is locked in. The rate in effect at the time a piece of equipment is financed will remain fixed for the remainder of its financing term.

**NOTE:** A new contract is being bid and negotiated at this time. The vendor and rates are subject to change.

