§ 436.12 Life cycle cost methodology.

The life cycle cost methodology for this part is a systematic analysis of relevant costs, excluding sunk costs, over a study period, relating initial costs to future costs by the technique of discounting future costs to present values.

Non-recurring costs means costs that are not uniformly incurred annually over the study period.

Non-water operation and maintenance costs mean material and labor cost for routine upkeep, repair and operation exclusive of water cost.

Recurring costs means future costs that are incurred uniformly and annually over the study period.

Replacement costs mean future cost to replace a building energy system or building water system, an energy or water conservation measure, or any component thereof.

Retrofit means installation of a building energy system or building water system alternative in an existing Federal building.

Salvage value means the value of any building energy system or building water system removed or replaced during the study period, or recovered through resale or remaining at the end of the study period.

Study period means the time period covered by a life cycle cost analysis.

Sunk costs mean costs incurred prior to the time at which the life cycle cost analysis occurs.

Time-of-day rate means the charge for service during periods of the day based on the cost of supplying services during various times of the day.

Water conservation measures mean measures that are applied to an existing Federal building that improve the efficiency of water use, reduce the amount of water for sewage disposal and are life cycle cost effective and that involve water conservation, improvements in operation and maintenance efficiencies, or retrofit activities.