

## **GS \$Mart Salvage Rider**

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Created as another cost-saving financing option for State of California agencies and local governments, the GS \$Mart Salvage Rider offers an operating lease at tax-exempt rates. This rider differs from the Lease \$Mart program in two very important ways; first, title passes to the customer upon acceptance, whereas in Lease \$Mart title does not pass, and second, Lease \$Mart's lease factors are based on commercial rates opposed to tax-exempt rates. For these two reasons, the GS \$Mart Salvage Rider is a valued option to consider if the customer is sure that they want the equipment to "disappear" at the end of the term, thus alleviating the burden of salvaging the equipment themselves. And considering the rapid obsolescence of information technology equipment, the GS \$Mart Salvage Rider also doubles as a "forced refresh" to newer technology. If the equipment is purchased or has to be extended at the end of the term the original Contract/Purchase Order must also be extended to show the added cost to the Contract/ P.O. before the state can make payments for the purchase or extension of the equipment.

The GS \$Mart Salvage Rider requires a "Salvage Company," chosen through a competitive bidding process conducted by the customer-selected GS \$Mart Lender, to pay, up front, the "Salvage Price" of the equipment being procured (the Salvage Price is the value of the equipment at the end of the contract term, as determined and quoted by the Salvage Company in their response). Due to constraints with our Lenders and Salvage Company, we will not do Salvage Rider deals less than \$100,000. The ideal amount for Salvage Rider deals would start at \$250,000. This Salvage Price is paid to the Lender by the Salvage Company and becomes part of the total payment price of the equipment, with the remaining amount financed by the Lender (similar to a typical GS \$Mart Alpha Plan transaction). Title to the equipment passes to the State upon acceptance, then at the end of the contract term, title to the equipment, as well as the physical equipment itself, passes immediately to the Salvage Company.

[Salvage Rider Terms and Conditions](#)

[Salvage Rider Payment Schedule Format, Provisions and Notes](#)