



WHOLE LIFE COST POLICY

For

LIGHT YEARS AHEAD LIMITED

136 Bentwaters Parks

Rendlesham

Suffolk

IP12 2TW

January 2005

Introduction

Light Years Ahead Ltd is a leading manufacturer of specialised lighting products and systems for Central and Local Government Departments and Agencies. In association with the Home Office, HM Prison Service and NHS Estates, ranges of specially designed and engineered luminaires have been developed to meet the very stringent requirements of current legislation in respect of Health & Safety, Corporate Responsibility, Duty of Care, Fitness for Purpose and Best Value. The designs, performance and engineering of these ranges of lighting products focus on achieving the very highest standards, often successfully exceeding current international testing criteria, to ensure ultimate performance and minimal **Whole Life Costs (WLC)**.

UK Government Procurement Policy

All public procurement of goods and services, including works, is based on value for money (vfm), having due regard to propriety and regularity. Vfm in procurement is defined as "the optimum combination of **Whole Life Cost** and **Quality (Fitness for Purpose)** to meet the customer's requirement". It is incumbent on suppliers, therefore, to provide specific data on the true costs on the operation and maintenance of their products.

Whole Life Cost (wlc)

Wlc is about understanding the balance between Capital Costs and Costs in Use (also called Revenue costs and Life Cycle costs) to deliver the performance or service level required for that product or service. It is generally accepted now in both Public and Private Sector markets that a main focus on the lowest capital cost as the measure for procurement, leads inevitably to much earlier re-purchase and much higher maintenance and repair costs over the life cycle of the product. This is compounded when an opportunity cost is factored in to take account of the product being out of use or functioning at lower than optimum performance levels.

The relationship between capital cost, cost in use and cost to the user, or Whole Life Cost, is the case of a Light Years Ahead product/s is as follows: -

Example:

<u>Product Code</u>	<u>Capital Cost £</u>	<u>Product Life yrs</u>	<u>Cost in Use £</u>	<u>Cost/annum £</u>	<u>Whole Life Cost £</u>
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WHOLE LIFE COST - £