

## Life Cycle Procurement

It is the policy of TUCO Ltd to adopt a life cycle approach to tendering, and ongoing Contract Management.

Total Cost of Acquisition (TCA) also known as Total Cost of Ownership (TCO) – is a concept that includes all the costs associated with buying, using & disposing of goods, services, or assets.

In looking to encompass TCA / TCO TUCO Ltd takes the procurement route of ‘Most Economically Advantageous Tender’. This requires a balanced approach between weighting criteria used within the procurement process such as Price & Quality for example.

- Price
  - Purchase Price
  - Delivery & Installation (if necessary)
  - Running costs, including
    - Costs of technical support, warranties, licences, maintenance and service
    - Consumables
    - Energy consumption
  - Cost of Obsolescence & Depreciation
  - Cost of Disposal
- Quality
  - Technical merit
  - Functional characteristics
  - Sustainability & Environmental characteristics, including
    - Ecological merits
    - Social value
    - Ethics
  - MI availability and support
  - Audit capability

Other criteria may be added, for instance (but not limited to)

- Agility and ability to respond to contingencies
- Customer care policies
- Continuous improvement
- Performance standards, quality control, self monitoring and complaints handling.



TUCO LTD procurement staff is quite clear in their understanding of 'Cradle to Grave' procurement, this approach being embedded in the culture of the organisation.