



State Procurement Manual

Department of Administration, State Bureau of Procurement

Number
PRO-208

Section	Effective	Replaces
PLANNING AND PROCUREMENT STRATEGY	9/16/19	PRO-E-19 (1-1-82)
Title	Page	
LIFE CYCLE COSTING	1 of 1	

SCOPE: The purpose of this policy is to establish the requirement to use life cycle costing where applicable and to provide guidance on the construction of life cycle cost formulations.

POLICY: Pursuant to s. 16.75(1m), Wis. Stats, orders and contracts made by the state for materials, supplies, equipment and contractual services shall be awarded based on life cycle cost estimates whenever such action is appropriate.

When life cycle cost considerations are used, the bid or proposal selected may not be the lowest initial cost. See PRO-305, Basis for Bid Awards and PRO-308, Basis of Award for Competitive Negotiation (RFP).

- PROCEDURE:**
- I. Use of Life Cycle Costing
 - A. When life cycle costing is used, the terms, conditions and criteria or methodology shall be applied as incorporated into the solicitation.
 - B. The life cycle cost formula includes, but is not limited to, the applicable costs of energy efficiency, acquisition and conversion, money, transportation, warehousing and distribution, training, operation and maintenance, and disposition or resale.

II. Technical Guidance

The department, through the State Bureau of Procurement (Bureau), is available to provide guidance upon request for constructing life cycle cost formulations.



Legal Authority

Wis. Stats. s. 16.75(1)(a); (1m) (a) and (b)

Agencies Affected: All, unless otherwise noted

Authorized:

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