



Municipal Technical Advisory Service
INSTITUTE for PUBLIC SERVICE

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Life Cycle Cost and Procurement Act Summary

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Reference Number: MTAS-2041

The state chief procurement officer will determine which commodities and products may be bought according to energy efficiency standards. The state must adopt rules and regulations relative to energy efficiency standards for major energy-consuming products. Life cycle costs are to be used in contracting for major energy-consuming products. In determining life cycle costs, the state may consider:

- Acquisition cost of the product,
- Energy consumption and projected cost of energy over the useful life of the product, and
- The expected re-sale or salvage value of the product.

Except where prohibited by private act or state law, the municipality must adopt the energy efficiency standards and life cycle costing employed by the state. The municipality may develop and adopt its own energy efficiency standards, provided they are more stringent than the state standards.

The T.C.A. citation for this topic is T.C.A. §§ 12-3-901 *et. seq.*

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