FEMP Federal Energy Management Program

BERKELEY LAB

TAKE FIVE TO SAVE COSTS & THE CLIMATE

Life Cycle Costs
For Acquisition

Life cycle cost accounts for the total cost of ownership over a product's lifetime. By law, buyers need to purchase the product with the lowest life cycle cost.*

Life Cycle Cost Includes?

Example Calculation

Lightbulb

Initial Cost : $10

+ Energy Cost : $20

Life Cycle Cost : $30

$0.10/kWh
ENERGY PRICE

20 kWh/year
ENERGY USE

10 years
LIFETIME

Energy efficient products use less energy. This means lower energy costs and lower life cycle costs

Guidance on Life Cycle Cost

Under FAR Part 23, buyers can assume a product is life cycle cost effective if it meets the FEMP-designated efficiency level or is ENERGY STAR certified.

For more information:

FEMP guidance on efficient products

For each product, compare life cycle cost savings of efficient and base models

	Base Model	ENERGY STAR
SEER2 Efficiency	14.3	15.2
Annual Energy Use	10,244	9,777
Annual Energy Cost	$885	$844
Lifetime Energy Cost	$10,014	[illegible]
Lifetime Cost Savings		$457

This table says an ENERGY STAR product saves over $400 in energy costs compared to a typical/base model.

Sustainable Facilities Tool

SF TOOL sftool.gov

Life Cycle Perspective

Find general information and guidance on life cycle perspective

Explore

Compare life cycle costs for different types of products

*Federal agencies must consider life cycle cost when purchasing products (FAR Part 23, 42 USC §8259b(b)(2)).

For the Take Five series of short videos on sustainable purchasing, visit FEMP's Energy Efficient Product Procurement training webpage

DOE/FEMP-0029