

May 23, 2001

MEMORANDUM

To: All State Agencies, the Court System, the University and Community College System and the Legislative Counsel Bureau

From: William C. Moell, Administrator

Subject: Consumer Alert

Last legislative session, a section was added to NRS 332 allowing government entities throughout the State of Nevada to join onto contracts bid by other government entities. Overall, this has been an excellent program. State Purchasing reads carefully potential contracts and only enjoins when it is in the best interests of the State.

Vendors, however, have a tendency to promote the contract most advantageous to them. We have been made aware of a lease on a copy machine that has the following terms:

Term:	5 years
Escape clause:	None
Interest:	8% per year
Price escalation:	10% per year
End of contract terms:	Agency is responsible to notify vendor 30 days in advance or continue paying per the original terms.

The copier was purchased using a local school district contract and the terms are, needless to say, burdensome. We urge caution and consultation with this office before entering into any agreement of this kind.